



# **A Network Perspective of Value Co-Creation in Cross-Border Relationships: Changing from 'One of Them' to 'One of Us'**

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## ABSTRACT

For SME exporters, developing an effective value co-creation strategy appears to be a good way to overcome resource constraints and other market structural barriers in internationalisation. As an emerging topic in the marketing literature, value co-creation is mainly studied in B2C markets, and the understandings of value co-creation are still quite fragmented and abstract with limited empirical investigations. Inspired by the recent development of the business network theory and S-D logic, my thesis presents a new theoretical framework for value co-creation in cross-border business relationships. Through an in-depth case study, this research confirms ten propositions in relation to the theoretical framework and identifies the most important motives, attributes and outcomes of value co-creation. Some insights in the case are unique to value co-creation, such as hierarchical resource integration. The findings in this research indicate that the co-creation of symbolic value and the emerging value co-creation network will benefit participating firms and also attract more firms to join. Compared with other types of business relationships, the uniqueness of value co-creation is the significant interplay of trust and resource integration. More importantly, this study shows the creation of a novel network, including both B2C and B2B markets, which is wider than the integration of the prior individual networks. Overall, this new value co-creation network is competitive and viable for SME exporters to overcome internationalisation barriers. It also shifts the network position from being ‘one of them’ to becoming ‘one of us’ in the eyes of local network incumbents in the export markets. This is the fundamental goal that a SME exporter may achieve in the export market, for the benefit of long-term survival and growth.

**Key words:** value co-creation, trust, resource integration, symbolic value, value co-creation network



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## INTRODUCTION

Small and Medium-sized enterprises (SMEs) play an increasingly significant role in global markets in recent decades, mainly because of the reduction and removal of trade barriers, governments' regulatory initiatives as well as the rapid development of open source innovation and communication technologies (Fernández & Nieto, 2006; Knight, 2000; Lawrence, Collins, Pavlovich, & Arunachalam, 2006). Despite their fast growth, SMEs still have to encounter both internal and external constraints and barriers which larger firms are not or less exposed to. Major barriers in SME internationalisation include financial and resource limitations, weaker capabilities to formulate efficient exporting strategies, insufficient government supports and different institutional environments (Fernández & Nieto, 2006; Peng, Wang, & Jiang, 2008; Shaw & Darroch, 2004).

Exporting is one of the most preferred approaches for SMEs in participating globalisation due to less commitment required and lower-level risks involved in exporting, compared with other equity-based market entry modes such as joint venture and wholly-owned subsidiaries (Lages & Montgomery, 2004). A large magnitude of research on SME exporting appears to propose strategy formulation based on certain parts of business operations, such as export promotion strategy (for example, Liang, 1992; Miesenbock, 1988), export product strategy (for example, Brouthers & Xu, 2002), and export channel integration strategy (for example, Aulakh & Kotabe, 1997; Klein, Frazier, & Roth, 1990). Although the amount of SME exporting research appears to be ample, one main drawback of these studies is that they mostly take a firm-centric view of competitive advantages and view customers as exogenous actors who passively receive the products and services offered by firms. However, as global competition becomes brutal, this firm-centric view can no longer assure a firm's sustainable success (Mukhtar, Ismail, & Yahya, 2012; Zhang & Chen, 2008). One key reason for such a dramatic paradigm shift is the changing role of customers from isolated and passive recipients to connected, informed, empowered and active players, both in business-to-customer (B2C) markets and in business-to-business (B2B) markets (Prahalad & Ramaswamy, 2004a). Firms, either large or small, now face the challenge of losing control and power they traditionally enjoy in the manufacturer-driven production process. Consequently, it becomes more difficult for firms to capture customer needs and achieve customer satisfaction. This challenge has given rise to a new logic which views customers as endogenous actors and co-creators of value with firms, what is called Service-Dominant Logic (S-D logic) (Lusch & Vargo, 2006; Vargo & Lusch, 2008). Customers now have

become a new source of competitive advantages that can be explored in each part of business activities (Gentile, Spiller, & Noci, 2007; Mukhtar et al., 2012; Prahalad & Ramaswamy, 2004b). Deeper-level collaborations and intense interactions between firms and customers are imperative because it is the “interactive relativistic preference experience” that creates customer value (Holbrook, 2005, p. 2). For SME exporters, developing an effective value co-creation strategy appears to be a good way to overcome resource constraints and other market structural barriers in internationalisation. However, the process of value co-creation between foreign SMEs and local customers has not been explored in the past export research.

The involvement of customers in every business activity forms the central standpoint of view in value co-creation literature. Although existing literature on value co-creation is abundant, theories on value co-creation are still fragmented and abstract (Payne, Storbacka, & Frow, 2008; Saarijärvi, 2012). Research of value co-creation is particularly scarce in the B2B context. Furthermore, various points of view regarding value co-creation have been proposed but little empirical research is conducted except for several case illustrations in few studies. In addition, the limited studies on value co-creation have mainly investigated what factors are important in value co-creation (Gentile et al., 2007; Grönroos & Ravald, 2011), but they have largely overlooked the process of value co-creation – that is the ‘how’ question. The past research in this area provides limited implications for business practitioners, particularly in the context of cross-border collaborations.

Building upon the value co-creation constructs in the S-D logic in the marketing literature, I will also seek inspiration and insights from international business theories, such as the Uppsala School’s theory of firm internationalisation and business network theories. The recently revised network model of internationalisation by Johanson and Vahlne (2009) highlights the dynamics of a business network development in a cross-border context and stresses the importance of being an insider in business networks. By integrating the business network perspective with the value co-creation literature, I argue that a value co-creation based export strategy may follow the logic and paths in the development of business networks as the firm’s internationalisation advances. Inspired by the recent development of the business network perspective and S-D logic, the present study aims to develop a new theoretical framework for understanding value co-creation in cross-border business relationships. Specifically, the main purpose of this thesis is to explore how foreign SMEs co-create customer value in cross-border collaborations with Chinese business partners and consumers.

This thesis chooses China as its research context primarily because China has become the largest emerging market in the world due to its rapid economic development and huge consumer base (UNCTAD, 2009). While China provides promising market opportunities, the uncertainty of the China market and uniqueness of institutional environment present new levels of challenges for foreign SMEs (Chen, Ellinger, & Tian, 2011; Puck, Holtbrügge, & Mohr, 2008). Chinese collectivist culture values the concepts such as “sharing” and “collaboration” in social norms as well as in business practice (Hofstede, 2001). The collectivist cultural and social norms provide another theoretical reason for this thesis to examine the relevance of the theories and concepts out of the Western individualist cultural context. In other words, this research aims to provide an intercultural understanding of value co-creation by examining the strategy and practice of foreign SMEs in collaborating with Chinese partners or consumers. Ultimately, I will attempt to apply the business network view to explore the key drivers of value co-creation (such as opportunities, commitment, learning, network position), key attributes of value co-creation (such as emotional and value-in-use customer experience, resource integration, new knowledge creation, insidership) and the key outcomes of value co-creation (such as emotional, economic, functional, symbolic customer value) in the SMEs internationalisation process. Departing from the most value co-creation studies that tend to focus on consumer markets, this thesis seeks to gain some insights in value co-creation in industrial markets. Both of the terms “customers” and “consumers” in this thesis particularly refers to the end-users of the offerings provided by firms.

To realise the objectives of the research, the remaining of the thesis will be structured as follows. Key findings and arguments from existing literature will be reviewed in the ‘Literature Review’ section. A conceptual framework and research propositions will be developed in the ‘Conceptual Development’ Section. In the ‘Research Design’ section, the methods of collecting and analysing data will be discussed. It follows that the description of the empirical case will be given in the ‘Case Study’ section. The ‘Case Findings and Analysis’ section will present an examination of the propositions and research questions based on the analysis of insightful empirical findings. The discussion of the findings in relation to the literature and their practical implications, followed by research limitations and future research directions, will be discussed in the ‘Discussion’ and ‘Conclusions’ sections.



## **LITERATURE REVIEW**

### **SME Exporting**

Exporting has been studied extensively as one of the most common approaches for firms, particularly SMEs, to participate in the global market over decades. However, exporting arguably remains as an area requiring more and deeper investigations due to the descriptive nature of the past exporting studies (Leonidou & Kaleka, 1998; Leonidou, Katsikeas, & Coudounaris, 2010). Among the issues that have been covered in the exporting literature, factors that influence (stimulate or hinder) firms' export behaviour are the most popular topic from 1980s (Leonidou et al., 2010). For example, based on the sample of manufacturing firms in Pennsylvania, Culpan (1989) specifically examines the impact of firm size on export behaviours with regard to export products, market selection and export performance. Jaffe and Pasternak (1994) find that organisation readiness positively stimulates both past-exporters and non-exporters to export while the perception of risks influences the decision makings of past-exporters. Learning-orientated motivations (such as exploitation of past experiences and acquisition of new skills) are also one of the significant factors that the past research finds guiding firms' decisions of exporting as the initial or early international market entry mode (Burpitt & Rondinelli, 2000; Yeoh, 2004). Table 1 summarises the schemes of the major past studies on firms' export factors (both stimuli and barriers) in the last two decades. Exporting has been view as a proactive strategy to acquire new competitive advantages by expanding to international markets, or a reactive strategy to better defend domestic markets. However, it is worth noting that both larger firms and SMEs are apt to export despite some organisational or market structural barriers, if an appropriate strategy is put in place. Export strategy appears more important for SMEs than for larger firms because SMEs lack the resource and experiences required for other market entry modes such as joint venture and greenfield operation.

**Table 1: A Summary of Studies on Firms' Export Factors**

Studies	Research context	Key schemes	Key factors
Cavusgil and Naor (1987)	Survey of US manufacturing firms	Test the differences of the firm and management characteristics and activities of previous exporter and non-exporter	(1). Information-seeking intensity; (2). Scope of the firms' domestic market (3). Perceived risks of exporting (4). Company size (5). Management expertise (6). National middleman network
Katsikeas and Piercy (1993)	Survey of Greek food manufacturers exporting to Europe	Investigate the factors that stimulate exporting firms to continue and sustain export activities	(1). Domestic market pressures (2). Managerial international outlook (3). Fortuitous conditions (4). National export policy (5). Export product market match
Aksoy and Kaynak (1994)	Survey of UK Fruit and vegetable firms	Apply marketing management techniques and general theory of export marketing to investigate firms' export behaviour, export objectives, export stimuli, and export inhibitors	Stimuli: (1). Excessive domestic production capacity (2). Cultural proximity (3). Government supports (4). Unsolicited orders Inhibitors: (1). Managerial shortcomings (2). Distance and climatic adversities (3). Political barriers (4). Sale risks: sales on consignment
Katsikeas (1996)	Survey of Cypriot light manufacturing firms	Investigates stimuli for the decision of Cypriot manufacturers to develop and maintain export activities within EU and discovers differences between regular and sporadic exporters	(1). Export minded managers (2). Opportunity to better utilise management time (3). Attractive profit and growth opportunities overseas (4). Receipt of unsolicited orders (5). Opportunities to increase export markets and reduce market-related risk (6). Possession of unique products (7). Ability to modify products easily for export markets (8). Managerial beliefs about the value of exporting (9). National export policy (10). Reduction of tariffs (11). Production capacity availability



**Table 1 cont'd**

Studies	Research context	Key schemes	Key factors
Moen (1999)	Survey of manufacturing firms in Norway	Investigates different export motives and performances for firms with different firm size and competitive advantages	(1). Profit potential (2). Reduce dependence of home market (3). Demand in export markets (4). Positive export experience (5). Small home market (6). Part of expansion (7). Initiative from abroad (8). Contracts at e.g. trade shows (9). Unsolicited order (10). Excess capacity (11). Stagnating home market (12). Government incentives
Pope (2002)	Survey of US export SMEs	Investigates the motivations for small firms to export	(1). Higher profits (2). Unique product (3). Technological advantage (4). Special knowledge (5). Management interest (6). Tax benefits (7). Economies of scale (8). Avoid missing opportunities (9). Excess inventory (10). Declining domestic sales (11). Excess capacity (12). Domestic market saturated
Leonidou (2011)	Survey of Cypriot manufacturing firms	Identifies the most common export stimuli for Cypriot manufacturers according to previous literature and categorises stimulating factors into groups	(1). Domestic market constraints (2). Export benefits/opportunities (3). Fortuitous forces (4). Managerial/enterprise competence (5). External agent incentives (6). Internal company problems (7). Product/information exclusivity (8). Domestic competition

Export strategy matters for export performance: this is a consensus in the export literature. SMEs are in a disadvantageous position when competing with larger firms as larger firms can leverage off their cost/price advantages and organisational capabilities (Lages & Montgomery, 2004). According to the export literature, SMEs face the liability of smallness, newness as well as foreignness in the internationalisation due to their limited capabilities and experience. The liability of smallness makes it hard for SMEs to obtain critical resources including capital and staff in the overseas markets (Aldrich & Auster, 1986). SMEs are also constrained by the liability of newness, which is mainly the difficulties to establish business relationships with the incumbent firms and local consumers as new entrants to the

markets (Lu & Beamish, 2006). Meanwhile, the liability of foreignness concerns the barriers and issues result from the lack of local knowledge and experiences in the overseas markets (Hymer, 1976).

To improve export performance, SMEs have to strategically explore and acquire new competitive advantages. A growing interest in the export literature is on exporter-importer relationships and external collaborations, owing to the key role of customer satisfaction in determining export success. Leonidou and Kaleka (1998) examine seller-buyer relationships through multi-dimensional behavioural factors. The results in their study show that a higher degree of export involvement will strengthen the seller-buyer relationships. Specifically, greater resource allocation and higher-level managerial commitment lead to higher levels of trust and greater feelings of satisfaction, and then in turn translate into substantial partnership dependence and intense cooperation. Research on national or international collaborations reveals a positive impact of collaboration on export performance. For example, external collaborations are found to strongly influence SME turnover growth and profitability (Robson & Bennett, 2000) as well as the performance of international new ventures in young high-technology manufacturing industries (Shrader, 2001). Andersen (1999) also finds that technological collaborations in international subcontractor relationships enable knowledge to be transferred and exchanged more easily. Despite the progress in understanding collaborative relationships in the literature, export strategy is still largely constrained by the traditional marketing and business management logic – goods-dominant logic: firms formulate strategies to create value by producing goods or services and then market them to consumers; consumers are seen as exogenous actors who passively receive products or services provided by firms. Apparently, this firm-centric view of strategies cannot assure a firm's sustainable success in the new century featured by the revolutionary, salient and active role of customers (Prahalad & Ramaswamy, 2004a).

Despite the lack of research of customer involvement in export strategy, the recently revised internationalisation process model by Johanson and Vahlne (2009) attains a business network perspective to explain cross-border collaboration activities. As opposed to the traditional view of internationalisation which focuses on market entry and management change, the authors perceive the business environment as “a web of relationships, a network”. It is the development of the network that dominates

international business decisions. The revised business network internationalisation process model comprises of four variables: “knowledge opportunities” and “network position” as two state variables; “relationship commitment decisions” and “learning, knowledge creation, trust building” as two change variables. The relationships among multilateral variables define internationalisation as an on-going and recursive process without a clear starting point or finishing point.

Overall, several conclusions can be drawn from the existing export literature. First, western countries (mainly North America and European countries) are the major research contexts in the studies of export behaviours. Studies on how foreign SMEs export to an uncertain but promising emerging market like China is rather scarce. Second, a more informed and initiative role of customers in business interactions requires a new thinking of export strategy - I call a shift from firm-centric towards customer-centric, and from the focus on value-exchange to on value co-creation. Third, the business network perspective of internationalisation by Johanson and Vahlne (2009) provides a theoretical linkage between SME export strategy and customer involvement or value co-creation in a cross-border context; I will return to this point in the section of conceptual development.

### **Value Co-creation**

Despite the economic benefits and value for customers from mass production and customised product solutions by firms, customers are still not satisfied (Zhang & Chen, 2008). Propelled by multiple communication technologies and channels, knowledgeable customers are now active participants in value creation process rather than outsiders of the value creation box which is traditionally controlled by manufacturers. Customers are becoming more and more informed, connected, empowered, and active (Prahalad & Ramaswamy, 2004a). The evolutionary role of customers requires firms to build intense multi-directional dialogue with customers and involve customers as close collaborators in each part of business operations. Ultimately, value is extracted and created from the interactive experience in the close collaborations (Payne et al., 2008). However, the challenges for firms in value co-creation are the evolving rules and unclear boundaries of interactions and also the sharing of the outcome of value co-creation (Prahalad & Ramaswamy, 2004a). These challenges magnify themselves even more in cross-border relationships where parties

in the relationships may come from different cultural networks that do not share the same business norms and values (Skarmeas, Katsikeas, & Schlegelmilch, 2002; Zhang, Cavusgil, & Roath, 2003).

The theory most commonly applied for understanding value co-creation is service-dominant logic (S-D logic) (Vargo & Lusch, 2004). Departing from the goods-dominant logic which sees customers as receivers of value, S-D logic regards customers as “a co-creator of value” (Lusch & Vargo, 2006: 284). Following this logic, both firms and customers are resource integrators participating in interactive networks in service systems (Vargo et al., 2008). This theory has ten fundamental premises (see Appendix 1). In this regards, the role of firm is no more than providing prerequisites for value or value propositions. Goods are only the vehicles of services (Edvardsson, Tronvoll, & Gruber, 2011; Flint, 2006; Vargo & Lusch, 2008). Continuous interactions and dialogues between firms and customers construct personalised experience that is the basis of unique value (Prahalad & Ramaswamy, 2004b; Vargo et al., 2008). In other words, value is not created by firms in the manufacturing process but created by customers through use (Lusch & Vargo, 2006). A key contribution of S-D logic to marketing is that this logic diverts the attention of academics and practitioners from value in exchange to value in use. The relational and network nature of value creation makes the customer endogenous in the value creation process.

Vargo et al. (2008) provide an overview of major differences between goods-dominant logic and S-D logic in terms of value creation (see Table 2). Taking these authors’ discussion regarding the creators of value and process of value creation into the B2B context, it can be seen that business partners can also participate in the value co-creation process as long as they create value through use. This perspective is reflected in the discussion of S-D logic in B2B markets by Grönroos (2008: 281) when he argues the supplier is “a value facilitator, but during interactions with its customers, the firm may become a co-creator of value”. Cova and Salle (2008: 271) push this point a step further by arguing that a value co-creation process should “involve actors from both the supply network and the customer network”. In this sense, B2B markets provides an equally important context as B2C markets to analyse value co-creation between firms and other network players including customers, distributors and other parties.

The growing interest in S-D logic and value co-creation in recent years leads the development of various propositions and theoretical frameworks, most of which however are conceptual. Prahalad and Ramaswamy (2004a) propose a DART model comprising four key building blocks of value co-creation: dialogue, access, risk assessment and transparency. The authors further suggest that different combinations of the four elements will create new and important capabilities for firms to better co-create value with customers.

**Table 2: G-D logic vs. S-D logic on Value Creation**

	<b>G-D logic</b>	<b>S-D logic</b>
Value driver	Value-in-exchange	Value-in-se or value-in-context
Creator of value	Firm, often with input from firms in a supply chain	Firms, network partners, and customers
Process of value creation	Firms embed value in “goods” or “services”, value is “added” by enhancing or increasing attributes increase wealth for the firm	Firms propose value through market offerings, customers continue value-creation process through use
Purpose of value	Increase wealth for the firm	Increase adaptability, survivability, and system wellbeing through service (applied knowledge and skills) of others
Measurement of value	The amount of nominal value, price received in exchange	The adaptability and survivability of the beneficiary system
Resources used	Primarily operand resources	Primarily operant resources, sometimes transferred by embedding them in operand resources-goods
Role of firm	Produce and distribute value	Propose and co-create value, provide service
Role of goods	Units of output, operand resources that are embedded with value	Vehicle for operant resources, enables access to benefits of firm competences
Role of customers	To “use up” or “destroy” value created by the firm	Co-create value through the integration of firm-provided resources with other private and public resources

Source: page 148 in Vargo, Maglio, and Akaka (2008)

Payne et al. (2008) present a process-based framework consisting of three main processes of value co-creation: customer, supplier and encounter. The authors assert that both suppliers and customers create experience and accumulate learning in different types of encounters. Such learning process and encounter experience will improve the design of relationships and enhance co-creation activities in the future. Thus, the interactive and recursive nature of co-creation is revealed. This framework provides an in-depth analysis of value co-creation by identifying the encounter process as the centre of value co-creation, and the learning process only provides improvements for further interactions which make the co-creation recursive. These authors' view corresponds with the propositions proposed by Grönroos (2008), the central points of which are that value co-creation happens during interactions rather than all suppliers' business process and the fundamental role of suppliers is value facilitators. This notion is further refined by Grönroos and Ravald (2011). The authors divide suppliers' process into production phase which provides prerequisites (products or services) for customers to create value; and interaction phase in which the supplier may become a value co-creator during interactions. Overall, one common point of view can be inferred: value is contextual and created in the interactive environment that can be designed by firms, but encounter experience is the source of value defined by customers. On this point, Payne et al. (2008) is in accordance with Prahalad and Ramaswamy (2004b: 7) who perceive interactive experience as "the basis for value creation". S-D logic discusses value co-creation in services (Vargo & Lusch, 2004). The application of value co-creation in services is further examined by Ueda, Takenaka, and Fujita (2008). By classifying value creation into three classes, namely providing value (Class I), adaptive value (Class II) and co-creative value (Class III), the research proposes the concepts of "manufacturing-oriented service" and "service-oriented manufacturing" in order to realise value co-creation in both manufacturing and service sectors.

Mukhtar et al. (2012) propose a hierarchical classification of value co-creation by integrating the concept of value co-creation into the hierarchical model of customer value initially proposed by Woodruff (1997). Central to this framework is to know different customers' goals in terms of products and use experiences, and design specific product attributes and suitable environments to fulfil customers' goals and

realise customer value. The specific emphasis on customer value in this study extends the understanding of value co-creation since customer value is the base of new competitive advantages (Woodruff, 1997). In that respect, this research agrees with Gentile et al. (2007) who also perceive realisation of customer value as one important goal for the value co-creation process. Although the above frameworks and models enhance the understandings of the interactive process and key building blocks of value co-creation, none of these studies approach value co-creation from the value outcomes perspective. In other words, different value outcomes (for example, economic, functional, symbolic or emotional) may determine different value co-creation dimensions and also the drivers of these dimensions.

Customers can be co-players in business activities in a various way. In other words, value co-creation may take different forms. For instance, Prahalad and Ramaswamy (2004a) assert that firms co-create value with customers by building dialogue and access in firms' manufacturing process. In this regard, value co-creation takes the form of co-production which highlights customer involvement in the production process (Auh, Bell, McLeod, & Shih, 2007; Lusch & Vargo, 2006). Co-creation may also occur in the marketing process (Cova, Dalli, & Zwick, 2011; Cova & Salle, 2008; Vargo & Lusch, 2008), particularly with the influence of social media (Desai, 2009) and the rising popularity of experiential marketing (Gentile et al., 2007). Additionally, the conception of co-creation can also be applicable to R&D activities, including new products design (Mukhtar et al., 2012; Sanders & Stappers, 2008) and product innovation or service innovation (Sawhney, Verona, & Prandelli, 2005; Ueda et al., 2008). Moreover, Zhang and Chen (2008) propose service care as an important area where firms should engage with customers closely. Similarly, Grönroos and Ravald (2011) assert that suppliers become a co-creator of value through adding interactive services upon products, such as adding call centre and website services. Activities studied in other works such as problem-solving (Gentile et al., 2007) and co-distribution (Saarijärvi, 2012) can also be categorised into service care. Overall, research into value co-creation activities is rich but unstructured, providing limited understanding of common dimensions of value co-creation that capture the essence of different forms of value co-creation.

### *Customer Experience*

One consensus is found in the value co-creation literature: value is contextual and created in interactive environments that can be designed by firms but customer experience is the source of value. Prahalad and Ramaswamy (2004b: 7) contend that customer experience is “the basis for value creation” and “the key to unlocking new sources of competitive advantages”. In other words, firms cannot directly create value for customers. However, they can design and create certain contexts or experiential environments in which customers can create their own unique and personalised experience with firms (Gentile et al., 2007; Prahalad & Ramaswamy, 2004b; Rintamäki, Kuusela, & Mitronen, 2007). Thus, at the heart of value co-creation is the interactive and personalised experience (Payne et al., 2008). In fact, the importance of customer experience has already been highlighted by Grönroos (1983) who finds that customer experience has a direct impact on the customer-perceived service quality. On this point, S-D logic theorists show a strong agreement by using “experience” to replace the goods-dominant logic lexicon of “products or services” (Lusch & Vargo, 2006). According to Vargo et al. (2008), in service economies, as it is now, the attention of each service system should be processes and relationships, rather than products or transactions. In this sense, designing suitable interactive platforms or relational environments conducive to a positive customer experience is the most essential task for firms engaging in value co-creation with customers (Gentile et al., 2007; Grönroos, 2006). As to B2B markets, customer experience seems to be more critical, since business interactions in B2B markets are often seen as an on-going relational process (Grönroos, 2008). In many cases, the impact of a pleasant interaction or relationship may exceed the attributes of the offerings *per se*. As complex as it is, the role of customer experience is still too important to be overlooked for an in-depth examination of value co-creation, particularly in the B2B context.

Among the diverse definitions of customer experience derived from the psychological or the behavioural literature (Carù & Cova, 2003; Gentile et al., 2007), some common characteristics can be observed as such: customer experience is personal and multi-dimensional, stemming from a series of interactions. As to the components of this multi-dimensional concept, the literature indicates a growing attention towards the hedonic aspect of customer experience over the utilitarian aspect, especially in the



marketing management field (Palmer, 2010). For example, Holbrook and Hirschman (1982) focus on fantasies, feelings and fun as the core of consumption experiences. Schmitt (1999) attaches importance to sensory, cognitive, affective, behavioural and social-identity experiences more than physical experiences in the experiential marketing. Addis and Holbrook (2001) stress the subjectivity in consumptions and suggest greater emphasis on the hedonic aspect of consumption experience. In contrast, the importance of the utilitarian aspect of customer experience is also stressed by Gentile et al. (2007) who investigate customer experience in a value co-creation context. The authors identify six components of customer experience that contribute to the value co-creation process, namely sensorial component (related to sight, hearing, etc.), emotional component (related to moods, feelings, emotions, etc.), cognitive component (related to thinking or conscious mental processes), pragmatic component (related to practical acts of doing something in all the product life-cycle stages), lifestyle component (related to the affirmation of values and beliefs through the adoption of a life-style and behaviour), relational component (related to the affirmation of a social identity or the creation of a community of fans). According to the findings of a survey-based empirical research, the authors suggest that the utilitarian aspect of customer experience is equally important to customers; in some case even more important than the hedonic aspect. This empirical study is significant because it identifies the key dimensions of customer experience that may have a direct impact on the co-creation of customer value, thereby providing more relevant and instructive implications for value co-creation studies.

### *Customer Value*

Drucker (1954: 39) regards marketing as “the whole business seen from the point of view of its final result, that is, the customer’s point of view”. This notion shows the significance of customer value to achieving business success. Despite the disagreement on the fundamental role of firms being value co-creators (Lusch & Vargo, 2006) or value facilitators (Grönroos & Ravald, 2011) in the value co-creation process, a consensus is reached: customers are value creators. Indeed, a growing number of business practitioners and scholars are now recognising customer value as the new source of competitive advantages and a key factor to determine sustainable success (Beverland, 2012; Khalifa, 2004; Wang, Lo, Chi, & Yang, 2004; Woodruff, 1997).

Although the significance of customer value has been widely accepted, research into customer value is still early in its conceptual development (Beverland, 2012; Smith & Colgate, 2007). The definitions of customer value are diverse, yet reveal some common characteristics. For example, customer value can be basically understood as trade-offs between benefits customers get and sacrifices or costs they bear (Day, 1994; Dodds, Monroe, & Grewal, 1991). Customer value is also an emotional bond as the result of the use of the offerings (Butz & Goodstein, 1997; Woodruff, 1997). Holbrook (2005: 2) defines customer value as the “interactive relativistic preference experience”. This definition implies that customer value is created through salient customer experience that involves both firms and customers. Woodruff (1997: 142) provides a comprehensive definition of customer value that has been widely used in past research: “Customer value is a customer’s perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations”. This definition implies the significance of customer value in value co-creation arena in three ways. First, the essence of value under S-D logic is customer-oriented (Vargo & Lusch, 2008). Hence, studying customer value provides a true customer-centric perspective to look at value co-creation. Second, linking customer value to certain use experience, this definition concurs with the concept of value-in-use under S-D logic. S-D logic holds that value is determined by customers through using resources in certain personal context by the integration and application of both operand and operant resources (Vargo & Lusch, 2004; Vargo et al., 2008). Third, this definition also implies that customer value may differ according to use circumstances. Experience, emotions, or feelings can largely influence the value-in-use perceived by customers in individual situations. This understanding of customer value is in accordance with the notion of value being contextual in value co-creation (Prahalad & Ramaswamy, 2004b). Overall, as stressed in Saarijärvi (2012: 4), customer value is “an important management concept (that) offers a broad basis for examining the strategic implications of different value co-creation mechanisms”.

Nonetheless, a consensus is reached in the literature that customer value is a multi-dimensional concept. Sheth, Newman, and Gross (1991) identify five dimensions of customer value that have an impact on customers’ decision making. They are functional value, social value, emotional value, epistemic value and conditional value.

Although this classification makes a great contribution in terms of extending the understanding of value (Wang et al., 2004), it is still limited to individual decision making circumstances in which some other dimensions may be overlooked. Smith and Colgate (2007) propose four types of value propositions – functional/instrumental value, experiential/hedonic value, symbolic/expressive value, and cost/sacrifice value – in order to devise a customer value creation strategy. Wang et al. (2004) divide customer value into functional value, social value, emotional value and perceived sacrifices to examine firms' customer relationship management in China. Based on previous work, Rintamäki et al. (2007) identify four key customer value propositions under S-D logic. They are: economic value, functional value, emotional value and symbolic value. These customer value propositions are applied by Saarijärvi (2012) in which the strategic implications of each proposition on the value co-creation mechanism are evaluated. Although the work of Rintamäki et al. (2007) has only examined several empirical examples in the retailing sector, the key dimensions they come up with have captured both utilitarian and hedonic aspects of customer value in a simple, yet analytical way (Saarijärvi, 2012). Since the four dimensions are grounded by S-D logic, they appear to be more applicable and relevant from the value co-creation perspective. However, the role of each dimension may vary in different value co-creation activities.

Overall, value co-creation has been mostly examined in marketing studies based on B2C markets. It would be worthwhile to develop theoretical understandings of value co-creation in the international business domain, particularly in SME export relationships. This would require a comprehensive and deeper understanding of S-D logic and the business network theory.

Some overlapping understandings have already existed between the S-D logic of value co-creation (for example, Vargo & Lusch, 2004) and the business network view of firm internationalisation (for example, Johanson & Vahlne, 2009). Both perspectives value relationships and interactions. Being a “network insider” means access to new collaboration opportunities (Johanson & Vahlne, 2009: 1423). Interactions and collaborations enable the parties to improve attributes of offerings and create desirable customer experience (Gentile et al., 2007). Commitment to business relationships creates a trust-building intension which will then encourage new knowledge creation (Johanson & Vahlne, 2009). In other words, the business

network view also implies value is ultimately co-created among members in the same network or across networks.

In conclusion, literature on value co-creation is rich and versatile, providing diverse directions for academic research and business practice. However, the past studies of value co-creation have lacked the effort to conceptualise the process of value co-creation from the value outcome perspective. Unless the parties in the relationship have a clear understanding of the goals and outcomes of value co-creation, they can be easily distracted, frustrated and even fallen out from one another in the complicated process of collaboration and value co-creation. Taking a firm internationalisation perspective into the value co-creation process, we have not yet known the underlying dimensions of value co-creation in cross-border relationships and how these value co-creation factors may shape up the export strategy of an internationalising SME. In this aspect, a study of the linkage between the business network perspective and S-D logic in cross-border business relationships may lead to new theoretical insights into value co-creation. Therefore, this thesis sets out to address the following research questions:

1. What are the key motives and outcomes of value co-creation in cross-border business relationships?
2. What are the key attributes of value co-creation in cross-border business relationships?
3. How can a SME exporter strategically engage into a value co-creation relationship with business partners or consumers in export markets to improve its export performance?

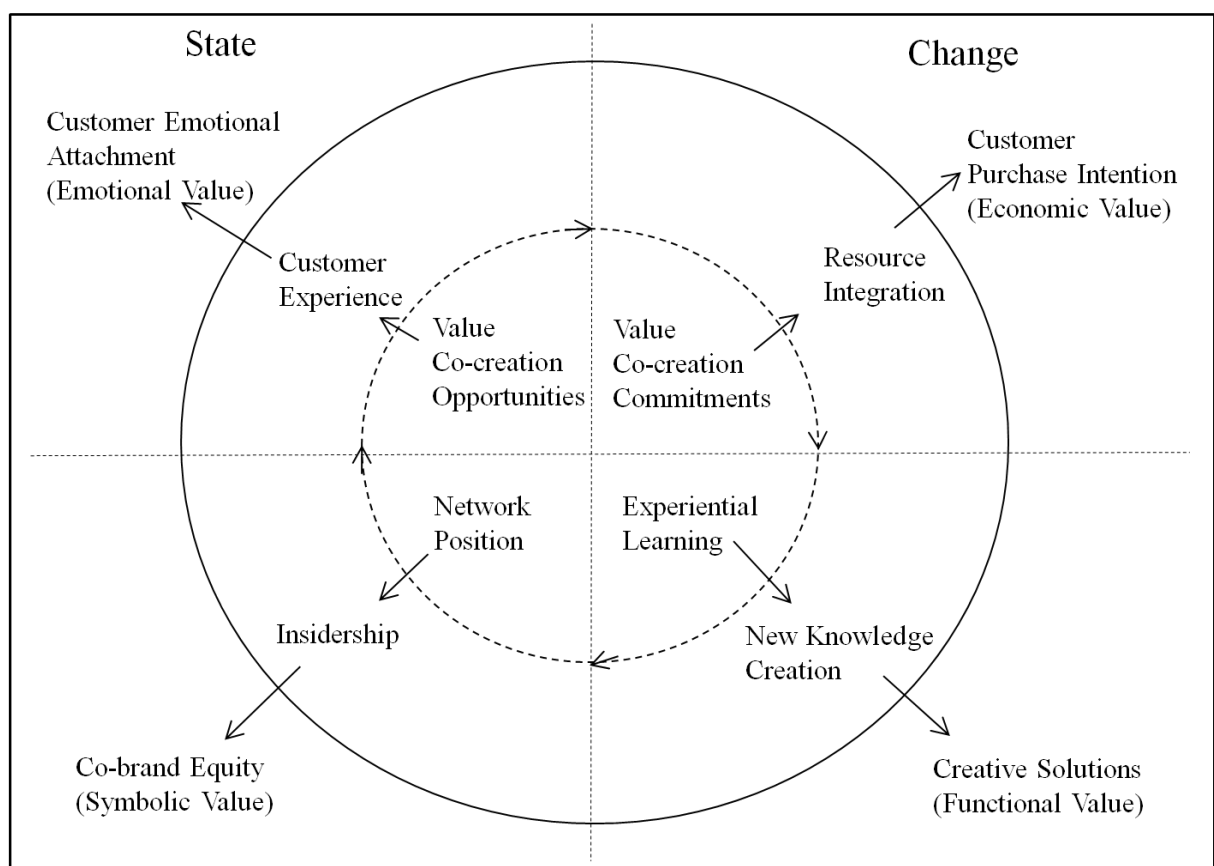
## CONCEPTUAL DEVELOPMENT

According to S-D logic (Vargo & Lusch, 2004), value co-creation is an inherently customer-oriented relational process which includes all resource integrators (for example, Vargo & Lusch, 2004; Vargo et al., 2008). Therefore, recognition, realisation and sharing of customer value among each participant become the key focus in value co-creation (Prahalad & Ramaswamy, 2004b). In the value co-creation development process, the idiosyncratic, experiential and contextual nature of value (Vargo et al., 2008) magnifies the need of positive customer experience and mutual resource integration, when firms seek to realise joint customer value with their business partners or consumers.

The recently revised model of internationalisation by Johanson and Vahlne (2009) highlights the dynamics of the business network development in a cross-border context and stresses the importance of being an insider in business networks. Learning and trust building from collaborations between firms and customers are now the main tasks for firms to identify opportunities and overcome the liabilities of outsidership. S-D logic also emphasises the role of customers as active resource integrator and value co-creator (Vargo & Lusch, 2004). These ideas echo the central notion of the business network view: inter-organisational networks including suppliers, distributors, customers, partners, competitors and governments facilitate the realisation of mutual benefits and the synergy of pooled resources (Anderson, Håkansson, & Johanson, 1994; Håkansson & Johanson, 1993; Johanson & Mattsson, 1988). When integrating these perspectives together, I argue that a value co-creation export strategy may follow the logic and paths in the development of business networks in the internationalisation process. In other words, value co-creation can be seen as a dynamic and circulate process of identifying co-creation opportunities, making commitment decisions, building trust and learning, thereby enhancing the network positions in relevant business networks. Ultimately in the long term, a desirable outcome of value co-creation may be that the participating firms enjoy the advantage of insidership (Johanson & Vahlne, 2009). Thus, the business network perspective of internationalisation by Johanson and Vahlne (2009) provides a theoretical connection between SME's export or internationalisation strategy and value co-co-creation in a cross-border context.

Based on the synthesis of the marketing literature and the business network view, twelve propositions are developed to answer the three research questions in this study. A conceptual framework is conjectured to provide a visual description of the proposed propositions (Figure 1). The propositions will now be discussed in order.

**Figure 1: A Conceptual Framework of Value Co-creation**



### **Value Co-creation Opportunity**

In an export market where fewer but powerful business partners dominate, these key business partners often have specific requirements on the offerings from the suppliers and they also expect supplying firms to meet these requirements by product adaptation or modification. However, in many cases, the requirements can be vague and obscure because of unfamiliarity of the partner with the knowledge required for

the ultimate solutions. The consequences of the requirements are also highly uncertain because the final outcomes will be the result of negotiations and compromises between the buyers and the suppliers. Such a collaboration process may represent a value co-creation opportunity with unclear requirements and an unpredictable outcome for both parties. As a result of close interactions and sharing of the uncertainties in the process, emotional feelings such as security, affections or comfort are likely to dominate customer preference and customers' decision making (Holbrook & Hirschman, 1982). In such situations, business partners are likely to enjoy positive emotional customer experiences (Gentile et al., 2007). In addition, according to S-D logic, value is created when individual customers use the offerings in different contexts through integration and application of their knowledge and capability in the use contexts (Vargo et al., 2008). Vargo and Lusch (2006: 44) state that "there is no value until an offering is used-experience and perception are essential to value determination". In other words, value-in-use is evaluated by individual's overall satisfaction of his or her customer experience when he or she co-creates and uses the offerings. Overall, collaborations and interaction experiences in value co-creation enable business partners or consumers to fully convey their ideas and preferences which will bring positive emotional and satisfactory value-in-use experience.

**Proposition 1a:** A value creation opportunity with unclear customer requirements and an unpredictable outcome requires close interactions and collaborations. Such a value co-creation process is likely to create positive emotional and value-in-use customer experience.

The concepts of "manufacturing-oriented service and service-oriented manufacturing" in Ueda et al. (2008) underline the critical role of services to realise value co-creation (classified as Class III by the authors) in both manufacturing and service industries. When customers are closely involved in the firms' business process (R&D, manufacturing, marketing plans), the resulting positive emotional customer experience (for example, a sense of involvement) enhances their sense of ownership and fulfilment in the process. The customers who are involved in the value creation process may also gain ultimate satisfaction when they actually use the offerings because the memories of co-creation are constantly activated in the value-in-use process (Prahalad & Ramaswamy, 2004b; Vargo & Lusch, 2004). The sense of

ownership from value-in-use would lead to a strong loyalty to the co-created offerings beyond the influence of tailor-made or customer-specific functionality of the products or services. As a result, all of the positive feelings and experience from participating in the creation and use of the offerings will generate emotional attachment to the brand that represents the co-created customer experience. From a customer-centric perspective, such customer experience in value co-creation and resulting emotional attachment to the co-created brand increase the emotional value.

**Proposition1b:** Positive emotional and value-in-use customer experience will enhance customer emotional attachment to the firms, thereby impacting on the emotional aspect of customer value.

In a situation with various uncertainties, people tend to increase interactions and communications in order to reduce risks and share costs (Artz & Brush, 2000). Although classical economists regard customers or firms as rational economic men who make decisions based on a cost-benefit analysis, the experience customers or firms have had in the process of value co-creation can directly affect their emotional state. Psychological research has discovered a direct impact of emotional patterns on cognitive process and need for attachment (Baumeister & Leary, 1995). The effect of emotions is likely to be amplified in collaboration situations, for the interpersonal dependency and the sense of belonging stimulate people to solidify social attachment within a small group (Moreland, 1987). This kind of attachment mainly comes from interactive co-creation experiences, for example, the feelings of security about their partners, comfort and pleasure to work with their counterparts, as well as the psychological need or dependency on their partners. During this constant process, the emotional bonds and attachment among the parties will be generated which lead to the co-creation of emotional customer value.

**Proposition 1c:** Uncertainties or the unknown in value co-creation drive the partners into an emotional value co-creation relationship.

### **Value Co-creation Commitment**

Following the psychological thinking and reasoning, a direct consequence of high uncertainty in a relationship will be lack of commitment from both of the parties in the relationship. When a high perceived risk is present, people tend to weigh the ‘loss’



greater than the equivalent ‘gain’, and therefore try to avoid the risk and also associated opportunities (Kahneman & Tversky, 1979). However, when firms proactively make commitments to a business relationship through the means of financial input or managerial time and attention, they signal their willingness to undertake the risks (Cullen, Johnson, & Sakano, 1995). This signal will then be translated into the value co-creation relationship to reduce mistrust and perceived uncertainty from the other party. Resource commitment and relationship commitment increase the degree of trust between the partners and lead to an efficient cooperation and a sustainable collaboration in the long term (Madhok, 2005; Morgan & Hunt, 1994). According to Lambe, Spekman, and Hunt (2002), senior managerial commitment and trust-building encourage firms to allocate more valuable resources into the collaboration, thereby speeding up the development of inter-firm competence and achieving a successful partnership. Overall, with many tangible and intangible commitments, firms are more confident in their partners and more willing to make greater efforts to engage in the relationship and achieve a win-win situation by sharing and integrating valuable resources in the value co-creation process.

**Proposition 2a:** Value co-creation commitment decisions encourage firms and their business partners to integrate resources.

From a resource-based view, the main motives for firms to form alliances or other collaborative relationships are to acquire valuable resources from other firms and to develop new know-how by integrating the resources from other firms (Kogut, 2006). The competitive advantages of a collaborative relationship lie in the efficient and effective resource exchanges involving every partner in the relationship (Das & Teng, 2000). Das and Teng (2000) identify four types of inter-partner resource integration or “alignment” in strategic collaborations that will influence firm performance. They propose that the integration of supplementary resources (when the resources are similar), surplus resources (when the resources are similar and not fully utilised), and the complementary resources (when the resources are distinctive and valuable) will bring collective strengths to partnership performance. In contrast, the integration of wasteful resources (when the resources are not compatible and fully used) will have a negative impact on partnership performance. When firms make effective resource integrations in value co-creation activities such as co-producing, co-marketing or co-R&D, the value of the co-created experience should be reflected in some ways, such

as a larger customer database which cannot be achieved by any single party. For example, the integration of marketing communication resources will embed special social economic meanings in the customer experience which will increase the perceived value psychologically (Kuo, Wu, & Deng, 2009; Sweeney & Soutar, 2001). The higher perceived value of the integrated resources may induce a higher perceived reference price which then translates into a higher purchase intention from value co-creating parties' mutual consumers or end-users (Chang & Wildt, 1994; Monroe & Petroschius, 1981). Ultimately, the increasing end-users' purchase intention may also reflect a greater economic customer value as the result of value co-creation.

**Proposition 2b:** Resource integration will increase end-user purchase intention which brings higher economic value for both focal firms and their business customers.

Interdependent transactions and interactions in business networks have to be reviewed from a social exchange perspective (Holm, Eriksson, & Johanson, 1996). A high commitment in a business relationship is an indicator of a high-level social exchange relationship, highlighting strong interpersonal feelings or inter-firm connections (Cropanzano & Mitchell, 2005). In social exchange relationships, firms are not tied together by pure transactional purposes but more by reciprocal obligations and arrangements, the trust and commitment that have been developed over time. Trusting social exchange relationships enable firms to compensate for the scarcity of resources by mutual commitments in terms of resources and inputs (Das, 2002). In other words, uncertainties and the unknown in value co-creation are largely counteracted by strong social exchanges. Commitment to a value co-creation relationship gives participating firms a motivation to be less calculative in the economic sense and achieve maximised economic outcomes for all the parties involved in the relationship. The confidence in and loyalty to the value co-creation partnership, as the result of social exchanges between firms, make it possible for firms to allocate their most valuable operant resources (such as people and skills) into the collaboration, which are intangible and hard to be transferred. Ultimately, more economic outcomes will be generated in this on-going process by taking full advantages of the integrated operant resources and exchanged tangible resources (Bucklin & Sengupta, 1993; Das & Teng, 2000).

**Proposition 2c:** Social exchanges provide economic benefits in value co-creation.

## **Experiential Learning**

Knowledge development is fundamental and critical to firms' business success, and is a key source of competitive advantages (Johanson & Vahlne, 2009). Learning is "a social process whereby knowledge is created through the transformation of experience" (Kolb, 1984: 41). Due to greater investments in international operations, firms need to possess specific knowledge and experience to minimise the risk of failure. Some knowledge essential to cross-border operations, such as relationship-specific knowledge, particularly requires interactions and collaborations between firms to create. Experiential learning from business partners is an efficient channel to acquire such specific knowledge and experience, especially for inexperienced SMEs who often suffer from a limited knowledge base. Such experiential learning largely determines firm performance and sustainable competitiveness (Holmqvist, 2004). According to Payne et al. (2008), value co-creation is a series of different types of encounters between suppliers and customers, in which the co-creation experience can be produced and the learning can be accumulated. It is the learning process in the encounter that enables the value co-creation parties to improve their knowledge base and capabilities, thereby enhancing the co-creation experience and relationships in the future. This framework implies the importance of learning in value co-creation to allow the advancement of recursive interactions and sustainable relationships. According to Johanson and Vahlne (2009: 1417), trust is "an important ingredient for successful learning and the development of new knowledge". In value co-creation relationships, mutual commitment and trust enable learning to constantly take place through the means of frequent interactions and dialogues. By integrating the knowledge and experience they have acquired from their partners with their own perspectives and capabilities, firms are able to create new knowledge which is beneficial for firms' cross-border operations as well as to the partnerships.

**Proposition 3a:** Experiential learning between firms in the value co-creation process encourages the creation of new knowledge.

New knowledge creation in value co-creation provides firms opportunities of creativity by influencing firms' cognition process such as conceptual combination, analogical reasoning and problem solving (Corbett, 2005). In order to enable new knowledge creation in a business partnership, firms need to place trust and knowledge

sharing at the heart of relational exchanges (Wu, Sinkovics, Cavusgil, & Roath, 2007). In the knowledge-sharing process, firms' own capability to digest the knowledge in a novel way allows the emergence of new ideas in product development and the creation of unique solutions. In addition, the creation of new market-specific and relationship-specific knowledge will provide much needed information and feedback that enable firms to improve and tailor the functions of their offerings to the needs of targeted consumers. Overall, new knowledge creation plays a crucial role in value co-creation which facilitates product innovation and enhances the functional value of the offerings.

**Proposition 3b:** The new knowledge generated in the value co-creation process will lead to the creation of creative solutions and functional customer value.

As a SME exporter competing with resource-rich multinationals and relationship-rich local competitors in the export market, the firm has to focus on the distinctive and innovative resources they can bring into the relationship, and focus on the innovative outcomes. Learning has been recognised as one of the most important antecedents of firm innovativeness and firm competitiveness in the organisational behaviour literature (Westerlund & Rajala, 2010). The capacity to engage in experiential learning and acquire new market-specific and relationship-specific knowledge in export markets becomes the key to export success in the long run. This requires firms to have a learning orientation that motivates firms to absorb information and knowledge from their partners and other firms. Firms with learning orientation are more likely to produce collaborative know-how (Simonin, 1997), because they are willing and able to accept different perspectives and knowledge to think outside the box. Knowledge internalisation and collaborative know-how encourage firms to constantly examine and question their current business and product development process with new insights and technology know-how. This will inspire and enable firms to develop improved functions or innovative solutions.

**Proposition 3c:** Learning orientation drives the partners into a functional value co-creation relationship.

## Network Position

S-D logic sees business operations as process and relationships, instead of products and transactions (Vargo et al., 2008). In this complex process, it is the “interactions phrase” or “encounter process” in which suppliers can co-create value with customers matter most (Grönroos & Ravald, 2011; Payne et al., 2008). The interactions also enable the parties to co-create positive customer experience, integrate resources, and generate new knowledge; all these value co-creation experiences can then further improve the relationships and interactions in the future. Taking value co-creation into a firm internationalisation context, value co-creation takes place in the context of inter- and intra- networks (Johanson & Vahlne, 2009). The interactions in value co-creation characterised by uncertainties, emotions, commitment, trust-building and experiential learning enable firms to be in an insidership position in both their and their partners’ networks. The insidership positions enjoyed by all the value co-creating parties provide a suitable and interactive platform or relational environment for recursive value co-creation opportunities, resource integration, as well as experiential learning.

**Proposition 4a:** Interactions for the purpose of value co-creation enable all the parties to gain an insidership position in each other’s network.

An insidership position allows the firm to constantly acquire privileged insider information or knowledge, and receive higher-level trust and favourable treatments from other networks insiders (Johanson & Vahlne, 2009; Park & Luo, 2001). The insiders of a network are able to maintain long-term stable business relationships with business partners who are also network insiders and therefore enjoy a better network position than network outsiders. This insidership position or status provides firms with continuous advantages which will help firms to discover and exploit new opportunities derived from positive emotional customer experience, value-in-use, as well as the opportunities of resource integration, acquiring new knowledge and information from network insiders over time. In a value co-creation process, the insidership position produces inter-firm advantages such as relational assets, privileged knowledge sharing or creation routine, complementary resources and capabilities, as well as efficiency improvement (Dyer & Singh, 1998). In the long term, these inter-firm competitive advantages will exert strong influence on the

perceived quality, brand image and brand associations of the co-created customer experience from the alliance of the brands (Uggla, 2004).

**Proposition 4b:** The insidership advantages in value co-creation will translate into symbolic customer value as indicated by co-brand equity.

Culture studies have long recognised China as a collectivist country where the concept of “group” is highly valued (Hofstede, 2001; Triandis, Bontempo, Villareal, Asai, & Lucca, 1988). Mainly bonded by blood, family or culture, in-group members are willing to subordinate or even sacrifice their individual goals in order to be consistent with the goal of the group, due to the high level of in-group trust and independence (Triandis et al., 1988). Although the in-group cooperation is common, clear cultural group boundaries make it difficult for in-group members to trust and collaborate with people outside the group. In a value co-creation context, the role of such in-group cultural norm or “cultural syndrome” by Triandis (1993) can be double-sided: it represents a symbol of identity or status which provides advantages for the value co-creation among in-group members while the cultural and psychic barriers make it extremely hard for outsiders to overcome the group boundary. However, this liability of out-group members can be reduced when foreign firms manage to become an insider of local business networks through trustful interactions and successful collaborations (Johanson & Vahlne, 2009). Such a network insidership position provides a business network perspective into value co-creation. Eventually, being a member of a certain group may be transferred into symbolic customer value which represents the symbol of competitiveness or well-known reputation.

**Proposition 4c:** In-group membership or insidership drives partners into a symbolic value co-creation relationship.

In summary, based on the theories from both the international business domain and the marketing literature, these conceptual propositions seek to capture key attributes or constructs in the value co-creation through the network perspective. Specifically, I argued that in order to engage in an effective value co-creation process and achieve desired value co-creation outcomes, a firm in general, and a SME exporter in particular, needs to evaluate four attributes or dimensions of value co-creation: customer experience and value in use, resource integration, new knowledge generation, and insidership acquisition. Each of these value co-creation dimensions

corresponds to one aspect of customer value. Although tentative in nature, these propositions still imply some emerging understandings for the research question and some inspiring guiding directions for the empirical part of this research. When all or any of these propositions are confirmed by empirical evidence together with a second examination of the literature, new insights and holistic view of value co-creation can be obtained.





## RESEARCH DESIGN

### Methodology

Research paradigms can be divided into positivism and interpretivism (Guba & Lincoln, 2005). Within the wider positivism camp, there are two paradigms: the traditional positivist approach, and the post-positivist or the critical realist approach. Guba and Lincoln (2005) provide a comprehensive review and comparison of these two approaches in many aspects such as ontology, epistemology, methodology, axiology, and nature of knowledge, etc. According to these authors, positivists hold the view that knowledge is observed based on objective findings which have to be evaluated by external and internal validity. As a result, positivists mainly use quantitative methods as a way to establish facts and verify or test hypotheses (Easton, 2002; Schurr, 2007). In contrast, post-positivists show some degree of scepticism about being completely objective in established facts and pursuing deeper and possibly subjective understandings (Guba & Lincoln, 2005). To achieve this, post-positivists accept qualitative methods such as narratives and case studies, and allow the subjective description and interpretation of the real world besides the traditional evaluation criteria such as external and internal validity (Lincoln & Denzin, 2000; Schurr, 2007). Eisenhardt (1989) highlights the importance of the balance between the interpreted evidence and objective facts, between the existing literature and archive in the process of building theories from case studies. As she states, “tying the emergent theory to existing literature enhances the internal validity, generalisability, and theoretical level of theory building from case study research” (Eisenhardt, 1989, p. 545). From this point, post-positivists appear to be more reflective and flexible towards knowledge, methods and research results (Schurr, 2007). The objective of this research is to investigate a topic that has not been well explored in the literature – the integration of S-D logic and the business network theory in the context of cross-border value co-creations. The exploratory nature of this research defines the choice of the post-positivist approach for this study. Adopting a post-positivist approach enables this research to achieve a holistic understanding of the research phenomenon by combining established facts or truths from the literature and other secondary sources and also interpretations of the empirical findings from the fieldwork (Guba & Lincoln, 2005; Lincoln, 1998).

Edmondson and McManus (2007) promote the concept of “methodological fit” between the nature of the research and the applied methodology in the management research. According to these authors, quantitative methodology should be used for mature theory-guided research involving well-established theoretical frameworks and precise models and for the purpose of testing hypotheses. However, quantitative methodology is not suitable or methodologically fit with nascent theory research where the links between the theory and the phenomena are not well established. For nascent theory research, the research methodology needs to be flexible and the data needs to be detailed and vivid in order to allow new insights to emerge from data analysis. A major criticism for qualitative methodology is its subjectivity and lack of rigor in the sense of quantitative analysis. However, this criticism is largely defensible as the main purpose of qualitative research is insight generation (Sandberg, 2005).

Many scholars in the international business field choose qualitative methodology in their research because international business research often investigates dynamic and changing phenomena and contexts. Thus, it requires creative and flexible research methodology to discover non-linear patterns of business activities and capture the essence of business strategy (Sinkovics & Ghauri, 2008). Qualitative methodology prides itself for enabling the development of a profound and holistic view of research phenomena and allowing creative and unexpected ideas, particularly from a cross-culture perspective (Eisenhardt, 1989; Sykes, 1990; Yin, 2009). In other words, as opposed to quantitative methodology which prefers questionnaire surveys and statistical techniques, qualitative methodology prefers real-life interactions and observations in great detail and depth such as face-to-face interviews, participant observations, case studies or longitudinal investigations (Eisenhardt, 1989). Therefore, this methodology provides a great level of flexibility in data collection and analysis.

The objective of this research is to investigate the process, motives and outcomes of value co-creation and their implications for the export strategy of SMEs. As concluded earlier, literature on value co-creation is mainly conceptual and limited to marketing studies based on fragmented theories that are lack of rich empirical evidence. As a result, operationalisation of the constructs in value co-creation is rather

scarce in the literature. In some respects, this research is a pioneer attempt to integrate marketing and international business theories, and bring up new insights about value co-creation based on detailed and evocative evidence in a real-life context. For such an exploratory study, qualitative methodology is more suitable and appropriate.

### **Case Study Method**

This exploratory research applied a case study method to investigate the process, motives and attributes of value co-creation and evaluate the outcomes of this value co-creation approach. The case study method has been recognised as one common method for explorative and descriptive research in early stages of theory development, particularly when the relationships between the key components are to be explored (Gibbert, Ruigrok, & Wicki, 2008; Hillebrand, Kok, & Biemans, 2001; Yin, 2009). Eisenhardt (1989: 534) describes case study method as “a research strategy which focuses on understanding the dynamics present within single settings”. Yin (2009) provides a more detailed understanding of case study method on both the scope and technical aspects. In brief, several key characteristics of the case study method are: (1) in-depth investigation in real-life contexts; (2) inclusion of more variables of interest than data points; (3) based on multiple sources of evidence; (4) guidance on data collection and analysis from theoretical propositions developed prior to the study. Case studies are usually conducted through close interactions with participants in real-life situations. This method proves very valuable in capturing the essence of dynamic business activities and decision-making processes, as well as developing holistic and in-depth understandings. Therefore, this method is well accepted in management and international business research (Gibbert et al., 2008; Sinkovics & Ghauri, 2008).

This research used a single-case study method to explore important patterns of value co-creation. Compared with the multiple-case study method, the single-case study method is normally criticised by its failure to provide rigor evidence and solid theoretical foundations to generalise the emerging ideas and theories (Creswell, 2008). Concerns also arise when a single-case study generates potential research bias and fails to balance the relationships between a rich story and a strong theoretical ground (Eisenhardt, 1989). However, the single-case study method can also be very beneficial and advantageous in providing readers a rich storytelling context in practical business world, which is a basic foundation of a high-quality theory

(Eisenhardt & Graebner, 2007). Eisenhardt (1991: 626-627) recognises the advantages of the single-case study and stresses this method as “an essential first step” for establishing a well-grounded theory, and the strong storytelling in single-case study is “a wonderful and necessary first step as well as a terrific way to persuade and entertain readers”. It implies that one suitable and representative case enables researchers to specifically focus on discovering significant patterns and actors in one overall context. Those emerging insights can be examined further in the future through multiple cases or quantitative research. Yin (2009: 47) propose five rationales for an appropriate single-case study: (1) when the case represents the critical case to test a well-formulated theory; (2) when the case represents an extreme case or a unique case; (3) when the case is a representative and typical case; (4) when the case is the revelatory case; (5) when the case is a longitudinal case. When the single-case study fits at least one of the circumstances above, the research can be regarded as a complete study on its own (Yin, 2009).

The main objectives for this field-based case study are to provide a holistic picture and a deep understanding of the collaboration process and interaction activities among different parties in value co-creation. As showed before, the value co-creation theory is still in its earlier development stage and the single-case study method has been used in value co-creation literature and marketing studies to study inter-firm collaborations (Cova & Salle, 2008). In order to explanatorily investigate key patterns and phenomena in the value co-creation process, this research selected a value co-creation project including four different types of actors to co-create an online shopping experience for Chinese consumers. This case is representative and typical, because it indicates a complex cross-border relationship network consisting of multiple levels of in-depth interactions and communications among actors in this process. For an exploratory topic that has not been well-grounded, focusing on one holistic case gave me opportunities to examine complicated issues with a concentration of exploring theoretical insights and practical implications (Woodside & Wilson, 2003). The different levels of relational interactions among each actor was analysed as different sub-cases. This allowed me to conduct comparative analysis to confirm and replicate findings, similar as the cross-case analysis in multiple-case studies. Thus, the in-detailed examination of each business relationship and interaction process in this representative value co-creation project helped me to demonstrate a clear real-life

context of a multilateral collaboration and identify the most important factors and outcomes (Eisenhardt, 1991).

Case study methodologists have identified some key issues that require special attention when employing case studies. For example, failure to justify the choice of inductive research may bring confusions to the audience and weaken the power of findings (Eisenhardt, 1989; Riege, 2003). Therefore, researchers adopting case study method should be informed with the literature including the gaps in the literature, and also be equipped with well-crafted research questions before undertaking the fieldwork (Eisenhardt & Graebner, 2007). In order to mitigate bias in data collection, different perspectives on the subject matter should be sought by the means of gaining information from multiple well-informed sources (Eisenhardt & Graebner, 2007). Interviewers are suggested to write down the interview process in detail because some unexpected information or unique patterns may emerge in the data analysis process (Eisenhardt, 1989). Researchers are also suggested to develop theoretical understandings supported by empirical evidence in sections so that they can provide readers various rich stories guided by strong theoretical perspectives (Eisenhardt & Graebner, 2007; Stake, 2005). In additions, as case study is an iterative and cyclic process, researchers need to enfold research questions and existing literature in the analysis and discussion before drawing any conclusion (Edmondson & McManus, 2007; Eisenhardt & Graebner, 2007). Similar points are made by Stake (2005) who stresses the importance of being reflective upon both literature and empirical insights in case study method. Integrating findings with previous literature may also help researchers to discover critical relationships between variables and provide logical arguments in a higher conceptual level (Eisenhardt, 1989). As case study method, especially single-case study method, is often criticised due to its weaker statistical generalisability, establishing causal relationships through logical arguments will enhance the theoretical or analytical generalisability of the cases and improve the quality of the case study (Hillebrand et al., 2001; Yin, 2009). Special attentions were paid in this research in order to reduce the specific concerns for the single-case study method and improve the quality of the results and insights. For example, although the dilemma of the trade-offs in the generation of better stories or constructs in the single-case study method can be hardly overcome due to the page limit of a research paper, it can still be largely mitigated when the researcher puts equal emphasis on both parts

and carefully balances the details of the story and the scope of the emerging insights and theories (Eisenhardt, 1991). Meanwhile, the careful classification of units of analysis into two focal firms and several subunits in this research, called as “embedded case studies”, provided unexpected opportunities for extensive research and enhance the understanding of insights stemmed from the single-case studies (Yin, 2009). In order not to gradually shift the nature and orientation of the research, this research specifically stayed focus on the project-level analysis of the focal firms when investigating interactions among different subunits, as suggested by Yin (2009).

## **Sampling**

This research applied theoretical sampling in case selection. This study deliberately chose a single case that was considered to provide a comprehensive context for understanding value co-creation. This theoretical sampling approach departs from the random sampling approach. Random sample selection is commonly used for confirmatory research. The purpose of random sampling is to obtain accurate statistical evidence in a large population. However, such statistical sampling is perceived to be “neither necessary, nor even preferable” for exploratory case study research (Eisenhardt, 1989: 537). When building emergent theory from case studies, suitable cases are often purposefully selected to replicate previous cases or extend emergent theory (Eisenhardt, 1989). Such theoretical sampling method helps researchers to demonstrate relationships in unique phenomena and further establish logical arguments (Eisenhardt & Graebner, 2007).

Overall, I selected a comprehensive case involving multiple parties in a cross-border context, in order to examine pre-conceived attributes, antecedents and outcomes of value co-creation. The case selected in this study is the Ule New Zealand Mall, an online shopping platform that sells New Zealand products. Ule is an official online shopping website jointly owned by China Post and Tom Group. The focal party in this value co-creation case was New Zealand Post (NZ Post), a state-owned company in New Zealand. The unit of analysis is the participating firm. The firms included in this study are China Post, NZ Post, and five New Zealand SME exporters. New Zealand was chosen in this study because it is alongside several other countries such as Australia, Ireland, Scandinavian countries for its reputation of providing excellent institutional support to SMEs and also has a high percentage of SME firms in the total

business population. Research shows that more than 98 per cent of New Zealand firms are SMEs (Ministry of Economic Development, 2007). As a result, the economy of New Zealand heavily depends on the international trade. SMEs' export performance directly impacts on national economic growth (Battisti & Perry, 2008). A large amount of New Zealand SMEs are exporters in B2B markets and develop their internationalisation strategy through business networks and relationships (Chetty & Campbell-Hunt, 2003; Chetty & Wilson, 2003). Therefore, New Zealand provides a proper country context to study collaborations between exporters and customers. China is becoming an increasingly important market for foreign firms including SMEs, due to China's consumption power and its growing influence, in terms of economic, political as well as social, on the global development (UNCTAD, 2009). The establishment of Free Trade Agreement between New Zealand and China presents new business opportunities for New Zealand SMEs (Battisti & Perry, 2008). Therefore, through the in-depth study of this case, inspiring insights and practical implications will be generated to enhance our understanding of cross-border collaborations.

### **Data Collection**

Yin (2009: 116) highlights the importance of using multiple sources of evidence and states that "any case study findings or conclusion is likely to be more convincing and accurate if it is based on several different sources of information". Guided by Yin (2009), this research carried out a two-stage data collection plan. The first stage focused on collection and analysis of secondary data. At this stage, relevant public secondary information was collected such as industry publications, statements and presentations in order to obtain a general understanding of the case and the relationships involved. It was also helpful for me to design specific interview questions to be used in Stage 2 based on the preliminary analysis of these secondary materials.

Guided by analysis of these secondary interviews and my initial research propositions developed in 'Conceptual Development' section, I devised a set of interview questions to be used in the second stage of the study (See Appendix 2). All the interviews were conducted at the premises of the firms or in coffee shops nearby the firms' premises. Two interviews were undertaken with the front-line manager of NZ

Post in charge of the project, informant A, in order to obtain privileged information about the background of this project, as well as detailed understanding of the interactions and operations in the collaboration activities. I also conducted one in-depth interview with a senior executive (informant B) of NZ Post who provided valuable insights of the participation of NZ Post in this project from an overall strategic perspective. Seven additional informants, informants C-G, were recruited from five NZ merchants who participated in this project. Interviews with these informants and merchants provided various perspectives into the case. Informants E1, E2, E3 were from the same firm, merchant E. The sectors of the recruited firms ranged from food, skin products, and healthcare to housewares. The case informants included five New Zealand nationals and three Chinese ethnics. The working titles of the informants ranged from senior manager, marketing director to export manager. All the interviewees were chosen based on their first-hand experience in this project and their specialised expertise in B2B operations and inter-firm collaborations. Such experiential knowledge and practical perspectives in real business world inspired me to identify the most unique patterns and the most valuable outcomes in value co-creation, compared with other types of inter-firm relationship. The characteristics of the interviewees are shown in Table 3.



**Table 3: Profile Information of the Interviewees**

<b>Informant #</b>	<b>Merchant</b>	<b>Sector</b>	<b>Location</b>	<b>Ethnicity</b>	<b>Work Title</b>
A		New Zealand Post	Wellington	Chinese	Asia Marketing Director
B		New Zealand Post	Wellington	New Zealand	International General Manager
C	C	Sheepskin	Napier	New Zealand	Managing Director
D	D	Dairy	Auckland	Chinese	Exporting Manager
E1	E	Healthcare	Wellington	Chinese	Managing Director
E2	E	Healthcare	Wellington	New Zealand	Export Manager
E3	E	Healthcare	Wellington	Chinese	Owner and Director
F	F	Cosmetics	Wellington	New Zealand	CEO
G	G	Housewares	Auckland	New Zealand	Customer Service Team Leader

The interview questions were semi-structured following the logics outlined in the Conceptual Development Section. Since interviews are one of the most important sources of case study research, researchers are required to be able to not only get answers for the line of inquiry but also inspire new insights through open-minded questions (Yin, 2009). These semi-structured interview questions allowed me to be open-minded to any new insights that emerged from the interview process. I made a comprehensive field note which included everything I could record in the interview. The field notes allow researchers to analyse each case from emerging perspectives in the research process, which help researchers to discover unexpected insights or opinions (Eisenhardt, 1989). During the interview, I kept open-minded in order to capture new and in-depth information wherever possible. In order to improve theoretical generalisability, this research follow a “replicating logic” in the interviews similar to the logic in multi-case study method proposed in Yin (2009). It means the following interview questions were set up to confirm and improve the understandings

and insights revealed from the analysis of the previous interviews. Interviews were audio taped. The consent was given by NZ Post and New Zealand merchants when they agreed to be interviewed. However, as the research has a commercial sensitivity nature, the findings of this study should not be made available to general public unless a prior approval from NZ Post and participating firm are acquired.

### **Data Analysis**

This research used the computer software NVivo in the data analysis. The assistance of NVivo serves as a reliable and efficient tool to code and organise narrative text from interviews (Gibbs, 2002). Yin (2009: 130) suggests that the “first and most preferred strategy” in data analysis is to follow the theoretical propositions developed prior to the fieldwork. Thus, several nodes based on the propositions were created before coding and analysing the data via NVivo. This categorisation enabled researchers to run comparisons among different interviews and examine constructs with a clear and systematic picture in mind (Bazeley, 2007). In addition, some new nodes were established to capture emerging understandings of the topic in data analysis (Gibbs, 2002).

According to the different sources of data, the data analysis consisted of two stages. The first stage mainly focused on the analysis of the interviews with the purpose of confirming proposed propositions and answering research questions. When reviewing and coding the data, it is important to understand the context of the interviews in terms of specific purpose and audience (Yin, 2009). In this way, the researchers are able to correctly interpret the contents of the data. An overall description of the case and the complex business relationships involved were presented in this part. In addition, the interview transcripts were carefully written and sent to interviewees to review to make sure the story was told in an appropriate and genuine manner. Interviewees were also asked for consent before any information in the interviews was further used in this research. The main purpose of the data analysis in this stage was to find evidence to reflect the research questions and propositions in the conceptual development and revise some of the propositions according to the insights retained from the interviews.

The secondary stage of data analysis mainly concerned the discovery of any new and emerging themes or factors in value co-creation that had been ignored in the existing

propositions or established research questions. After organising and extracting relevant nodes regarding new insights for all of the interviews, comparisons and summaries between each interview were provided based on the empirical evidence from the case.

### **Validity and Reliability Check**

Four most recognised criteria to evaluate the quality and rigor of case studies are: construct validity, internal validity, external validity and reliability (Gibbert et al., 2008; Yin, 2009). Construct validity or confirmability concerns the extent to which a procedure leads to an accurate observation of reality (Gibbert et al., 2008). Thus, researchers need to identify and develop proper operational measures for the concepts being studied in data collection phase (Yin, 2009). In order to achieve the construct validity, this research used several techniques suggested in the literature. For example, multiple sources of evidence including secondary data and interview data were used to establish the chain of evidence and draw correct conclusions (Riege, 2003; Yin, 2009).

Internal validity or credibility (Riege, 2003; Sinkovics & Ghauri, 2008), means the establishment of causal relationships between variables and results in the data analysis phase (Gibbert et al., 2008). For exploratory case studies, the concern of internal validity extends to a broader problem of making inferences and logical arguments on casual relationships (Hillebrand et al., 2001; Yin, 2009). In order to gain internal validity, this research adopted dimensions and measures of the constructs from various existing literature as proposed by (Sinkovics & Ghauri, 2008). In addition, as suggested by Eisenhardt (1989) and Riege (2003), this research integrated the empirical findings and theoretical development with the literature to assure a logical coherence of conclusions and theories in this study.

External validity or transferability (Riege, 2003; Sinkovics & Ghauri, 2008), deals with the problem of whether the findings are generalisable to other research settings beyond current study (Yin, 2009). According to Yin (2009) and Gibbert et al. (2008), case studies should focus on analytical generalisation from empirical evidence rather than statistic generalisation from a population. In order to assure external validity, this research endeavoured to analyse the case context together with understandings drawn out from this case, and clarify whether the findings are generalisable (Eisenhardt,

1989; Gibbert et al., 2008). Meanwhile, I constantly reminded myself of keeping a holistic focus of the main objective in order not to shift research orientation and concentration on certain specific and misleading issues in the single-case study that can hardly be generalised (Yin, 2009).

Finally, reliability, also known as dependability (Riege, 2003; Sinkovics & Ghauri, 2008), focuses on minimising the errors and biases so that other researchers are able to reach the same conclusions if they repeat the study (Gibbert et al., 2008; Yin, 2009). In order to make the findings as reliable as possible, this research followed several tactics and techniques. For example, all the written materials have been sent back to the informants, together with my interpretation of the findings for accuracy and interpretation checking. I have had numerous and iterative discussions with my supervisors with regard to the empirical findings and theoretical explanations. Both of my supervisors were very experienced with qualitative and case study research methods. The whole empirical research process was well documented and the data was well recorded in order to allow reflections and re-interpretations which were considered to be the key in qualitative studies (Riege, 2003; Yin, 2009).

## CASE STUDY

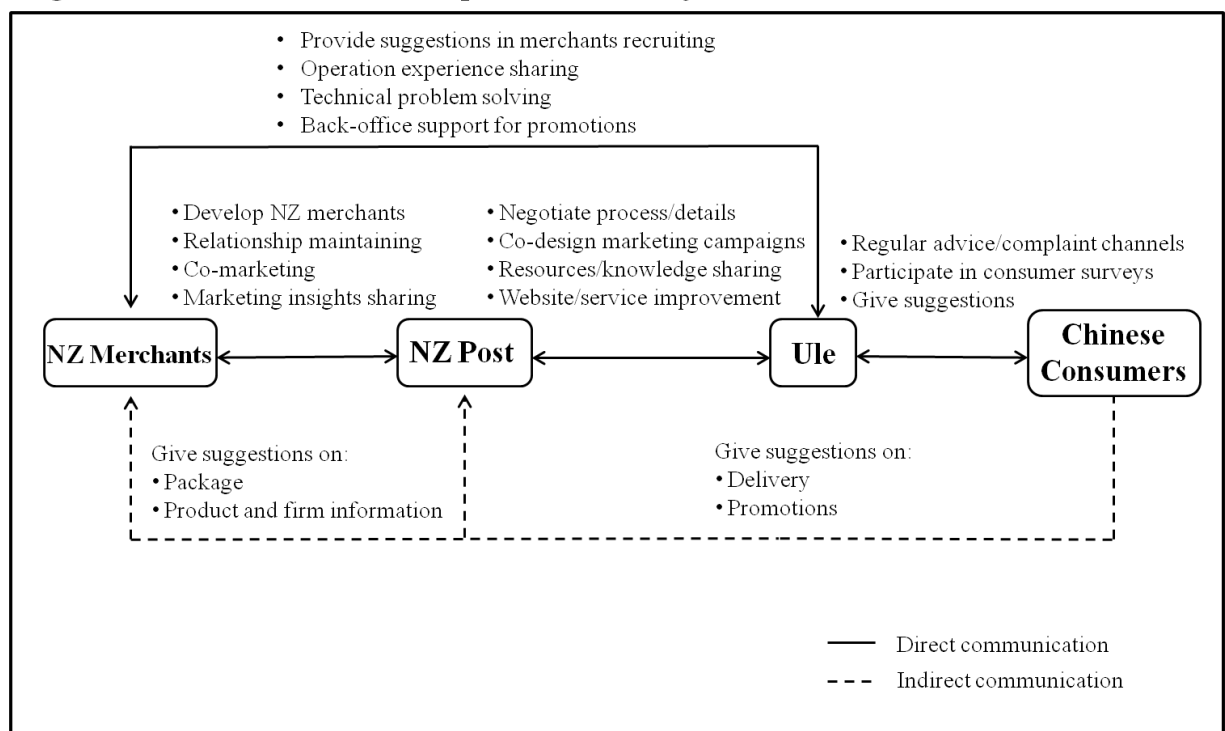
The following case materials were compiled based on the secondary data gathered from the literature, the Ule website and commentaries on Ule from news media, and also the first interview with informant A.

E-commerce in China has been developed for almost two decades and has begun to flourish since 2007. According to the report by Ministry of Commerce of the People's Republic of China in 2012, the overall volume of trade for e-commerce in China reached 5,880 billion in Chinese Dollar (approximately 1,180 billion in New Zealand Dollar) in 2012 and is expected to achieve more than 8,500 billion (approximately 1,700 billion in New Zealand Dollar) in 2013. Under such circumstances, firms in China start to seek opportunities to expand their businesses from offline to online, in the hope of grabbing a piece of the rapid growth of e-commerce and fostering new competitive advantages. China Post, a large state-owned enterprise under the sole proprietorship of State Post Bureau of the People's Republic of China, realised the limited development possibility to persistently stay in offline postal businesses and identified the potential of utilising internet platforms to extend its business coverage. In 2010, the company set up a joint venture with Tom Group, a leading company specialising in advanced internet technology and professional expertise in the e-commerce sector. Integrating the nationwide distribution channels and strong logistic capability of China Post with Tom Group's sophisticated technology and experience in interactive multi-media industry, the joint venture launched an online shopping platform in 2010: Ule.com.cn (Ule). Ule devotes to provide Chinese consumers a reliable online-to-offline experience with guaranteed authentic-branded products, direct and free delivery services from China Post with nationwide after-sale service teams. The number of merchants is increasing on Ule because China Post has been regarded as a trustworthy and professional e-commerce collaborative partner.

The case became more interesting when New Zealand Post (NZ Post) joined Ule in 2012. Because of the existing solid relationship with China Post and the influence of NZ Post in Universal Postal Union and Asian-Pacific Postal Union, the Ule team and NZ Post were planning to expand their operations in China through this opportunity. In February, a New Zealand Mall was launched by NZ Post and the Ule team on the Ule's website. The New Zealand Mall was dedicated to providing Chinese customers

a convenient platform to purchase New Zealand-made products from various New Zealand merchants (NZ merchants) with a secure delivery service provided directly by NZ Post and China Post. So far, 20 merchants have participated in the Ule project by listing their products on the website. As Ule didn't require huge financial investment from participants, the multi-lateral collaborations among NZ Post, Ule and NZ merchants were based on resource and managerial commitments. More specifically, they kept close and frequent interactions on many aspects including marketing plans, daily operations as well as technical and functional issues. They also shared access to many confidential data bases, exchanged valuable experience and also discussed with each other on important decision-makings. Although the New Zealand Mall on Ule is still in its early stage of development, the integration of professional expertise from different areas and industries has facilitated NZ Post and NZ merchants to expand their businesses in the China market. This collaboration also allowed Tom Group and China Post to tap into China's e-commerce industry.

**Figure 2: Interactive Relationships in the Ule project**



Chinese consumers were engaged in the operations of the website in multiple channels, enabling Ule to gradually evolve into a developed online platform with premium offerings. Although Ule still stays in its earlier stage of development, the stable growth of Ule in terms of brand awareness and sale volume brought tangible and intangible benefits to every participating party, providing new development opportunities in China and Asia markets. Figure 2 was developed in order to clearly illustrate the interactive relationships among Ule, NZ Post, NZ merchants and consumers. The complex multi-dimensional communications among different actors in Ule are also explained in detail below.

### **NZ Post and Ule**

This was the first time for NZ Post to co-create a unique New Zealand experience for Chinese consumers and NZ merchants through an online platform with a cross-border partner. In order to minimise the uncertainties in operating the New Zealand Mall and collaborating with the Ule team, the two parties have been working closely to review and hash out the details in the setup process, such as the design of website and workflow, the formulation of marketing and branding strategies, the allocation of responsibilities, and compensation process for claims, etc. This close communications between NZ Post and the Ule team in the first stage enhanced the mutual understandings of the two parties on the interpersonal level, group level, as well as the firm level. The interactions also facilitated the participating parties to improve their efficiency of collaboration and realign their strategic goals, and these were all solid foundations for further co-marketing and co-operating.

One main obligation for NZ Post is running the marketing of the New Zealand Mall. NZ Post always proactively exchanged knowledge and insights with the Ule team on the design and implementation of marketing strategies. The purpose was to make the marketing campaign plans more effective and feasible, with the technology support from Tom Group and resource backup from China Post. For example, NZ Post worked closely with the technical staff from the Ule team to modify the website features and functions in line with different campaign themes and individual participating merchants. The Ule team also gave NZ post access to different confidential data bases including consumer information and addresses for NZ Post to do direct marketing to targeted consumers via SMS or parcels. The knowledge and

resource exchanges allowed the marketing strategies to attract more potential targeted consumers. Ultimately, the marketing and promotions brought a significant increase of the number of website viewers and product purchases. The interactions also encouraged new marketing plans, such as lucky draws or daily special deals.

NZ Post kept active connections with the Ule team on many other operational issues, such as fostering the service quality of after-sale team in Ule. They also co-designed questionnaires for consumers to improve the offerings. When they passed on the rich experience of NZ Post in services to the newly-formed group, the Chinese consumers could get a more comfortable and pleasant online-to-offline experience.

### **NZ Post and NZ Merchants**

NZ Post was also responsible for approaching and recruiting suitable NZ merchants to join the Ule platform. As a state-owned enterprise with a 170-year history in New Zealand, NZ Post keeps long-term business relationships with most of New Zealand SMEs. Because of NZ Post's trustworthy reputation and its extensive business connections in New Zealand, more than 20 NZ merchants are now listing their products on Ule, many of which are NZ Post's existing business clients. When NZ merchants joined the Ule project, NZ Post would go through every detail in the operation with the merchants, explaining their due responsibilities as well as listening to their specific needs and concerns.

NZ Post also actively connected with merchants in the marketing activities. When a marketing plan was proposed, NZ Post contacted all the merchants to introduce the promotion plan in detail and discussed specific issues with them about how they could participate and coordinate in terms of resource offerings or financial commitment. It is worth noticing that NZ Post would also proactively communicate with the merchants that were less active in engaging in previous marketing promotion. In the communications, NZ Post would figure out the reasons for not participating and explain the importance and effectiveness of participating in marketing campaigns from the perspective of merchants, instead of sitting back and staying unconcerned. For instance, NZ Post showed the passive merchants the significant sales increase from the participation in the campaign activities. The purpose of the close communications between NZ Post and merchants was to increase the enthusiasm of taking part in co-marketing for different parties and encourage more commitment



from them. Not only did the increasing involvement of different players constantly bring economic benefits, but also made their relationships more interactive and solid. As the project progressed, NZ merchants became more devoted to participating in marketing campaigns and began to proactively seek advises and assistance from NZ Post on operations on Ule. For example, they would ask NZ Post why their sales appeared to be sluggish, what price was the most suitable or how they could commit further in future promotions.

Besides collaborations in promotion activities, NZ Post also provided the merchants practical insights into daily operations, such as on the presentation of products and firms with branding stories or product information. For instance, NZ Post gave merchants suggestions on how to present and promote their products in a culturally-accepted way or to set up the sale prices tactically to win over their competitors on other shopping platforms. Through such beneficial co-operations and coordination, NZ Post and NZ merchants were able to collectively conduct a series of long-term marketing campaigns and effective special promotions. The incremental managerial and resource inputs in the marketing activities resulted in a growing audience base of the New Zealand Mall. The increase of website viewers and consumers leads to a continuous development in the brand awareness and the sale volume of the New Zealand Mall.

### **NZ Merchants and Ule**

NZ merchants and the Ule team ran a regular communication on many aspects as well. For instance, the Ule team played a leading role in the screening and selections of merchants based on initial interactions with the candidates. They also provided NZ merchants practical suggestions and sights on the product selections and price-setting based on their rich experience of e-commerce operations. For example, merchants would send some sample of their selected products to Ule's Shanghai office to run a pilot test before listing them on the platform. Then the Ule team and merchants would decide the listing products together based on the testing results. The primary purpose for NZ merchants to closely engage with the Ule team was to incorporate the competitive advantages and technical knowledge of the Ule team for a long-term jointly benefits. The Ule team also provided technical assistance to NZ merchants when any problems emerged. In addition, the Ule team actively provided assistance

and back-office support in the operations of collective marketing campaigns and special individual issues, such as changing the layout of the website, monitoring and collecting sale data and solve technical problems. All of the technical helps and functional modifications were the results of close exchanges of ideas and information between the parties.

### **Three Parties Interactions**

In addition to these intensive interlinked communications among the players involved in the Ule project, the Ule team, NZ Post and NZ merchants also made every effort to set up tripartite meetings to discuss important issues together. For instance, a delegation of the Ule team paid a visit to New Zealand for five days in the initial stage. Organised by NZ Post, people from Ule were able to meet and talk with the New Zealand merchants in person. More importantly, the Ule team was given the opportunity to sit down with all the merchants and NZ Post to examine the critical problems in the collaborations and then finalise the process of website operation in detail. This visit shortened the preparation period of the New Zealand Mall and unified the strategic perspectives of each party. Ultimately, the tripartite meeting accelerated the launch of the New Zealand Mall. NZ Post, the Ule team and merchants regarded the multilateral real-time interactions as one necessary part in their collaborations. In doing so, ideas were exchanged and problems were solved in the most efficient and effective way, and the understandings and bonds among all the parties were enhanced.

### **The Engagement of Consumers**

Chinese consumers were encouraged to involve in Ule's operations as well, for they are the key actors to directly experience the shopping process on Ule and determine the value of the overall offerings,.

Besides setting up regular communication channels for consumer feedback, the Ule team and NZ Post co-designed and carried out several consumer researches via phone interviews in order to obtain first-hand feedback and fresh ideas about the operations of the platform. The feedback from consumers was directly collected and processed by the Ule team, and distributed to NZ Post and the relative NZ merchants to make improvements. For instance, the suggestions on the page layout of the website and the

products presentation had been modified by the Ule team; NZ Post and the Ule team shortened the delivery time to respond the requirements of consumers; NZ merchants took the advice of consumers to provide more detailed product information and longer brand story of the firm, and also improve the product package to be more safe and solid. Overall, consumers were encouraged to keep mutual communications with the Ule team through direct and indirect channels. The feedback from consumer interviewees brought benefits to every involving party, and allowed Ule to quickly evolve into an online platform that offers unique shopping and participating experience for each individual consumer.



## **CASE FINDINGS AND ANALYSIS**

The case of the Ule project comprises several key actors, that is, the Ule team, NZ Post, NZ merchants as well as Chinese consumers. Not only does the inspiring evidence from the empirical findings confirm the proposed conceptual framework, but also indicate some new emerging understandings of value co-creation. The analysis of the case findings consists of two parts. The first part addresses three research questions and examines the twelve proposed propositions in the conceptual development section. The second part of the analysis discusses the emerging insights in the Ule project that might be important to cross-border value co-creations.

### **Part 1. Reflection of Research Questions and Propositions**

This part is to analyse empirical evidence for the twelve propositions regarding the four dimensions of value co-creation in the proposed conceptual framework (see Figure 1) and explore answers for the following focal research questions:

1. What are the key motives and outcomes of value co-creation in cross-border business relationships?
2. What are the key attributes of value co-creation in cross-border business relationships?
3. How can a SME exporter strategically engage into a value co-creation relationship with business partners or consumers in export markets to improve its export performance?

The analysis of empirical findings from the case of the Ule project finds evidence to understand these propositions and research questions, which helps the researcher to examine the nature and uniqueness of value co-creation from a comprehensively perspective. The contents and the results of the twelve propositions are listed in Table 4. The interpretation and explanation on the analysis of evidence with regard to the three research questions and four dimensions of value co-creation are discussed in detail below.

**Table 4: Propositions and Results in the Empirical Case**

	Propositions	Results
1a	A value creation opportunity with unclear customer requirements and an unpredictable outcome requires close interactions and collaborations. Such a value co-creation process is likely to create positive emotional and value-in-use customer experience.	Confirmed
1b	Positive emotional and value-in-use customer experience will enhance customer emotional attachment to the firms, thereby impacting on the emotional aspect of customer value.	Not Confirmed
1c	Uncertainties or the unknown in value co-creation drive the partners into an emotional value co-creation relationship.	Confirmed
2a	Value co-creation commitment decisions encourage firms and their business partners to integrate resources.	Confirmed
2b	Resource integration will increase end-user purchase intention which brings higher economic value for both focal firms and their business customers.	Confirmed
2c	Social exchanges provide economic benefits in value co-creation.	Confirmed
3a	Experiential learning between firms in the value co-creation process encourages the creation of new knowledge.	Confirmed
3b	The new knowledge generated in the value co-creation process will lead to the creation of creative solutions and functional customer value.	Confirmed
3c	Learning orientation drives the partners into a functional value co-creation relationship.	Not Confirmed
4a	Interactions for the purpose of value co-creation enable all the parties to gain an insidership position in each other's network.	Confirmed
4b	The insidership advantages in value co-creation will translate into symbolic customer value as indicated by co-brand equity.	Confirmed
4c	In-group membership or insidership drives partners into a symbolic value co-creation relationship.	Confirmed

### Opportunity and Customer Experience

The empirical findings in this research indicate that a main motive for value co-creation is the growth opportunities in a new area or market, for every party in value co-creation. In the Ule's case, the launch of New Zealand Mall facilitated every actor in the project to develop their businesses in new areas. As stated by informant B, Ule was a very attractive growth opportunity for them, due to the ease to export the products to the China market with the help of NZ Post and China Post who took care of all the regulations. Informant C explained his motives to take part in the Ule project in this way:

*“The concept was very good, extremely good, the way the two biggest national post firms in their countries clear the goods through and market our products in China with great marketing power and specialised capabilities. I think the concept is extremely good, and I believe once the young people get to know the site, and know how to use the IT system, and how to buy on the net, and it will take off very quickly.”*

Similarly, merchant G decided to join the collaboration because the strong brand image of NZ Post and China Post made it much easier for her firm to market their products to Chinese consumers and build new business relationships. For informant E1, although her firm has got her own sole agent in China, she still believed the Ule project would help her products to extend her business to more consumers that cannot be reached by her agent, because of the nationwide distribution coverage of China Post. Meanwhile NZ Post were trying to further its business in the China market; Tom Group sought access to China Post’s huge distribution networks in China, and China Post were planning to expand its business into e-commerce. With different kinds of uncertainties in the process, these benefits could only be co-created when every party in the collaboration shares risks and grows together. As informant C stated,

*“To be honest, so far we don’t expect great economic benefits in Ule, because we understand that Ule still needs a long time to grow. But the combination of two big postal firms and the experience of working with them make us want to grow with them, so that in the future, everyone can get what they want from a successful project.”*

However, the findings of the case study also see the existence of various uncertainties in the on-going value co-creation process. The initial uncertainties in the Ule project largely stemmed from the lack of experience of NZ Post and New Zealand merchants in the e-commerce sector in China, and the lack of huge financing resources of investments as a foundation from each party. The uncertainties primarily included unfamiliarity with the operations, unpredictable outcomes, and the ambiguity in the future development of the collaboration. For example, informant A, a manager of NZ Post, pointed out a strong feeling of anxiety and ambiguity about the outcomes of overall co-creation experience in the beginning of the project. She also saw potential uncertainties in the future if other countries join Ule, such as interest or goal conflicts.

In order to reduce these perceived risks, firms in the Ule project kept frequent interactions among each other and exchanged their professional expertise in each area. Frequent interactions among value co-creation partners led to positive and joyful customer experience. Informant A described the collaboration experience when she worked with the Ule team and merchants this way:

*“I think starting a collaborative relationship is like the start of the marriage. There must be a long time for you to get used to each other’s communication styles and preferences. So in Ule, when we started, I felt frustrated and because I had no idea how the other parties were going to react and collaborate. And because we barely knew the merchants, so most of the time when we talked with them, we got confused. Because it seemed that we were not on the same page, because we couldn’t make ourselves understood. Up to now, after a few rounds of co-marketing, I now feel confident about how they could contribute and how we communicate. There is a sense of security about your partner. And I think this is an enjoyable relationship for us. Basically now if we propose a promotion, it will take only a week for us to activate it because we now understand and know each other very well.”*

The change of emotions from being “frustrated” and “confused” to “confident”, “security” and “enjoyable” indicated an evolution of co-creation experience in the process. NZ merchants also increased interactions and participation in the collective marketing promotions organised by NZ Post and the Ule team due to the lack of operational experience in the China market and consumers. All the merchants stressed the importance of interaction in the initial stage of the Ule project: the more interactions between the parties, the more secure they felt about their partners and the whole project. Merchant G expressed her opinion about the role of interactions in the Ule project this way:

*“Interactions or communications, I might say, would be extremely important, especially for us who have tiny little worry about the whole situation. And I think the communications between New Zealand Post and our company help us to control the risks to some extent, because we got to know each other better and trust each other.”*



Through close interactions, firms get used to their partners' business culture and communication styles in the interaction process. This adaptation increases the efficiency of communication in their collaborations and improves the overall co-creation experience. In this sense, empirical evidence has confirmed Proposition 1a: a value creation opportunity with unclear customer requirements and an unpredictable outcome requires close interactions and collaborations; such a value co-creation process is likely to create positive emotional and value-in-use customer experience.

The co-marketing activities and the exchange of insights made merchants more confident and secure about their partners. Thus, they began to proactively seek advice from NZ Post and Ule on critical issues. Informant D stressed his appreciation and dependency on the proactive assistance from New Zealand Post in the Ule project. He believed that small companies that are inexperienced with online business have to rely on the assistance of big reliable companies like New Zealand Post to avoid big mistakes and costs. The sense of security and dependency in the co-creation experience improved the mutual understanding and emotional support in the partnership and thereby enhanced the synergy of the group. Eventually, all of the evolutions in emotions and collaboration experience have laid solid foundations for a long-term collaboration. However, although the empirical findings have alluded to the evolution of a positive emotional experience in the Ule project, the study has not found sufficient evidence to directly evaluate significant changes of emotional attachment in the process and the impact a positive emotional experience on the co-creation of emotional value. Given the fact that the Ule project is still in its early stage, a more significant effect of emotional exchanges can be expected in the value co-creation process as the Ule project progresses. Thus, Proposition 1b – positive emotional and value-in-use customer experience will enhance customer emotional attachment to the firms, thereby impacting on the emotional aspect of customer value – is not supported.

The Ule project outlines various uncertainties and unpredictable factors in the whole process. The empirical findings show that in order to monitor the unknown and mitigate the uncertainties in value co-creation, the partners were required to be proactive in interactions and be collective in important decision-makings. For instance, some merchants interacted with NZ Post in terms of price settings and

marketing because NZ Post were more experienced and informed about the China market. Similarly, NZ Post formulated the whole operation flows with the Ule team and discussed every potential issue together in the initial stage in the hope of making sure every unpredictable factor and situation can be controlled to a certain degree. The frequent on-going interactions facilitated the reduction of opportunism and negative emotions in the relationships. Merchant C talked about the working experience this way:

*“The interaction with NZ Post is very good, very good. We had a little incident ten weeks ago, the customer got the wrong product, and New Zealand Post worked very closely with us to ensure that the right products went to the customers. They were extremely helpful and professional. I’m very, very happy with the working experience with them. The way they acted in this incident proactive, rather than reactive, and I think given time, the Ule would be a very successful venture.”*

Informant B from NZ Post reported that although NZ Post had foreseen some uncertainties in the Ule project, NZ Post still decided to join due to the strong connection and bonding in prior business relationships with China Post. The positive effect of interactions on emotions have enhanced the degree of confidence with collaborative parties and motivated them to pursue mutual benefits. From this aspect, the above discussions provide empirical evidence for Proposition 1c: uncertainties or the unknown in value co-creation drive the partners into an emotional value co-creation relationship.

### **Commitment and Resource Integration**

According to merchant C, firms are apt to be more conservative in financial and resource investment in a relatively new and unfamiliar project, due to ambiguity and perceived risks. Therefore, the commitment tends to be incremental. The empirical findings indicate an incremental pattern of commitment in the collaboration process. Informant A regarded commitment as “necessary and imperative, otherwise the project could not be continued and developed”. As the sales increased and more merchants participated, both NZ Post and the Ule team allocated more human resources to specifically run the project. Most of the staff working for Ule was generalists or experts in many fields. For instance, the general sales team of NZ Post

would promote the Ule Project to NZ merchants as one main market entry model. The Ule project also received great assistance from all of other departments of NZ Post. In the development process, NZ Post and Ule gradually shared the access to many confidential data bases and information. The merchants were also more willing to contribute more resources and efforts in their co-marketing activities. Positive results in growth also stimulated NZ merchants to be more active in collaborative marketing activities in order to continuously increase the sales. Those less active merchants at the beginning were also motivated to become more committed and responsive in the following campaigns after seeing the positive relationships between commitment and sales returns in the prior activities. Merchant C talked about the commitment of his firm in the Ule project this way:

*“In the beginning, we didn’t involve much in the Ule operations, since we didn’t have much feedback on how things were going or how other merchants have been doing, and whatever. And there was one time when New Zealand Post approached us to ask whether we would like to be more involved in the marketing promotions. We said no, we were not sure about it. And then XXX (NZ Post staff) told us that a chain store on Ule doing similar products, ..., he’s got very keen in the Ule promotions and he’s got very good sales, you know, in the promotions. .... So after that, we tried to participate more in their activities, for example, offering discounts on some Chinese festivals or special days, or gift-giving.”*

Ultimately, when firms in the Ule project decided to be committed and responsive in the collective activities, they allocated more resources and efforts in the project. They also made full use of the commitment through integration of resources with their partners’ in an optimal way. Thus, the supports of Proposition 2a – value co-creation commitment decisions encourage firms and their business partners to integrate resources – has been found.

In the Ule project, the commitment mainly included the integration of key resources from different parties. According to informant D, integrating key resources among collaborative parties had amplified the overall competitive advantages of the supply chain and made the weaknesses of his company less disadvantageous. The empirical findings demonstrate that resource integration in value co-creation was voluntary and

selective, as the partners tended to integrate specific resources that are valuable and complementary. For example, merchants could choose to participate in the collective promotions in individual ways that they think would be the most appropriate and acceptable, such as providing discounts on the products, new combinations of products or giving gifts along with the purchase. The selected allocations of resources allowed value co-creation partners to avoid the integration of resources which were not compatible or fully used, thereby reducing the waste of unnecessary resources. As informant A introduced, China Post gave NZ Post the access to various confidential data bases of consumer information. More importantly, the data bases were specifically selected to embrace consumers in the lower-tier cities or suburb areas that general postal companies could hardly reach. The data bases were so detailed, as the consumers were classified by different provinces and cities, accurate to residential communities and buildings.

Another interesting discovery on the resource integration in the Ule project was that the resources were often integrated hierarchically in different levels. For example, in collective marketing campaigns, NZ Post assembled all the committed resources from all the participating merchants first and then combined them with the confidential data bases of China Post. As informant A explained, the reason for NZ Post to act as a resource integrator in marketing activities was to “synergise the pooled resources to the maximum extent by taking full utilisation of every small and fragmented resource”. The co-marketing would be more efficient and effective when NZ Post played the organiser role, otherwise it would be too time-consuming and overwhelming for NZ Post and the Ule team to deal with individual merchants in each small-scale marketing activity. In the meantime, the effect of individual marketing would be relatively ineffective and only last for a short time.

The hierarchical and selective integration of resources was most significant when multiple parties involved in the collaboration, for it allowed NZ Post to take full advantage of every fragmented resource and directly promote New Zealand Mall to targeted audience by putting the flyers and brochures in the parcels. As a result, the marketing campaigns has increased the chances to reach the targeted consumers who are likely to visit and purchase in New Zealand Mall on Ule. Informant A confirmed an expected positive relationship between direct marketing and the increase of sales

volume. Therefore, Proposition 2b – resource integration will increase end-user purchase intention which brings higher economic value for both focal firms and their business customers – is confirmed.

The increasingly non-transactional interactions and commitments in the value co-creation indicate the determination of each party to further the collaboration and their willingness to make sacrifices for long-term joint benefits. Only when the collaborative parties trusted their partners for mutual benefits, would they realign their strategic perspectives and share valuable resources. The empirical findings highlight a salient role of trust in the Ule project. All the informants stressed the importance of trust for carrying out a successful long-term collaboration project. For instance, all of the five merchants in the interviews showed a large degree of emotional supports and understandings to NZ Post and the Ule team. More specifically, they would turn to NZ Post for assistance or opinions in many decision-makings related to their project operations. Merchant E proactively approached NZ Post for suggestions when the Ule staff in China asked them to collaborate in an unfavourable way. Merchants D and F also reported that they would ask NZ Post first before they consider conducting consumer research.

The trust among the collaborative partners mainly came from prior solid business relationships. Informant B from NZ Post explained the trust between NZ Post and China Post this way:

*“So how it happened is because we have a strong relationship with China Post and the State Bureau, for many, many years, decades. So there’s always been a good level of personal contacts...It is fair to say that the parties were known to each other, either personally or by reputation, backed up by the fact that both worked for conservative employers, conservative companies, postal companies. So that was the underpinning bed of trust.”*

Trust was also the results of social interactions and mutual supports in the collaboration process. As above discussed, a positive interactive experience among parties generated the feelings of security, comfort and pleasure in working and a certain degree of psychological dependency on their partners. This was the foundation

of trust. Informant C expressed the development of trust with NZ Post in the Ule project this way:

*“I think the trust comes from the process of getting to know people in the business relationships. Knowledge breeds trust. Knowledge of the other party, knowledge of that you can rely on them to deliver what they have said, knowledge of knowing that they will perform on time. And you need to build this kind of knowledge through communications in the process. And the knowledge builds up like the building blocks. And as the blocks get higher, the trust gets better, and stronger.”*

According to the interviews, the trust in the collaborations had to be mutual and reciprocal to stabilise interactive relationships and reduce the doubts or anxieties that originated from the unpredictable uncertainties. Thus every party in value co-creation would sacrifice short-term benefits and avoid conflicts or opportunist behaviour in order to grow their businesses and obtain long-term benefits together in the long run. The understanding of mutual trust was summarised by informant C in the following statement:

*“In Ule project, it’s not we trust in New Zealand Post and China Post, it’s they trust us too, and that is very important. Only in that way can we develop together and go a little bit far, especially when Ule is in the initial development. I know there will be doubt and questions about the whole process, but what we need to do is wait and believe that New Zealand Post and China Post won’t fail us after all. And I think that is the underpinning foundation for us to keep on supporting them in Ule operations, like the promotions or other activities, even when the sales have been very slow”.*

The analysis of the interviews confirms that trust is the key driver for firms to make continuous commitment to such a complex collaboration that began with various uncertainties and risks. For example, informant A commented that normally the data bases of consumer are confidential assets of postal companies. These databases can only be acquired at a high price. However, China Post was willing to share their various data bases free to NZ Post in a collaborative way without any financial costs. Despite their limited capabilities, NZ merchants also made financial inputs to the

marketing campaigns organised by NZ Post. Informant D made it clear that it was the confidence and trust in NZ Post that motivated them to continuously make commitments to the promotions even when the result of prior promotion didn't turn out to be as good as they expected. All of the above evidence implies that the trust in their partners played a dominating role in determining the major commitment to value co-creation. Informant C emphasised the importance of trust in making commitment actions like this:

*“Because we now know New Zealand Post better than at the beginning, I guess that probably we will do some marketing with them after all. I mean, I am still willing to believe that New Zealand Post will deliver, and will be a key role in the whole Ule project. So in this case, results or money seems to be less and less important, to some extent. ... As I said, in long-term relationships, it is not about money anymore, it is about how you make your partner grow with you. That would decide how much I or my partner will commit”.*

Overall, the empirical findings highlight the mutual trust and resource integration as two critical attributes in value co-creation, especially in the cross-border context. In essence, these two constructs were key factors that constantly motivated value co-creating parties to interact on a social base and push their collaborative project moving forward over time. Ultimately, the non-transactional social exchanges accumulated to long-term benefits for every party. From this perspective, Proposition 2c – social exchanges provide economic benefits in value co-creation – is proved.

### **Learning and New Knowledge Creation**

Empirical findings show a learning process among the collaborative parties associated with the on-going business relationship development. The interactions among parties provided an open platform for learning. In the process of project implementation with people from Tom Group, informant A found a significant improvement in the knowledge and capabilities of NZ Post in the business intelligence (BI) field. More specifically, NZ Post became more familiar with various approaches and complex technologies to process and transfer massive data into meaningful results and information. Incorporating more sophisticated BI analysis capabilities with its current business status, NZ Post was able to constantly identify promising market

opportunities in China and devise the most effective marketing strategies. The project was also a learning process for merchants to be more informed and sensitive about the China market including its business culture, patterns of market fluctuation and so forth. Informant C talked about the learning in the Ule project like this:

*“Besides, every time we got closer with our partner, we got to know different things or learn something new, so it was a beneficial process for us...We learnt general knowledge, not about products, just about markets, or Chinese people. The most stuff we learnt from Ule is the general knowledge about Chinese culture, for example, I had no idea about Chinese New Year or Lantern’s Day until the people from New Zealand Post explained to me. And we got to know Chinese customers as well, what kind of products or sheepskins they like, that kind of things. And I learnt a lot about internet operations and online shopping, too.”*

Combining the market-specific knowledge with rich understandings of their own products, firms could strategically select their feature products in marketing promotions and specifically cater for specific consumer preferences. Informant B from NZ Post made the following observation about the importance of learning in the Ule project:

*“If you learn from the sales that have happened, it’s limited. But if you use other people’s experience and be professional, that provides you most chances to make it sell.”*

This remark implies that by combining firms’ sophisticated expertise in a specific area with the new knowledge learned from others, firms were able to gradually form informed perspectives in the new and uncertain markets. In particular, the new knowledge in relation to relationships skills and business establishment could be only obtained from interactions and mutual learning. Thus, Proposition 3a – experiential learning between firms in the value co-creation process encourages the creation of new knowledge – has gained empirical supports in this study.

Learning knowledge and technologies from other firms was meaningful and beneficial only when the firm was competent in utilising the knowledge in the current operation



of the firm. The Ule project showed the importance of utilising absorbed knowledge to the improvement of offerings and strategies so that firms could stay competitive in the ever-changing market. For instance, NZ Post developed new functions and features on the website to improve customer experience through close collaboration with the Ule team. The marketing activities of NZ merchants on Facebook motivated NZ Post to build a social media presence on Sina Weibo, a major online social media platform in China.

Learning from consumers was also an effective approach for NZ Post and the Ule team to generating unique ideas for improvements and innovations. According to informant A, the New Zealand merchants enriched their brand stories and modified product presentations according to the feedback from Chinese consumers. Many functional changes were made on the website as the results of the merchants' increasing understanding of the China market and consumer preferences. All of the modifications and innovations in functions and offerings enabled customers to obtain greater value. Such increased functional value would eventually benefit every party in the project. In this aspect, Proposition 3b – the new knowledge generated in the value co-creation process will lead to the creation of creative solutions and functional customer value – is confirmed.

Most of the interviewees confirmed that learning was an evolving process embedded in the inter-firm interactions and collaborations. Absorbing knowledge and learning others' experience was an essential aspect of business learning and a main characteristic of firm development, especially for SMEs. In the interactions, firms acquired resources and learned cultural and relational skills from their partners in order to upgrade their own firm's competitiveness and knowledge base. In the Ule project where there were so many unpredictable factors and unknown outcomes, merchants were particularly required to learn related experience and knowledge from their partners and consumers. Informant C provided his perspective of the role of learning in the collaboration process of the Ule project:

*“All of the knowledge helps us to develop our own business in China in the long term. That is also a reason why I think this project and this concept is extremely*

*good. For me, working with such two biggest national companies is like I'm doing some 300-level paper on marketing in China for free."*

Thus, the overall value co-creation process could be seen as an innovation process in essence, in which firms and consumers applied the knowledge they learned from each other and co-create new and novel offerings. The co-created offerings might be a set of complete creative solutions for consumers, such as the Ule online website for consumers to directly buy genuine New Zealand-made products; while the offerings might also be some novel functions and applications based on existing products, such as a new added forum on the website for consumers to interact. Ultimately, the functional improvement over time provided consumers with a better shopping experience with convenience or less sacrifice of time and efforts. Overall, the empirical evidence confirms that the learning process is an essential part in the Ule project, associated with the interaction process. However, it still requires stronger evidence and further follow-up interviews to establish whether learning is one main motive for partners to take part in the value co-creation. In other words, the present evidence is not sufficient to confirm Proposition 3c at this stage of development of Ule: learning orientation drives the partners into a functional value co-creation relationship. Having said that, it is still reasonable to expect learning-orientation is likely to become an important motive for SMEs to join the Ule project in the future when some bigger and experienced firms become the partners.

### **Co-brand Equity and Symbolic Value**

The interviews confirm that the business relationships in the Ule project facilitated firms to enter new countries in an easy and strategic way. First, the Ule project enabled China Post to build business relationships with NZ merchants in New Zealand. It also allowed NZ Post to expand their business operations to embrace the consumers of China Post in the China market. Second, NZ Post was able to establish relationships with Tom Group, a joint-venture partner of China Post. Not only did this new relationship help Tom Group to successfully build contacts with New Zealand merchants, but also provided Tom Group and NZ Post collaboration opportunities in the e-commerce industry in other countries. For example, according to informant B, the general manager of NZ Post, NZ Post was thinking about developing a similar

business model through the collaboration with Australia Post. Third, the Ule project provided NZ merchants opportunities to reach Chinese consumers and establish communications with China Post, the biggest postal firm in China. They were also able to see more potentials and opportunities to develop new relationships in China. Informant C provided an example of such opportunities, that one Chinese firm saw the sheepskin products on the Ule website and approached the merchant directly for some potential collaboration. Overall, value co-creation in the cross-border context offered various approaches and opportunities for involving parties to expand into new countries. The exchange of relational resources and the learning of relationship-specific knowledge helped New Zealand firms build connections with Chinese local firms and develop their business networks in the market more quickly. Therefore, Proposition 4a – interactions for the purpose of value co-creation enable all the parties to gain an insidership position in each other's network – is supported.

According to informant D, the cross-border collaboration in the Ule project was a time and energy consuming process as it required value co-creating partners to align their competitive advantages together. To achieve this, firms in value co-creation needed to establish a common interest and a mutual objective of future. The mutuality of collaboration drove value co-creation partners to devise joint strategies in new offerings promotions such as co-branding. For instance, in order to promote the New Zealand Mall as a reliable website for genuine New Zealand-made products, the Ule team branded it as the exemplar collaboration of two national postal firms. The combination of brands in value co-creation would eventually enhance the attractiveness and status of the offerings. This eventually will lead to a stronger brand association and also a better brand image. For the interviewees, the co-creation of co-brand equity and symbolic value were perceived as the biggest co-created benefits in the Ule project. Informant A made the following statement about the most important outcomes out of the Ule project:

*“In the past we didn't know China market as much as we do now. And it was difficult for New Zealand firms to reach so many Chinese consumers from every part of China. That is mission impossible, at least for us. However, because of Ule, we are now tightly connected with the China market, and this combination with NZ Post and China Post alone means something. It means a lot more opportunities for*

*every participating firm, which I think would be the most important thing. So I guess, this collaboration is like it opens up the door for you and you don't know what you will end up with."*

Informant D gave the following example when talking about the benefits from co-marketing with China Post:

*"What we got most out of the marketing would be that we've got more consumers who know our brand and trust our dairy products. In fact, I think our agents in China really benefit a lot from it, because the name of China Post in China is so strong in China. The other day our agent told us that they meet a lot of customers recently who come to the stores to buy dairy products, you know, baby formula. And they said because they saw the marketing of the New Zealand Mall on Weibo. And they saw the mall is launched by New Zealand Post and China Post. So they know that the products on the Ule can be trusted. That was why they decided to try our products."*

Some of the merchants such as merchant G are late entrants of the project and didn't take part in many co-marketing activities; therefore it takes longer time to examine the symbolic value for her company. For NZ Post and China Post, symbolic value means Ule being able to represent a successful and competitive business model to attract bigger firms. To achieve this, a long term of stable growth of the New Zealand Mall is required. Having said that, Proposition 4b – the insidership advantages in value co-creation will translate into symbolic customer value as indicated by co-brand equity – can still be supported by merchants C and D.

According to the interviews, firms faced various difficulties in their internationalisation process, especially SMEs. Most of the merchants in the interviews regarded the smaller size and lack of experiences in international operations as the main barriers for them to enter overseas markets. Because of being new and small, NZ merchants had few channels or opportunities to build new business relationships with local firms. They also had limited capabilities to take risks to devise a long-term marketing strategy in China. Informant C particularly pointed out the difficulty for them to employ reliable and capable Chinese staff in their overseas business, because

they have few business relationships and personal contacts in China. For the merchants, the Ule project was one viable and strategic approach to overcome various difficulties or barriers, as they were able to get assistance and resources from each other in a conjoined and complementary manner. Informant B from NZ Post advocated the advantages of the Ule project for New Zealand firms this way:

*“New Zealand would be a good test case because it is small. Because the conversation would work here in New Zealand, that conversation being to New Zealand exporters, if there is a way we could market and sale your product in China without you have to worry about all the red tapes, etc. Would you be interested? Of course they would say yes.”*

The merchants in the interviews also regarded the Ule project as one good opportunity for New Zealand firms to tie together as one entity. In this way, the integrated capabilities and marketing influence would be stronger, and the effect of country of origin would be more significant. For informant E, the co-marketing activities of New Zealand firms as a whole would help the public to get more general knowledge about New Zealand culture and New Zealand lifestyle. The popularisation of New Zealand as a whole would make it easier for overseas consumers to accept New Zealand products, thereby reducing the disadvantages of being small and new in the international competition. Informant G made the following remark on the importance of forming an alliance with NZ merchants in the Ule project:

*“I mean, we are a small country, we need a little greater value than we can get. So I do think that it is not going to sell it itself. The Ule project is a good idea, because it markets New Zealand as a whole. Because this is a beautiful country, and products coming out of New Zealand are beautiful. So to get the product out there, you really need to put “New Zealand” into the core of branding and marketing. And all the participating firms in this Ule project, as a group, will utilise this big brand in the most effective way.”*

In the long term, the collective activities in the Ule project would transfer into significant meanings through the overall brand equity that benefits every party. Informant A pointed out that the collaboration with Tom Group and China Post was

one key selling point in their marketing of the New Zealand Mall, because the two firms represented the combination of professional expertise in e-commerce and China's postal giant. According to informant G, the status of being part of the Ule group represented that they were able to market their products through China Post's distribution networks and reach more local firms and consumers. Informant D also emphasised the advantages of co-branding with two postal firms in marketing their products in China. He said:

*“In terms of benefits, I have to say, the most valuable benefits for us is the increase of brand recognition in China, because of the brand power of New Zealand Post and China Post. Another benefit would be, although the Ule project might not be the most profitable sales channel for us, the public credibility of New Zealand Post and China Post are very strong in the two countries. So it is very good for our brands as well. ”*

It implied that the strong co-brand equity and symbolic customer value drove firms to form value co-creation with powerful firms, because they could enter new countries or networks much easier. From this perspective, this empirical finding provides support for Proposition 4c: In-group membership or insidership drives partners into a symbolic value co-creation relationship.

To summarise the findings in the Ule project, SMEs can improve export performance by strategically taking full advantage of the inter-firm collaborations in their marketing and daily operations. Value co-creation provides foreign SMEs a niche-focused and effective growth opportunity to share risks and develop business relationships with other firms together. The significant effects of trust and commitment in the value co-creation activities lay a solid foundation for SMEs to form such kind of inter-firm connection. Thus they are able to integrate the key resources in an optimal way. The most beneficial outcome for involving firms in the long run would be enhancing the co-brand equity and the symbolic customer value as shown from the joined strong capabilities and competitiveness. For SMEs with the disadvantages of being small and new in foreign countries, it is such symbolic value in this unique collaboration model that will effectively facilitate them to tap into different local networks and build new business relationships in the host markets. The

symbolic value is advantageous and rewarding for all the participants even including those passive players. In fact, in the symbolic value co-creation relationship, those small and ‘passive’ parties would gain the most benefits in this networked internationalisation process.

## **Part 2. Emerging Insights from the Empirical Findings**

This empirical case also provides some new insights and emerging challenges for the operation of such a complex multi-party collaboration beyond the research questions and proposed propositions.

### **The Bridging Role of NZ Post**

The empirical case highlighted the significant role of NZ Post in the Ule project to connect New Zealand merchants, China Post and the Ule team. As a result of the international reputation of NZ Post and the long-established business relationship between NZ Post and China Post, and also the strong personal relationships at the senior level, NZ Post was the first successful and so far the only international partner of Ule. According to informant A from NZ Post, NZ Post played a very critical role in the Asia-Pacific region. Informant B, the senior manager of the international business division of NZ Post, enjoyed a very high prestige and a fine reputation in the Universal Postal Union which China Post also belonged to. Informant B also kept long-term personal relationships with senior managers in China Post. When NZ Post joined the Ule project, many strategic decision-makings with regard to the operation of the New Zealand Mall had been quickly brought to the attention of the senior level managements for these reasons. The managerial attentions from the senior management has in turn facilitated the implementation of the collaborative strategies more efficiently and smoothly, and assured more assistance and commitments from the lower levels. Informant B commented on the effect of the senior level communication between NZ Post and China Post in the project like this:

*“At least three times a year, and we will meet their (China Post) officials, high level officials... So it did play a big part, particularly if we had a problem, we could go to a higher level and know that would be effective. Similarly, when Chinese had one or two problems with us, they went to a senior person in this organisation.”*

For NZ merchants, NZ Post provided experiential insights and essential assistance in their export process, and acted as the representative to deal with the Ule team with regard to some critical issues. As the exclusive agent of Ule in New Zealand, not only did NZ Post initiate collective marketing campaigns for the New Zealand Mall, they also integrated the fragmented and limited resources of participating merchants through forward resource integration. Although there were direct communications between the New Zealand merchants and the Ule team, these merchants still tended to approach NZ Post first when some assistance was needed. The role of NZ Post as a facilitator to NZ merchants was mainly attributed to the operating competence of the front-line managers of NZ post in the project. All of the merchants in the interviews stressed the enjoyable experiences with informant A, a manager of NZ Post, and spoke highly of her as a professional, patient and nice person. For example, informant F described her experience of working with NZ Post this way:

*“Mostly I deal with informant A, and I have found her helpful and professional. I like her and her team, I like dealing with them. Also we hold a view that when we deal with partners, it’s a long-term relationship, rather than looking at the best deal. So a long-term relationship that is our main objective all the time, and to Ule, because in the end, maybe it is going to be a big success. And I really enjoy working with informant A, she is very patient and lovely. So I can only speak really highly of New Zealand Post.”*

Informant C also provided positive comments on interaction experience with NZ Post:

*“When I have a problem in the operations, I will go to informant A and XXX, and they will help me out... I found them cooperative and also responsive, by responsive I mean when you required something, you went to them and they would do it for you, very much from the beginning. They are keen to get everything sorted, and I realised that was difficult.”*

Overall, NZ Post played a bridging role between the New Zealand merchants and the Ule team in the project to coordinate each party’s commitment into the co-marketing activities and facilitated the inter-connections among different parties. The commitments from NZ Post senior managements and their front-line staff are crucial,



because these commitments encouraged more managerial attentions and pumped the resources into the project. In this way, each party would be able to realign their objectives and strategies, and solve the emerging problems more quickly and effectively.

### **The Business Culture of New Zealand SMEs**

The empirical case also demonstrates some insightful understandings of the business philosophy of New Zealand SMEs doing business internationally. According to informant A, New Zealand firms were quite open and honest, always targeting the niche markets. Informant B, a senior manager in NZ Post, talked about the New Zealand SMEs this way:

*“Because New Zealand doesn’t have much to offer, you have to be easy to work with, because you are easy to forget. You have to be easy to work with and you have to be different to other parties, and you have to do things a bit more than they expect, quicker than they expect.”*

This remark stresses the importance to have a favourable and friendly business culture in cross-border relationships. It implies that the quality of the products could not determine the quality of relationships in cross-border collaborations. It was the quality of social exchanges that determined the outcomes of collaborations. Informant B also summarised some key principles for SMEs in the multiple-party collaboration in a cross-border context:

*I think it’s very helpful if the parties can be physically together, reasonably regularly. It’s not business you can do by sitting in Beijing or sitting in Shanghai or Wellington, and not seeing each other. You have to visit each other...So that is a very firm belief, make it easy, use their language and always deliver ahead of time. I said it in terms of always put the ball on their side of net. Some of the successful techniques in life cost nothing; one of them is always reply to every request on time or ahead of time.*

## **Emerging Challenges**

There are also some emerging challenges in the operation of the Ule project, according to the interviews. First, some parts of the Ule system were quite complex and difficult for merchants to operate before listing and selling their products online. For example, merchants were required to complete a complicated costing sheet and determine a large number of price/cost points only two of which were actually directly relevant to the New Zealand merchants, online retail price in China (indicator of the product value) and New Zealand supply price (what the New Zealand merchants would receive from the sales at Ule). To merchant E, this time- and energy-consuming process had reduced their motivation of participation and efficiency of the collaboration. Second, the limited marketing capabilities of New Zealand SMEs and their unfamiliarity with China Post increased the difficulties for them to respond to the collective marketing strategies and deal with cultural clashes in a cross-cultural business environment. Therefore, some merchants have largely relied on NZ Post in their marketing strategies and operations on Ule. This passive participation of some merchants and overdependence on NZ Post was harmful to the growth of the project and also the competence development of these merchants. Third, some merchants raised their concerns about the selection by Ule and NZ Post of merchants from New Zealand. A number of mixed-quality merchants were encouraged to participate in Ule New Zealand Mall at its early stage of recruiting merchants, in order to increase the overall capacity. However, the selection of participants will become a critical issue for the development of the project and participating merchants as the New Zealand Mall grows. The negative consequences of the inconsistency of listing may be: the possibility of the occurrence of inferior products or services, demotivation of some reputable firms to participate in Ule as they are concerned that they may carry others in this project. Any negative incidents would have an adverse impact on the Ule brand image and the positioning strategy of the New Zealand Mall in China, but also result in negative brand associations for other high-end brands. According to informant E3 in the interviews, this was one of the biggest concerns of his firm, merchant E, in the development of Ule.

## **DISCUSSION**

The main objective of this exploratory research is to investigate how foreign SMEs co-create customer value with Chinese business partners and end-consumers in a cross-border context. This study also examines the key drivers, attributes and outcomes of value co-creation in the SMEs internationalisation process. A case is used to illustrate how New Zealand Post, New Zealand merchants, Tom Group, China Post and Chinese consumers co-created the New Zealand Mall experience on the Ule platform. The analysis of the empirical case provided evidence to confirm ten proposed propositions and answered the three research questions. Overall, the studied collaborative project involved in-depth interactions among multiple actors and realigned their strategic objectives of growth in the new markets or area. This type of collaboration was developed on a basis of mutual trust, which is the main motivation for incremental resource commitment and integration. Meanwhile, end-consumers were encouraged to actively engage in the operations as well. When consumers are involved as active, connected and powerful players with firms in value creation, they are actually co-creating value together (Prahalad & Ramaswamy, 2004a). Value co-creation is a new and unique type of multi-party collaboration that goes beyond buyer-seller relationships or shareholder partnerships. Ultimately, all of the participants in the value co-creation activities will benefit from the integration of resources and the creation of symbolic value.

### **The Uniqueness of Value Co-creation**

Trust and resource integration are two most highlighted elements of value co-creation reported in the empirical findings. In business collaborations, trust is regarded as one essential prerequisite for long-term business relationships or networks because it reduces the risks of potential opportunism and increase the degree of tolerance (Madhok, 2005). It is the trust that enhances the group stickiness and the reluctance to exit the relational group, and “shift people away from the self-oriented mode toward a more cooperative, collectively beneficial mode of response” (Baumeister & Leary, 1995: 519). In the sociology literature, trust is a dynamic construct consisting of cognitive, emotional and behavioural components for a social groups and the “mutual faithfulness on which all social relationships ultimately depend” (Lewis & Weigert, 1985: 968). Given a value co-creation context, the mechanism of how trust plays a

significant role in the collaboration process can be understood this way: the prior business relationships and the positive current co-creation experience leads to a subjective cognition and emotional confidence that their partners will continuously deliver the agreed obligations over time (Luhmann, Davis, Raffan, & Rooney, 1979). Being “reciprocal and inter-subjective”, the cognitive and emotional components of trust increase firms’ willingness to commit to the collaborations without further logical thinking and proof justification (Lewis & Weigert, 1985: 971). This kind of emotional affection ultimately will have a significant impact on the behavioural component of trust, enabling each value co-creating party to integrate valuable and critical resources even in uncertain situations (Moreland, 1987). The salient role of trust in value co-creation is also reflected by Grönroos (2008), who observes an attitudinal component of value including trust, affection, and comfort created through social connections and exchanges.

According to the empirical findings, the impact of trust on the decision-making of resource integration is significant. This is mainly determined by the unique nature of this type of collaboration. The case of Ule indicated that the firms form a value co-creation partnership on a basis of mutually-recognised prospects of growth. Thus, it would be more flexible and less costly for value co-creating partners to stay or withdraw from the collaboration at any time. The flexibility in the value co-creation partnership results in various uncertainties and unpredictable possibilities in the collaboration process (Friman, Gärling, Millett, Mattsson, & Johnston, 2002). In this kind of uncertainty-bounded collaboration, trust provides the strongest foundation for firms to make risky decisions, especially with regard to allocating the most valuable resources into the resource integration. Therefore, value co-creation is more likely to take place among firms with established trust from prior business interactions. The significant impact of trust on the commitment in the collaborations with no direct financial investment as the foundation has been reported in Burke and Stets (1999: 9) that positive self-verification and self-feelings in a social group are critical to trust-building. The trust in turn will increase the subjective commitment and emotional bond to the group. Korsgaard, Schweiger, and Sapienza (1995) also find that the trust in the leader of a strategic decision-making team will motivate team members to be committed and cooperative in the team’s decision. Therefore, trust is a key and imperative attribute in value co-creation to motivate the flexible and selective

integration of critical resources from each party, regardless of a contractual allocation of obligation or a clear calculation of short-term benefits.

The significant interplay of trust and flexible resource integration in value co-creation is the key uniqueness of value co-creation, compared with other kinds of business relationships. In simple buyer-seller relationships, firms make contractual transactions in one particular area of activities. Because obligations or commitments are clearly described in transactional contracts, the level of uncertainties is lower compared with value co-creation partnerships. Regular transactional exchanges make firms less motivated to make extra commitments (Fontenot & Wilson, 1997). In shareholder partnerships, the relationships are defined and tied by the sharing of ownerships; therefore, the commitment from each party can be self-initiated and proactive because the costs of termination or failure of the relationship are much higher (Buckley & Casson, 1998). In both cases, the forms of commitment are less flexible and bounded by contractual arrangements. In contrast, the commitment in value co-creation, mainly in the form of integration of critical resources, is quite flexible and selective, depending on the need of individual co-creating parties and specific co-creating circumstances. Therefore, trust is the most important factor in determining flexible commitment in resource integration. The unique role of trust and resource integration in value co-creation resonates with the social exchange theory, in which trust and commitment are two main constructs to differentiate social exchanges from transactional or economic exchanges (for example, Cook & Emerson, 1978; Morgan & Hunt, 1994). Thus, social exchanges are extremely critical in value co-creation, compared with other kinds of relationships. This claim has a root in sociology research. Edvardsson et al. (2011) apply a social construction perspective to explore the sociological side of value co-creation and S-D logic. Meanwhile, many focal elements studied in the value co-creation literature, such as learning and customer experience, are also essential and imperative constructs in the social exchange theory (for example, Gentile et al., 2007; Payne et al., 2008).

### **A Business Network Perspective of Value Co-Creation**

The business network view approaches the business network as “a set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors” (Anderson et al., 1994: 2). The

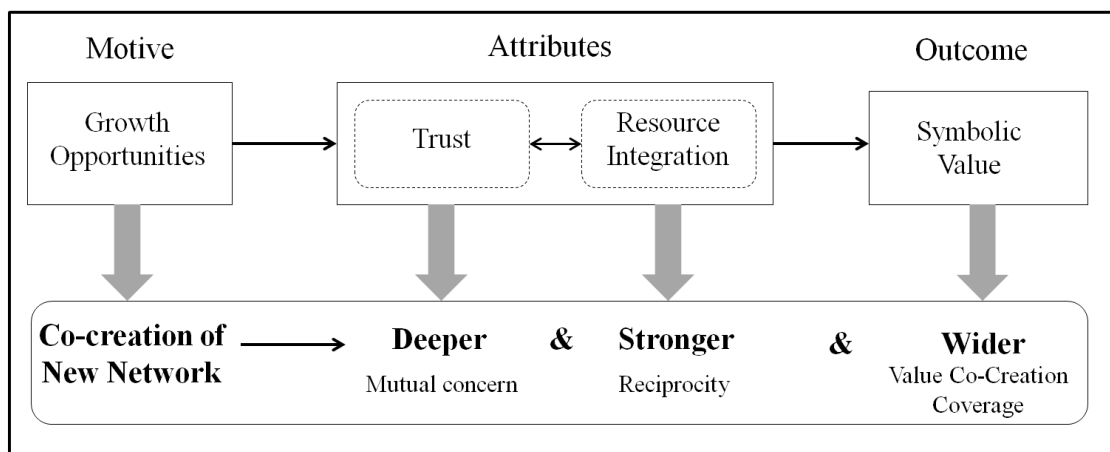
characteristics of a business network including being connected, collective and relational can also be reflected in value co-creation, due to its interactive and network nature (Lusch & Vargo, 2006). When examining the value co-creation process at a holistic level, value co-creation in essence, presents a comprehensive picture of a complex business network consisting of in-depth interactive relationships among multiple parties. The core of this dynamic and multilateral network is the interlinked business relationships and different levels of social exchanges (Mason & Leek, 2008).

According to the business network view, firms are all surrounded by invisible business networks, and firms' internationalisation process is ultimately the matter of developing relationships with local members of the influential networks in foreign markets (Johanson & Vahlne, 2003). As a result, the main challenge or barrier in firms' internationalisation is to find the entry into local networks and strategically tap into different business networks in overseas markets (Kamakura, Ramón-Jerónimo, & Vecino Gravel, 2012). Collaborations provide firms the growth opportunities by building more business contacts through their partners' existing business networks (Akhter & Robles, 2006). The strategy of growing through partners is more effective when the business opportunity embraces multiple parties. The current study confirmed, 'growing together' is frequently the main motive for firms to form the value co-creation partnership. This motive can also explain why firms tend to internationalise by choosing the market where their business partners or customers are already operating in, instead of a larger market but with no or fewer business contacts.

Value co-creation is characterised by social exchanges and unique patterns of resource integration. It is the cultivation of trust in social exchanges that drives the firms to commit the most valuable resources to the collaborative activities. Through negotiations and communications over time, the interconnected net of relationships in value co-creation will gradually form a "specific and intense structure with economic, technological and social dimensions" (Håkansson & Ford, 2002: 135). In other words, the value co-creation members gradually establish a set pattern of communication, a compromised business culture and a mixed management style. Such structure is regarded as the "network identity" of the participating firms that distinguishes them from network outsiders (Anderson et al., 1994: 4). The resource integration and the creation of network identity in value co-creation will eventually lead to high symbolic value in the relevant markets or areas. The symbolic value represents privileged

access to relational assets and opportunities to build new contacts with firms from different business networks (Johanson & Vahlne, 2009). Therefore, value co-creation is “an appropriate way of climbing over the (country/market) barriers thereby becoming a market insider” (Johanson & Vahlne, 2003: 92). In the on-going process, the relationship network in value co-creation will be extended by the growing participation of firms with the identity of other business networks. Thus, it is reasonable to state that the process of value co-creation is ultimately the process of the development of a new network. Figure 3 demonstrates the understanding of value co-creation from the business network perspective.

**Figure 3: The Network Perspective of Value Co-Creation**



What makes this value co-creation network unique and dynamic is the interplay between trust and resource integration. The trust in business networks is evolving in nature, from distrust, conditional trust to unconditional trust, influenced by the change of the values, attitudes, emotions and commitment in the collaboration process (Jones & George, 1998). This research confirms that the resource integration in value co-creation is incremental and evolving as well, primarily determined by the development of trust among each party. More specifically, the increasing trust among parties encourages firms to gradually integrate more valuable resources into the collaborative activities. Such incremental commitment behaviour will in turn nurture higher levels of confidence and trust towards partners. From the business network perspective, the development of business network is also an on-going and evolving process characterised by opportunity exploitation, commitment growing, knowledge

accumulation as well as the change of network positions (Johanson & Vahlne, 2009). In this sense, the dynamic interplay of trust-resource integration acts as the wheels of value co-creation that drive the complex value co-creation network to develop and evolve in a sustainable and smooth manner. One critical factor to facilitate the evolution of the interplay in the value co-creation network is the bridging role of the focal party in the process, such as NZ Post in the Ule project. Only when the focal party makes full play of its leadership to coordinate with each party and sacrifices short-term benefits in the value co-creation activities, can the trust be nurtured and the resource integration be motivated over time.

Cova and Salle (2008) assert that when firms co-create value with business partners or consumers, they are actually co-creating with all relevant actors in each other's networks. This paper puts this notion forwards to a new level by proposing that firms in value co-creation are ultimately co-creating with all the actors in the newly established value co-creation network. The new network development differs from the simple connecting between or the aggregating of the individual networks of the involving firms by integrating the pre-existed networks with the networks of new participants. As shown in Figure 3, the new value co-creation network offers three competitive advantages compared with the prior respective networks. First, the inter-firm relationships are redefined for the value co-creation purpose based on the previous social bonds and the current social exchanges. In other words, the relational structure of the new network has a root in the pre-existing relationships in each of the prior networks but takes a new form as the results of new social interactions in the value co-creation relationship. The salient roles of mutual trust and frequent social exchanges encourage value co-creation parties to keep a long-term orientation and recognise the future interests of their partners when devising strategies (Desai, 2009). By doing so, mutual concern is built and positive value co-creation experiences are shared. According to social psychological research, mutual concern is the key element to qualitatively differentiate the relationship from other self-interested social exchanges (Baumeister & Leary, 1995). Firms with mutual concern will enjoy a more solidary relationship with a deeper level of mutual understanding and trust. Second, the overall competitiveness and capabilities of the new network are much stronger due to the reciprocal resource integration. Deeper levels of trust and social exchanges in value co-creation provides the favourable environments for value co-creating actors to



exchange valuable resources and knowledge within network in a reciprocal way (Desai, 2009). More specifically, the knowledge exchange enables firms to constantly learn from each other and update their knowledge structure. The strategic integration of key resources and relational assets also allow firms to strengthen their capabilities and compensates their weaknesses. Ultimately, the increase of the dynamic capabilities of the network, such as marketing and innovation capabilities, represents a stronger and more sustainable competitive advantage of the network (Eisenhardt & Martin, 2000). In these regards, the new network offers competitive advantages of co-marketing and innovation over the prior and other competing networks in the market. Third, the coverage of new value co-creation network is wider because it engages with actors from large prior networks (both B2B and B2C markets from suppliers to end-users as observed in the Ule case). According to the analysis of the empirical findings, the reciprocal resource integration in value co-creation facilitates the creation of a common network identity with symbolic value. For consumers, the symbolic value propositions exert subtle, yet positive influence on consumer perception of the offerings and thereby attract more consumers (Rintamäki et al., 2007). More firms throughout the supply chain will also be motivated to be part of it, because the emerging value co-creation network allows them to establish horizontal and vertical relationships and obtain privileged resources (Chetty & Campbell-Hunt, 2003). The exclusive resource flow and strong symbolic value co-created by the actors in the value co-creation network represents a strong overall network attractiveness that leads to an increasingly wider coverage of actors throughout the whole supply chain over time.

Prahalad and Ramaswamy (2004a) propose four building blocks when firms co-create value with consumers: dialogue, access, risk assessment and transparency. The findings in this paper provide further evidence to the application of these building blocks to the value co-creation network including both B2B and B2C interactions. More specifically, dialogue has established the vehicle for value co-creating partners including both firms and consumers to interact and integrate the resources. The access to important information or resources and achievement of a certain level of transparency in decision-making are not only essential for consumers to make the best choice based on the analysis of the available information (Prahalad & Ramaswamy, 2004a), but also necessary for firms to build reciprocal commitment and mutual

concern. In value co-creation, a high level of uncertainties and risks makes it equally important for every participating actor to carefully assess the potential risks that they need to share and the benefits they might obtain (Desai, 2009). Thus, all the value co-creating parties can deal with the uncertainties by making incremental commitment and growing the 'pie' (value co-creating opportunities) together.

In summary, the new value co-creation network is characterised by three features: mutual concern, reciprocity and value co-creation coverage. These key features provide the new network competitive advantages in all three the dimensions compared with the prior business networks of the focal firms. Overall, the value co-creation network is more beneficial and advantageous than other kinds of business networks, because it can achieve a win-win situation for all the actors. Through the integration of complementary resources and knowledge, firms are able to make a bigger pie together or target a larger slice of the economic and non-economic benefits in the market. Firms that indirectly engage in the value co-creation network might also benefit from the value co-creation (Cova & Salle, 2008). This notion is also supported by the empirical findings of this research. For example, the sole agent of company D in China witnessed a significant sale boost after the company participated in the Ule platform, for the marketing of the platform had increased the awareness of the brands of Company D in several smaller cities and some rural areas which were not the main segments of Company D in China. The emerging value co-creation network provides information benefits for the participants in the way that traditional or prior business network do not do or are not willing to do. As observed in the Ule case, the Ule platform provides massive information for consumers to make informed decisions based on comprehensive comparisons. This observation aligns with the ideas of Prahalad and Ramaswamy (2004b). The reason for such strategies is because customer experience is ultimately the key source of customer value in value co-creation (Gentile et al., 2007; Prahalad & Ramaswamy, 2004b). The co-creation of informational experience (as we observed on the Ule New Zealand Mall) increases the initiative of consumers in the development of the emerging value co-creation network, thereby gaining benefits throughout the network development process, such as convenience and cost-efficiency.

## **Implications of Value Co-Creation**

### *For the Focal Party*

The bridging role of NZ Post in the Ule project highlights the importance of the focal party who takes the leadership role in value co-creation and connects different actors in the network. Gao, Knight, and Ballantyne (2012) propose the role of guanxi as the gateway in Western-Chinese relationships. According to the authors, the jealously protected Chinese local networks can “only be unlocked by guanxi insiders” (p. 463). Value co-creation represents a strategic approach to find the gateway to the Chinese local network. To make this approach work, the symbolic value of the value co-creation network has to be visible and competitively attractive for insiders of the local networks to participate. The bridging party of the new value co-creation network will have to emerge from the interactions involving all the parties and take the lead in defining the positioning strategy and building a strong brand for the whole network. The network bridging role is called in simplifying the operational system of value co-creation and maximising the efficiency of the whole network. More importantly, the focal party needs to establish mutual concerns with participating firms, especially with SMEs. To achieve this, the focal party or the bridging party must persistently convince value co-creating partners to maintain confidence in the collaborative project by proactively thinking from their perspectives and treating the interests of their partners’ as the priority when making collective decisions (Johanson & Vahlne, 2003). In this way, the possibility of any opportunist behaviour or self-interested actions will be reduced (Wu & Cavusgil, 2006). All of the efforts are made for the purpose of strengthening the overall attractiveness of the value co-creation network and enhancing the co-created symbolic value. In doing so, more firms will be motivated to join the value co-creation network. Only when firms from different networks “meet and work together for the instrumental purpose of obtaining passage across the cultural divide”, will the networks intersect and connect (Gao et al., 2012: 464). Thus, more opportunities for the development of business opportunities in the networked market are created.

### *For Exporting SMEs*

SMEs are facing different kinds of barriers in the internationalisation, caused by the liability of foreignness, newness and smallness (Li, Li, & Shi, 2011). According to the

empirical findings, SMEs have more constraints in obtaining critical resources and local knowledge, as well as establishing relationships and brand equity in local markets as a new entrant. As a result, SMEs are more vulnerable to dynamic environmental changes (Lu & Beamish, 2006). The analysis of empirical findings suggests that cross-border value co-creation is a niche strategy representing the creation of new arrangements, opportunities and new partners in the business development. More specifically, the creation of the value co-creation network helps SMEs reduce the liabilities in the following ways.

First, the deeper interactions and the on-going dialogue with local value co-creating partners on a regular base allow foreign SMEs to acquire knowledge about the local markets and gain experience in building business contacts that is otherwise not possible (Kale & Singh, 2007). The interactive learning assisted by the bridging party in value co-creation is especially efficient and less costly for SMEs in cross-border business operations, despite their limited resources for frequent field visits in overseas markets. Through value co-creation, SMEs can become more sophisticated and culturally intelligent when operating in foreign markets without having to invest much financially. Second, the transparency in value co-creation allows SMEs to utilise valuable and complementary resource owned by other participants (Grönroos, 2008). SMEs are also able to leverage off their limited resources and assets and also others' through reciprocal resource integration. The reciprocal integration of resources and the resulting stronger capabilities of the value co-creation network as a whole are more likely to compensate for the liability of smallness of individual SMEs participating in the network. Third, the wider coverage of actors in the value co-creation network provides SMEs more access to business contacts with local firms. The co-brand equity and symbolic value created in value co-creation will also make the offerings more attractive to local consumers (Saarijärvi, 2012). In other words, the collaboration with local firms as a group makes foreign SMEs no longer a new and unfamiliar entrant to the local audience and networks. Overall, the risks and uncertainties associated with market entry are filtered down and shared among members in the value co-creation network (Akhter & Robles, 2006). Without huge financial commitment in value co-creation, SMEs are more likely to devise flexible and contingent strategies and then foster stronger dynamic capabilities to deal with environmental changes.

However, there might be different kinds of uncertainties in each stage of value co-creation, especially the goal and interest conflicts emerging over time. Several managerial implications for SMEs can be summarised from this observation. First, SMEs need to build a certain degree of mutual understanding and trust before value co-creation. Non-transactional relationships established before value co-creation act as a solid foundation to tolerate unknown and unpredictable situations (Morgan & Hunt, 1994). Second, it is critical for SMEs to maintain a contingency perspective in their strategy formulation and implementation in the interactions within value co-creation partnerships. Firms need to be always vigilant, flexible and well-prepared for internal and external changes in their business operations and relationships development at all times (Donaldson, 2001). To achieve this, persistent monitoring is necessary. SMEs are suggested to keep frequent inter-firm interactions on a regular base through all kinds of communication channels including phones, online call software, emails as well as field visits. Third, the management style of Chinese firms tends to be top-down because of the higher power distance in Chinese culture (Hofstede & Bond, 1988). Thus, it is crucial to keep the inter-firm interactions in value co-creation on multiple levels from executives to front-line staff. The strategic consensus on the senior management level will accelerate the efficiency of the coordination on lower levels of managements and effectively reduce potential unpredictable factors throughout the value co-creation process (Lockett, 1988; Pun, Chin, & Lau, 2000). Fourth, it is dangerous and harmful for SMEs to be a passive participant that is over dependent on the assistance of the bridging party in the value co-creation process. Frequent interactions in value co-creation provide a favourable environment for knowledge exchange. Hence, SMEs need to proactively learn useful insights and experience from co-creating partners in order to constantly upgrade firms' internal capabilities and knowledge structure (Johanson & Vahlne, 2003). In the long run, the evolution of capabilities and skills will enable SMEs to be culturally intelligent in the China market. Meanwhile, the internalisation of knowledge and relational assets allow them to quickly develop new relationships in the markets.



## CONCLUSIONS

This research investigates the uniqueness of value co-creation in comparison with other collaborative relationships and its key motive, attributes and outcomes. The evolution of consumers, from passive recipients of offerings to active participants in the value creation process, requires firms to go beyond merely providing offerings to customers. The value creation process has to be customer-centric and be able to integrate resources from all the actors including business partners and end-consumers. Ultimately, the value will be co-created by firms and consumers and determined by different use contexts and experiences. Such value co-creation process allows social entities to access massive resources and knowledge at lower cost in the means of resource integration. Consumers are also given the opportunity to co-create personal collaboration experience and different customer value with firms. In order to examine this unique collaboration in-depth, a single case study was conducted based on interviews with nine participants. The empirical findings of the case provided a holistic picture of the value co-creation process from the business network point of view. Ten of the twelve initial propositions regarding the main driver, attributes and outcomes are confirmed and the three central research questions are explained by empirical evidence. More importantly, the empirical findings highlight a significant role of trust and resource integration, and their interaction effect in value co-creation. It is this significant trust-resource integration interplay that makes value co-creation a unique type of collaboration. Ultimately, the value co-creation process is an opportunity for firms to strategically grow their business in new markets through the creation of a new network. The new value co-creation network is more competitive than the respective prior networks in the following way: (1) the new network shares deeper relationships among parties indicated by mutual concerns, (2) stronger overall capabilities as the result of reciprocal commitment, (3) Wider coverage of the networked market including suppliers, intermediaries and end-consumers. Eventually, all the actors that are directly and indirectly involved in the value co-creation process will benefit from this emerging network. Overall, value co-creation represents more opportunities and possibilities for SMEs exporters. The co-creation of ever increasing symbolic value will benefit the existing members of the new network and also attract more firms to join.

## **Contributions for Theory Development**

Overall, this research makes theoretical contributions in five ways. First, this research is the first to integrate value co-creation theories rooted in the marketing literature (S-D logic) with the international business perspective (the business network view). The combination of theories developed from different fields contributes to the new understandings of value co-creation. Second, this research extends the understanding of value co-creation in the marketing literature by combining both B2B and B2C interactions in the market. It also extends the application of four building blocks of value co-creation to B2B markets. Third, the study develops and provides evidence for ten value co-creation propositions. Fourth, by combining value co-creation with sociology and social psychology perspectives, this research identifies the most important set of motives, attributes and outcomes in the process, including hierarchical resource integration and also articulates the role of the bridging party in value co-creation. These are ultimately the aspects of the uniqueness of value co-creation, compared with other types of business relationships. Fifth, this research has argued and also provided empirical evidence for one viable and strategic approach for internationalising SMEs to find a gateway to enter a new market. The co-creation of value co-creation network is a new and emerging collaboration phenomenon. This study proves that SME exporters should carefully consider and evaluate any emerging any value co-creation opportunity like Ule as a strategic and cost-efficient way of internationalisation.

## **Limitations and Future Research**

In summary, this research has explored the collaboration in a market entry setting through a new angle – value co-creation. However, the study has encountered several constraints in the research process and therefore has some limitations which would offer opportunities and also directions for future research of value co-creation in the field of international business. First, this research investigated value co-creation propositions by a single-case study, due to the time and resource limitation. Further research could examine the key issues through multiple cases or quantitative research methods to gain more reliable and generalisable results. Second, this research proposed the establishment of the value co-creation network and its characteristics based on deductive inference. It would be worthwhile for future research to develop



measures to capture the constructs in this study including hierarchical resource integration, mutual concerns, insidership. Third, it would be a promising direction to examine how the key constructs identified in this study independently and jointly play a role in the process of value co-creation through a quantitative approach. Fourth, this research discusses the bridging role of the focal party in value co-creation as the key to unlock the gateway to local networks. Future research is required to examine this role further, for example, how this role evolves. Fifth, the empirical findings also indicate some interesting differences in terms of perspectives and collaboration experiences between Chinese informants and New Zealand informants. Future research should add in cultural factors such as guanxi to examine the cultural impact in cross-border value co-creation. Sixth, this research specifically focuses on a New Zealand-China context to investigate value co-creation. It would be interesting to investigate value co-creation in other cross-border settings, which may lead to new understanding of value co-creation.



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## APPENDICES

### **Appendix 1: Foundational Premises of S-D Logic**

Premise number	Foundational premise
FP1	Service is the fundamental basis of exchange
FP2	Indirect exchange masks the fundamental basis of exchange.
FP3	Goods are a distribution mechanism for service provision.
FP4	Operant resources are the fundamental source of competitive advantages.
FP5	All economies are service economies.
FP6	The customer is always a co-creator of value.
FP7	The enterprise can not deliver value, but only offer value propositions.
FP8	A service-centred view is inherently customer oriented and relational.
FP9	All social and economic actors are resource integrators.
FP10	Value is always uniquely and phenomenological determined by the beneficiary.

Source: page7 in Vargo and Lusch (2008)



## **Appendix 2. Interview Questions**

- Background Information
  1. Please tell me about your Job title, Years of experience in overseas markets, Nationality.
- Can you tell me an example of a successful business relationship you have with a Chinese business partner, or a Chinese business client? Why do you think this business relationship is successful? Why do you think this relationship is a kind of collaboration?
- Do you engage in any sort of co-producing, co-R&D or co-marketing activity with this Chinese/foreign partner/customer? If so, please tell me how you started this collaborative activity? More specifically,
  1. \*<sup>1</sup>Have you tried to enter China by your own before the Ule experience? Why or why not?
  2. \*What are the reasons for you to decide to work with NZ Post and sell products on the Ule website?
  3. Who initiated the collaboration? Your firm or your Chinese partner?
  4. What were the initial objectives when you started the collaboration? How did the objectives of collaboration change and evolve in the process? Please give examples.
  5. What sort of uncertainties both parties encountered at the beginning stage of collaboration? Please give examples.
  6. How did both parties manage these uncertainties in the process? Please give examples.
  7. \*How do you think about the effectiveness of these interactions and collaborations?
  8. What were the benefits for the Chinese partner/customer getting involved in the process of XXXX, in terms of your products or services? What sort of experiences did the Chinese partner/customer get from the collaboration? Any emotional side of the customer emerged in this process? For example, did they enjoy working with your firm? Please give examples.

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<sup>1</sup> \* Questions marked with \* were added during the fieldwork as these questions emerged to be very important questions that address some inquiries in the thesis.

9. How did the above customer experience impact on the relationship? In what ways? Any emotional effect? Please give examples.
- What were the major constraints and barriers in the process to reach this level of collaboration? How did you overcome these constraints and barriers? More specifically,
    1. Was the relationship strong at the start? If no, how did it become strong in the process? Please give examples.
    2. Was each of the parties in the relationship committed to the collaborative activity at the beginning of the process and what kinds of commitment did each party make? If yes, why so? If no, how did the commitment change? Why? Please give examples.
    3. Was it a mutually trusting relationship at the beginning? If yes, why so? If no, when did it become a mutually trusting relationship? How was the trust built? Please give examples.
    4. Was the relationship long-term oriented at the beginning? If yes, why so? If no, when did it become a sort of long-term relationship? How has this long-term perspective become recognized and agreed upon by both parties? Please give examples.
    5. Were your firm seen as an outsider of the market or local business networks when you started the relationship? If yes, why so? How did this outsidership impact on your business development in China? How did this business collaboration help your firm to tackle the outsidership perception by the local business networks? How did this insidership impact on your business in China? Any co-branding equity? Please give examples.
  - What were the major resources pooled together in the collaborative process? Why this way? How did this happen? What were the benefits of this way of collaboration? Purchase intensions? Please give examples.
  - How did you see the learning part come in play in the collaboration? Was each party willing and ready to learn at the beginning of the collaboration? How did the learning patterns change in the process? What were the benefits of the learning in the process of collaboration? Creative solutions? Please give examples.
  - \*Generally speaking, for a New Zealand firm, do you think being small brought you any difficulties to compete with local firms in China? How about being

unfamiliar about China market? Being new to the local firms and consumers?  
How can this kind of value co-creation help to overcome these disadvantages?





### **Appendix 3. Transcripts of the seven interviews**

#### **Informant A**

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*Interviewer:*

您上次说新西兰成为第一个海外馆第一个是因为参加的那个会议有这么一个机会？

**Informant A:**

其实最主要的还是说到底其实还是新西兰邮政跟中国邮政比较好的关系，对，比较密切的关系，双方都比较有了解，有信心一起协作、磨合，把这个项目做好，这是最关键的，实际上那个会只不过就是一个契机，在会上有机会谈到这个事。

*Interviewer:*

说到这个关系，其他的邮政也有很多，比如说澳大利亚邮政，德国，美国，他们没有抓住这个机会？

**Informant A:**

这个应该怎么说呢，新西兰邮政在亚太地区的作用还是比较关键的。像我们就是说XXX

(name)，就是主持那个APPU会议啊，然后我们做一些就是那些会议的组织工作啊，或者说Cheering啊，我们那个international部门的头，那个总经理，

**Informant**

B在UPU那个邮政国际联盟都是非常有声誉的一个人，他在那里应该是十几，几十年了，在里面运作，就是说非常，就属于德高望重的那么一个人，所以说他是主持那个UPU国际邮政联盟的那个大的会议，所以说大家都跟他说，谁都知道informant B，新西兰的informant

B,等于说他建立了一个非常强的品牌形象在前头，然后后面这些人的话，新西兰人还是很open,跟别人很容易打交道的，所以说这这也是一个原因。像其他国家，咱就不好说了，有的可能会是一些。。。对吧

*Interviewer:*

对，这个层面我觉得政治方面可以理解，比方说为什么新西兰能够是第一个跟中国签经济贸易协定的。

**Informant A:**

对对对，船小好调头，非常灵活，然后它（新西兰）也非常愿意跟中国合作，也有这个主观的这个愿望。

*Interviewer:* 那您最开始就是谈到这个项目的时候，您觉得这里面有什么机会？

**Informant A:**

我觉得机会是特别明显的。就是那个中国市场，中国消费者对新西兰产品的需求，你就明显能看到，在淘宝上面卖的这些，这么大的流量，然后比如说新西兰奶粉在中国的这个需求，就是你能明显的看到这个trade flow在这。

*Interviewer:*

你的意思是说，他们在淘宝，或者现有的这些网站上已经有新西兰产品在卖，而且你觉得机会。。。

**Informant A:**

对，你就看到很多，就包括新西兰的，对，这是机会之一。你就看那个，我们回国带的东西，还有就是新西兰的，那些代表团往中国带的东西，都是成箱成箱的。的确就是说明明显能看到就是说还是有需求的。对。这还是有市场的。

*Interviewer:*

那您有没有觉得有什么障碍，就是您觉得的遇到的，最初在谈这个的时候遇到一些什么样子的障碍，阻力，阻碍？

**Informant A:**

阻力的话，就是说我觉得，最大的障碍就是不确定性。因为你知道说，就是说这肯定是存在需求，存在这个供应，有这个关系。但是你去怎么来，就是说设计这个项目，能把它运作起来。然后第二保证它的盈利。对吧。一是在运作层面要很smooth很流畅的运作下来；然后再一个呢，你要保证两边客户的体验，然后怎么运作成一个盈利的项目。这个是属于就是说最大的项目的一个困难。

*Interviewer: 就您说，这个项目大家都没做过。*

Informant A: 对，它太新了。

*Interviewer: 对，是新的东西。而且客户体验也不知道会是什么样子。*

Informant A:

对，就包括两头的，一方面是新西兰的商家，一方面就是中国客户。对于中国客户，他产品存在一个从国外什么地方运过来，什么时候能到，怎么清关，然后什么时候到家里，怎么签收，如果出现破损什么，这些怎么做。对吧。然后新西兰这边客户的体验就包括怎么收款，怎么易付，如果出现退货什么怎么处理，谁的责任，对吧。这些都是等于说没有人这么全套跑过这一套流程的，所以说我们必须得从最基本的一个小小的这个component开始，一点一点design这个process,就是说可能出现哪些情况，有哪些步骤，谁来负责什么，然后怎么来分这些责任，然后出现问题，咱们怎么去回头去，对吧，把它处理。这个就是说非常细的，就是说每一个细节都要考虑到，不然的话，这个整个就是没法再运作下去了。然后我们也做了很多这个testing,

\*调试的一些方案，又跑了一些方案。

*Interviewer:*

*譬如说在整个，咱们就是说吧，在这个平台的设计中，有谁在起到一个主导作用？*

Informant A:

其实是两边牵头，我们这边可能会起的，就是说，怎么说呢就是说会推得那更强一些，因为这个是我们代表，就是说，一方面我们代表邮乐来跟新西兰的商家谈，另一方面呢我们也代表新西兰的商家，因为我们是政府企业嘛，对吧，也有这个责任把那个新西兰的好的产品推到中国。所以说我们在里面的话呢，就兼着一个双重的责任。所以说我们在这期间呢就是说，我们会起到一些就是说主导的推的，就比如说整个流程是我们设计跟，应该是说跟中国一起设计，但我们会提出一稿。

*Interviewer: 你们提一稿？*

Informant A:

对，我们提一稿，然后他们来review，然后我们再互相探讨，看哪行哪不行。就是这样。就整个包括易付的流程，包括运作商品的这个发送的这个流程，还有就是说信息的流程，怎么来分怎么做，等于说就是是我们起头设计的。

*Interviewer: 他们有什么借鉴么，当时做这个的时候？*

Informant A:

有借鉴的话，就是这个是很细很细的一个工程，就是说我们，就是说好的在于，就是说我们跟团队非常好，就是说每个，有负责这个专项的这个专家，各方面的专家，所以说每个人都能contribute，就是说看一下怎么样，然后还有一个特别好的就是说有一个机会是，中国邮政的代表团整个到我们这边，就是邮乐的团队了，整个到我们这边来访问了五天，然后我们带他去看商家，每个商家去谈，面对面的谈，然后我们坐下来一起来review这个流程，在最后的时候，这样的话这必须的，如果没有这个的话，我是认为这个项目，就是说不可能起来这么快，不可能的就是说运作起来，因为这些流程的东西细枝末节的如果不面对面的探讨是不可能就是说给它搞定的。

*Interviewer:*

*那您觉得就是跟这个中国邮政，包括邮乐的人在这种，就是从开始到现在这种合作过程中您觉得，您感觉就是说非常的enjoy么，还是有什么样的感受？*

Informant A:

我是觉得挺enjoy的。整体下来还是很好的。因为邮乐那边的话呢就是他们都很配合，就是你做什么市场啊做这些，怎么说呢，要搞这些活动，都基本上都很全力配合。然后他们还有一些就是说很好的很强大的一些resource可以给你用。比如说像一些线下的这些旗舰店在邮政的这个，叫什么，邮局里面，对，设一个点来展示你的产品。像这些东西你比如说你随便去跟淘宝合作，你就找不到有人可以给你出这个东西。而且基本上是免费的。

*Interviewer: 这很难估价的。*

Informant A:

对，这很难估价。而且信誉这个也很难估价。比如说我从淘宝平台的一个买家买，或者我从中国邮政的电子商务平台上买，那感觉是不一样的。

Interviewer:

那你们做这一方面的研究么？就是说从消费者角度来说，在淘宝上买和在邮政这买，有什么区别？

Informant A:

我们没有做过这方面的就是说量化研究，但是就是说从一般的常识来讲，我们觉得就是消费者还是愿意跟一个就是说有信誉的这个国企背景的大企业来打交道，然后他们可以就是售后服务方面会好的多，他可以直接打中国邮政的那个热线电话去，比如说出现问题的话去解决。那么淘宝商家的话，就不好说了。就是参差不齐。有的可能会好，有的不好。但是如果没买过，你就不知道哪个好哪个不好。

Interviewer:

这个实际上跟我们下一个的（问题）非常相似，就是消费者在选用新西兰的产品的时候，他们有什么感觉，有没有什么担忧和不确定的地方？

Informant A:

我是觉得，这个我们没有做相关的量化的调查，但是任何一个人他买国外的产品我认为，就经过这些，就是说线下的那些人谈的话，他都会有这个顾虑的，就是说一你卖的那个是不是真的，卖家是不是真的，卖的货是不是真的，你是不是这个service是不是真的，能够像你promise的那样，能够按时的到我这，然后如果出现问题能不能够真的给解决掉，就是说合理的那个解决掉解决好，这些都是整个都是他有问题，直到他test一次，他跑过一次了之后，而且我发现说很多商家，大概我们有百分之五十的商家，就是购买者会回来买，这是目前为止，后面肯定还会增加，就我们的那个就是买家过去买过的商品的和这个新的买家他的比例是就是说过去买过的商品就是买家的那个订单量，对，回头率是逐渐增加的。所以说到上个月差不多是百分之五十几都是买过的那个商家来买的。所以你能觉得就是说比较有信心，就是说大家的那个感受还是不错的。要不然的话，他肯定说买一次我就再不回来了，就这样了。

*Interviewer:*

那您有没有就是像做这个项目的时候有没有让就是去把一些消费者就是让他们也参与进来，比方说问问他们，然后最后可能你要改变一些offering，比方说根据他们的意见，可能他们提了一些觉得什么什么不错，那我们可以做一个这样的promotion什么的。

**Informant A:**

我们有，有做过一个那个问卷，在我们大概有一两百个的时候我们做过一次那个电话访谈，就是做，就是问他们就是说你们买的那个感受，然后你们对网站的感受，然后你们那个有哪些觉得不足的地方。普遍反映我觉得还都是基本上是说，总体的感觉都是很好的。然后有一些提出就是说建议呢就是说信息需要再好一些，提供的信息需要再全面再完整一些，这个就是一个商家他们自己提供的那个产品的那个描述，还有那有就是那个什么，那个brand story品牌故事啊这些，然后再有呢就是货流，物流的那个周期有一点长，后来我们也改进了。还有一点那个就是货物到的时候的破损，就是有的商家就他包装不是特别的那个好，但是后面他也改进了基本上也都可以了最后面。然后再有就是价格会偏高，这是肯定的，我们当时预期也是这样，因为我们是属于这边的价格再加上一个运费嘛，所以肯定是说价格不会是就是特别特别好，但是呢从服务加价格总体来讲，我们觉得应该是就是说综合一下是比较好的，那不见得是说你买到的在中国最便宜的一个产品。

*Interviewer:* 就这样的反馈是你们这边做的么？还是中国邮政做的？

**Informant A:**

是邮乐做的，邮乐网。我们两家一起设计的问卷，然后呢邮乐那边帮我们就是说做的访谈，然后做的那个报告，report回来。

*Interviewer:* 你觉得我们可以读读这个report么？

**Informant A:** 这个我觉得可以，完成后说，对。

*Interviewer:* 就是想从消费者那边的观点来看一下反馈。

**Informant A:** 嗯，行。

*Interviewer:*

现在就是说针对这个消费者的反馈，就是说在做的一些改进措施，这些措施之后回到消费者，消费者就是有没有进一步的调查出来，就是对你们满不满意？

*Informant A:*

这个的话呢，我们是准备做第二步的那个问卷调查，我们现在差不多有一千个消费者就是说买过新西兰馆的商品，那一般来讲平均是一个人买两次了，就是说我们想就是再看一下他们，但更主要的我们还想调查的就是说来新西兰馆看过但是没买的那些人，他们为什么没有买。

*Interviewer:* 这个您觉得应该怎么调查，就是怎么track？

*Informant A:*

这个我们这边还是跟邮乐合作了，就看一下是用网上的形式好还是电话访谈抽查的形式好，随机抽一些人，然后看一下他们是怎么回事。

*Interviewer:* 你们准备什么时候做这个事情？

*Informant A:* 我们准备做大概是三月份的时候吧。

*Interviewer:*

这个如果要是能够参与一下的话那就太棒了，参与一下就是说我们能不能提供一些这方面的问卷设计方面的一些。另外就是说根据我们这个研究，根据我们这样的访谈，可能觉得双方合作做了很多事情，有些做的可能是直接有效果的，有些可能间接有效果，有些可能没有效果。所以通过把这些value proposition放进去，看看消费者对这些value proposition怎么看。

*Informant A:* 可以可以，这很好。

*Interviewer:* 那我们可以进一步再谈这个。

那想再问一下您和邮乐网的合作吧。您刚才说您这段时间合作您觉得非常的开心，非常的就是enjoy,

那您觉得就是，您现在比较一下您最开始跟邮乐网的合作，还有包括到现在您的这个关系上有什么不同么？

Informant A:

关系上的话，它肯定是经过一个磨合期。我说特别开心的话当然是，就是说怎么说呢，就是说是开心是肯定很开心的，就是说你实际上任何一个合作双方就是从新开始到包括，就像结婚一样，你肯定有一段时间说，开始你不太了解，然后你不知道说如果我这个东西发出去之后对方是什么反应会怎么配合的话，那你肯定就是比较困惑，到现在的话等于上比较有信心，我这边要求做的什么事情，他那边会有什么程度的配合，会怎么配合，对，有这个默契了，就感觉进展的快得多了。以前比如说跑一个promotion的话要很长时间来计划来运作，然后他们在Push back，我们再push back来回谈这个事怎么回事，就是基本上有的时候会觉得好像就谈不到点子上，不知道为什么。但是现在的话基本上就一个方案过去我们就可以跑了，然后这些东西，商家那边也是，因为跟商家去解释说你怎么跑这些秒杀活动你怎么跑这些lucky draw啊一些special deal啊，就怎么运作这些，他们也不知道，所以我们就是说需要一个一个商家去讲，一个一个去解释这是怎么回事，为什么要跑这个，因为你是新网站，你要吸引眼球嘛，所以说这些，现在基本上说这个流程是跑顺了，我们要做什么promotion,我们可以和，我们可以一个星期之内差不多就搞定了。就从收集产品，到upload到网上，然后到activate。

*Interviewer:* 等于就是效率，工作效率也提高了。

Informant A:

对对对，这些基于就是双方的了解增加了，然后呢再一个就是大家对这个运作模式流程也明白了解了。

*Interviewer:*

那有没有就是通过这样的了解您这边和邮乐那边越来越多的投入一些什么东西？比方说人力啊包括各方面的东西进去？

Informant A: 对，有。

*Interviewer:* 这个就是一个渐进的过程么？还是一开始？



Informant A:

对，是一个渐进的过程。就是一开始我们的团队不是说就是说大家都，每个人其实都分管一摊别的什么事情，然后就是说等于说就是成一个临时的项目组然后后来跑这个东西，后来慢慢的邮乐的那个量跑上来然后就是说客户越来越多，我们现在就有一个基本上像一个小的邮乐团队一样，小的邮乐团队外面还有很多就是支持的这些分支这些其他机构的支持。像邮乐那边也是在不断的加人，就说跑这个项目的活他们的海外组里面也是越来越多，现在还是有人分管新西兰这一块，有人分管其他国家那一块，然后他们也是不断增加，就是说这个必须的，这是必须的，你必须资源增加，不然的话项目没法做下去。

*Interviewer: 等于是重点越来越放在这个地方了。*

Informant A:

对对对，包括新西兰邮政和中国邮政，都是开始分越来越多的资源放在这。

*Interviewer:*

*那您刚才说到这个资源互相共享这个，您刚才说的在店里面可以买到产品，您这边跟邮乐那边还有什么资源大家在一起，后来一起就是说整合了一下？*

Informant A:

当然不是那个店里，那个它只是展示，并不能买，只是一个旗舰店放一个展示，然后边上有那个机器你可以下载，网上下载但你不能直接在店里买，只能到邮乐那个网上。好多资源，比如说邮乐的一些那个就是说data base我们可以用，他们就是说以前买过邮乐产品的一些客户，我们可以对他进行EDM

做那个邮件的那种直邮邮件，然后一些就是做SMS做那个手机短信的那种营销。然后包括我们可以放在他parcel里面的一些宣传资料，就比如说你在邮乐上国内邮乐上买东西比如说买个熨斗啊什么的，然后我可以把我新西兰馆的介绍放进去。像这些东西都是一些就是说比如take 时间的，你不会说你今天放了你明天就会有大批的订单增加，但是这个东西就是消费者持续从各个渠道来开始看你这个信息来增加他后来的这个转化的这个可能性。

*Interviewer:*

这个像你说的，也不是说一开始就这么做的，也需要时间来逐渐的。

**Informant A:**

对，一开始他肯定不敢让把你的东西放在他包裹里，肯定不可能的。

*Interviewer:* 就得慢慢的通过关系。

**Informant A:** 对。

*Interviewer:*

他这个资源整合里面有两个，一个是大家都往里投，他们投你也投，另一个就是选，我们选最合适的资源，而不是说就是光是增加人，得增加最合适的人。

**Informant A:**

对对对，是这样的。其实初期的话我们增加的人手，就是说怎么说，应该说是多面手吧，就说你必须得是说marketing，operation还有这些所有的你都，所有的IT,你都能够cover的，你不可能说，你可能不是专家，但是你具体是generalist,你必须得都能cover掉的。所以我们选人的时候就会选这种就是说对各个领域都有一定了解的这么一个人，而不会说就说你就是一个support，我不管marketing，或者我就会做marketing，我不管support，我不管什么customer。

*Interviewer:* 那你这个team,一开始是多少人，这个team怎么变化的？

**Informant A:** 我们现在呢就是说team的组织呢就是说如果算是full

time全职干邮乐的是两个人，然后我后面呢有比较多的人support，sales很多，然后我有专门做com的,marketing

communication的，然后比如说他是做我们组的com,他也做邮乐的com,

然后像专门whole

sale谈合同有一块，法律顾问有一个，但是他都不会说就做邮乐，他不可能这样的，他是这都属于就说即使邮乐的话他需要的知识就是说是很多分散的点，他不可能同时需要很多，一个大团队，咱们就做这个。但是他所有需要的基本上新西兰邮政内部都可以支持到。什么IT有IT的，专门有IT的，比如说那边那个s

system就是down了或者怎么的，或者他们打不出那个label了，那么他会有专门呢call

一个0800number到我们这边，我们这边呢就有这个客户支持给他做这个support。所以说就说如果算起来，大的团队的话，应该是几十个人，不少于几十个人，但是就是说最core的有，他有第一部核心和第二部核心，然后再有extended team,

到第二部算起来的话，第一部的话最少就如果最少说的话就两个人专门全职做这个全天跑这个的，包括我和另外一个中国同事，那么稍微再扩一点的话，那最少还有七八个人就是在边上做这个immediate 支持的，然后再算起来sales的话，我们整个sales都在跑这个项目，就是他们在跟客户谈的时候他都会看这个客户适不适合，有没有兴趣上那个中国做网上销售产品，如果有的话我们去谈，然后整个邮乐有一个销售的模式和流程，我们现在把它专门做成一个product来做。所以这样的话他就会拿这套资料给邮乐看，给客户看，然后就是说跟他们讲这怎么运作的。一般客户都没有问题的，他们都很愿意上去做，就是上邮乐网来卖他们的产品，因为对他们来讲就是说中国市场肯定是知道是有很大的需求，也知道发展前景非常好，最主要的就是说他没那个资源，他没有什么机制或者渠道说我坐在新西兰家里头不需要做什么事情我就可以在中国卖东西，这是不可能的。要普通的话，你就必须得去找分销商，必须渠道进口，然后你必须再通过存货，对吧。这几项弄下来之后新西兰的中小企业就全被筛掉了，他们基本上都运作不了。

*Interviewer:* 最主要还是个广告。

Informant A: 对，还有一个就是渠道大广告投入，对，的确是。

*Interviewer:* 你刚才说那个data base我非常感兴趣，China 这个邮政他的data base很大，就是多大程度上你们可以就是拿到具体的data base的地址，人名都可以拿到就可以direct marketing可以做什么？

Informant A:

可以做，这个是项目也是我们在就是计划当中下半年计划当中的，但是我们现在就是说还没有就是说具体方案，因为我上次十月份去了一趟就跟他们整个那

个DM组还有address组去谈这个项目，他们其实特别powerful，就是那个他们有那个省级有省级的那个address，但是national的有，然后省级，地市级都有，然后而且他每个城市他可以按照这个怎么分呢，这个building的这个情况，比如说你这个是属于高档的这个小区啊还是说是一个普通的居民楼还是说是什么，还是学校啊还是什么商业区啊，他可以分，如果你要是做这种DM，target北京的那种高档的什么国际花园啊什么，那肯定你做出去的话就是你肯定触及到你的这个目标人群的概率会大得多。

*Interviewer: 就是说实际上你们已经达到这个程度也可以直接access那个*

Informant A: 我们可以通过跟中国邮政的合作来做这个DM。

*Interviewer: 那这个应该是非常深程度的合作，一般公司对他的data base都非常protect。*

Informant A: 你像我们公司也有这个data base，这个是他们的一个service，一般邮政类的那个公司他都有这么一个service就是专门做DM的data 因为他手里hold好多data嘛，所以说他就会卖这个data，像我们的话就是用一种合作的方式，不一定直接，对。

*Interviewer:*

*但是就是说比如我提供我的问卷，然后他们来散发问卷，包括选样什么都是*

Informant A:

对，我也可能说包一些sample啊或者是有一些DM的flyer啊放进去，然后投到目标的那个客户群中。

*Interviewer: 然后反过来说正好邮乐也可以利用你们这边的data base去接触更多的商家或新西兰这边的人去了解。*

Informant A:

对，那倒是。但是其实最主要的就是通过我们的销售的团队，因为毕竟基本上新西兰大部分商家都是新西兰邮政的客户，是吧，他都有邮政业务，所以说已经是我们的客户了，所以说就是我们这个就是经过我们的sales就可以筛选好多

那些就是合格的商家。他在新西兰招商是没有太大的阻碍的，尤其是说我们新西兰邮政在本地还是挺有信誉的，所以去跟商家谈的话，商家不会觉得说哎这是谁啊我不太了解他。

*Interviewer:*

*还是回到资源的问题，我们讲国内的资源肯定很多，那怎么去选择最合适的资源？而且怎么能够就是让你的这个就是合作伙伴就是能够把他最好的资源拿出来？上次你也跟我谈了一些这方面，但是我还是想再进一步了解一下就是这关键在哪里资源？*

**Informant A:**

就是如何选。其实所有的资源落到最后就是说在销售数字上我觉得目前为止要不就是说两个指标，一个就是说有多少人来看，二是有多少人来买。你可能初期的时候不会所有的那个看的人都会转化成买，但是你就是说很多人来看，而且来看N多次的时候，他们就开始觉得说，哎，这不错，我想试一试，想买。所以说一个是看的那个view 的那个number of views， 一个是number of sales。那么就是说你不断的试不同的这个资源不同的做法看哪个能够generate more sales, 哪个能够generate more view。其实我们也是在研究过程当中，我们也是在测不同的就是比如说微博。我们跑了很多这些测验，做的微博，做的lucky draw，做的这什么free sample trial， 做的什么special deal，秒杀，所有的东西我们都是做完之后还有EDM和SMS，就是这些东西全轮番跑，还有就是新西兰本地的这个一些报纸广告，做一些那个媒体那个online的媒体广告，其实我们都是在一一直在track他的那个有多少view这个期间，这一期间有多少sales。

*Interviewer: 那你觉得你们做跟这个其他的公司或者其他商家做法有什么不同？*

**Informant A:**

其实这些方案的话呢，说到底就是说新西兰邮政在其中起了一个什么角色呢，就是说我们来代表商家，然后呢来替他们跑这些东西。等于是他们只是提供这个产品的listing，然后提供，有的时候会提供一些支持，比方说起一些产品的fly

er啊一些video啊，或者是一些产品做这个lucky draw的奖品，但是大部分就是说这个组织整个组织活动，我们是等于说把这些商家的资源整合在一起做为一体，因为我们是New Zealand mall嘛，新西兰馆，我们把它整合一起做一个群体的销售工作这个动作，如果是单个商家的话，比如说你跑一两个产品，你跑一两周，但是你这种长期的这种就是说执行一个市场计划，然后不断的调整，对吧，这个动作他们是没有的，如果是有的话也是很耗时耗力的，因为你想，二十几个商家，他们每一个人一个一个去做，对吧，然后邮乐也没有精力对待，对他们，就是说来做这个东西，所以是等于说我们是牵头，把新西兰的资源，这些商家的资源整合一起，让他们来对接到邮乐的资源上面，来做这个promo活动。

*Interviewer:*

*那你觉得你说这是个学习的过程，在这个学习的过程中，你觉得最重要的体会是什么？*

**Informant A:**

最重要的体会我觉得，两个体会，一个就是说你要不断的看这个流量，不断的去挖掘为什么，为什么，为什么。对吧。有好多其实是绑在一起做的，所以说你很难就是说separate出来。再一个我是觉得就是说还有一个就是说怎么说就是耐心吧，有的时候市场反应不会说你做一个就像是一个魔法似的一摠马上砰那边就跑了，所以说你要有take time，要manage这个各方面的expectation，对吧，你要take time等它转化，但你不能说咱因为着急，就说这个东西就怎么的，就是慢慢的一点，有这个耐心，然后take time去manage各方面的这个期待。

*Interviewer: 就是之前看您就是项目在网上一个东西就提到说NZ*

*POST除了跟邮乐网有些这种业务上的合作以外，它还有技术上跟Tom.com是不是有一些交流或者什么的？*

**Informant A:**

邮乐是这样的，邮乐是一个合资企业，中国邮政出了大半钱，然后Tom.com出

了一小半钱，所以中国邮政是控股方，Tom.com主要是出技术，然后邮乐那边出的资金，他们可能还有一些资金的什么，但是就属于这样的一个人合企业。

*Interviewer: 像比方说那个网站怎么设计的啊或者维护方面*

Informant A: 像网站的维护运营方面肯定都是Tom.com他们在做。

*Interviewer: 那您这边跟那边有一些联系么？*

Informant A: 我们两边都联系非常紧密。

*Interviewer: 在技术上呢？*

Informant A: 技术上的话，我们技术上就是用他们的平台技术，现有技术，然后比如说我们想跑一些东西的话，他们现有技术如果不支持的话，我们会就是说take lead会去帮他们push一下，对，但我们不会说在技术上做他们的支持，因为他们已经很强了。但我们会说，我们想跑这样的promotion，如果现在不支持，我们需要怎么做，然后让他们去实施去。

*Interviewer: 等于您这边出的还是大多都是idea, 然后真正的实施还是那边实现的。*

Informant A:

对对对。但我们这边技术的支持就包括一些平台对接方面的，就需要我们平台怎么做能够跟他的那个后台的商务去接口，那个是我们自己做的，但是大部分网站的运营和技术都是他们自己包的。

*Interviewer: 你觉得这个项目从最早开始实施应该是一零年是吧，两年前是吧。*

Informant A: 两年前是他们的网站开始做试运营，对。

然后去年的话，等于说他们是属于周年，去年八月份，哎，前年八月份是周年庆。他们等于说是头一年是试运营，真正跑大概就跑了一年多，一零年八月开始实施，等于说跑了一到两年吧，但是新西兰馆只是从去年2月份才开始刚上两个商家那会，说是从最开始开馆是去年2月份。

*Interviewer:* 去年2月份有两家开始，到现在有20多家了。

*Informant A:* 对，到现在有20多家了。

*Interviewer:*

那你说这两年的过程中我们现在就是三方，咱就说邮乐是一方，*New Zealand Post* 是一方，这两家你觉得，从邮乐角度上他们最大的收益是什么？

*Informant A:*

邮乐的话肯定是说，分成两边，一个是中国邮政，一个是Tom.com。中国邮政的话，我觉得他们实际上是说分一杯电子商务的羹。中国电子商务在不断发展，然后贸易量越来越大，如果他们还做为传统的就是那个投递的业务那个服务的话，提供这种服务，等于说他们市场份额会越来越小。等于说他们也在为自己找一个出路。对。这是我的理解啊。当然人家可能有自己的其他的想法。然后Tom.com的话我觉得也是看准了中国邮政的他的那个平台，对吧，他如果想做的话他也是一个挺大的企业，他找的话不可能找一个小的伙伴，那么中国邮政的话有很大的这个，起码电子商务，起码对电子商务来讲，信誉是一个最大的一个问题，对吧。如果你有信誉，可能其他的问题会比较好解决，或者慢慢都会解决掉。所以说中国邮政有信誉在前，然后又有这个整个的网络销售团队，所以说我觉得Tom.com也是很自然的就是说跟邮乐合作，或选择跟中国邮政合作做这个项目。

*Interviewer:* *New Zealand Post* 你觉得这两年下来最大的收益是什么？

*Informant A:*

我觉得最大的收益就是说至少往亚洲挪进了一步。就是说你把第一脚迈进去了，踩的重不重我不知道，因为你要看最后的销售结果嘛，你肯定是说真正的达到你那个量上来了，你在达到之前，任何情况都有可能发生。所以说你也不可能说我百分之百的保证。但是你至少往亚洲迈进一脚了，带着整个新西兰这些中小企业，就是说已经迈进一脚了。将来怎么迈的话我觉得还要看整个项目的运作情况，然后你会不断的调整，但至少你是踏进去了，你一只脚进了门，所以说我觉得这个是应该是我们最大的收益。因为整个新西兰的话呢，新西兰邮政还是挺看重亚洲市场的，因为知道就是说这是新兴经济体，然后是就是将来



是最有前景的一块地方，那么新西兰以前邮政以前对中国的话不是说那么特别了解或者业务量那么多的，但是通过邮乐这个联系的话跟中国市场这个联系越来越紧，了解也越来越多，跟中国邮政打交道也越来越多，这些都是未来的opportunity，这就直到你把那个门打开了之后你不知道end up with什么。

*Interviewer:*

*新西兰Post有进一步国际化的这个想法么？我说的国际化就是说已经超出了光是中国新西兰的业务，而是像推进这个整个比如说像澳大利亚的往中国走？*

*Informant A:*

有。它不是说从澳大利亚往中国走，就说他跟世界各国的联系都很紧密，因为通过世界邮政联盟的协议。然后它现在呢新西兰邮政也想扩大业务范围，不能光是传统的邮政业务，还想做一些货运物流方面的，就是去分那个更大的那个派。那么它肯定它必定得扩大自己的业务服务范畴，对吧，扩大到物流服务，然后像我们这个邮乐的话，就是电商，电商这一块我们也知道是一个大的很有前景的一个项目。那么将来，假如说做好了的话，把它分到其他的亚洲国家，或者说把这个model给它replicate,这个都是我们就是说就是将来看重的，这个实际是一个就是说first step，等于说是一个testing model，如果跑成功的话，那我将来不是前景很好么？

*Interviewer: 可以把经验带到其他地方去。*

*Informant A:* 对对对。

那与中国邮政的关系有哪些不确定因素？我们上次也问到这个问题，就是说你觉得还有什么不确定因素需要克服，需要进一步的再work on？

*Informant A:* work

on的话我是觉得就是说最主要的呢就是协调，步骤协调，目标协调，然后呢制定一个计划，一起去共同运作实施，然后不断的调整，这个是目前为止我们可以看到这个happening，但是这还没有fully happened，所以我们也正在做下半年的计划当中，跟邮乐合作，然后呢就是说只，现在说我们计划是这样的，想把这个跑成，就是说这样的一个运作模式，能不能跑成我觉得你在跑成之前你还是不可以说肯定跑得成。

*Interviewer:*

现在能不能具体一点，就是说从这个理论角度来说是这样，两家合作最大问题就是一个goal

conflict，就是说咱们的目标都想把事情做好，这肯定没错，但具体做的时候呢比如说有一家想快一点，一家想慢一点，一家想多赚点钱，一家想少赚点钱，就类似这样的问题存不存在于？

*Informant A:*

肯定存在啊，当然存在了。我觉得像我们的话，其实如果我care的话我care新西兰馆，我不care

overall，对吧，你跟其他国家的合作当然进展好就是最好了，你如果进展不好的话，或者说慢一点的话，对我构成的影响不是很大很大，当然我也知道说总体新西兰整体海外馆会就是说好的话，肯定会带来更多的traffic，

但是我不取决不是最后的决定因素。但是他们的取決的最后的决定因素可能是整个新西兰整个海外馆都建立的怎么样，然后这些话肯定是不是说完全一致的，利益完全一致的。然后比如说你的marketing投入投入多少啊，你的这个怎么去，怎么去跑，什么模式啊什么的，这些不可能一直是一致的。你说goal conflict也好，或者说就是common interest

也好，那个是不可能完全重合的，不重合的时候你就需要manage，你就需要说从咱们的这个长远利益考虑咱们怎么做最合适，然后看能不能达成协调。

*Interviewer:* 对。那等于就是说就是您这个

现在就是以后未来有可能的这种不确定因素有没有就是影响您现在在中国比方说一些计划、战略之类的？就是您未来可能因为这个目标的不一致性可能我要调整一下？

*Informant A:*

这个调整是永远永恒的，就是肯定是需要调整的，需要调整的程度就要看你的那个不协调、不一致性达到什么程度，有没有办法去解决，因为我是觉得就是说中国邮政是新西兰的首选合作伙伴是因为一是这个信誉，现存的这个关系，然后邮乐其实也比较新，邮乐也有很大的发展空间，如果你给邮乐充分的时间去考量去发展的话，看一下它是什么样的运作结果，这些都是如果邮乐跑的非

常好，

你就不必要一定要去，对吧，新西兰的产品也有限，如果说跑得特别好的话，中国的这些企业，新西兰的企业是供不上中国的需求的。但如果不行的话，

也要需要monitor, ongoing

的monitor，然后来看一下下一步怎么做，这个是肯定的。

*Interviewer:*

*你讲的很有道理，因为长远来看的话呢，新西兰的企业是满足不了中国的需求的。*

**Informant A:**

现在这是一个非常通畅的通道，然后需要中国消费者那边认可这个通道，现在是说你通道建了，但是消费者那边呢一是认知，先是不知道，对吧，二是没有体验，也没有认知也没有感受，所以说你要把它这个做起来，这个是其实是最硬的一块石头，这个如果你能搬动的话，或者慢慢解决的话，长期来讲，这个就是你的出路。就是说这个平台就可以起来了。如果你发现说这个是无法解决的，那你可能会想其他的办法。

*Interviewer:*

*估计我们最后还是要问到这一块。跟新西兰企业的合作。您刚才就是也提到了，就是新西兰的企业自己去进入中国市场的话可能有一些问题，然后就是说通过您这个项目新西兰企业可以更快的进入中国市场，您觉得就是这个企业还有什么其他的动机来参加？就是他们参加这个项目还有没有其他什么考虑？*

**Informant A:**

通过我们的接触呢，就是邮乐，为什么要参加邮乐呢，就是说它是最简单最快捷的一个通道，最低成本的一个通道，把你的产品直接从新西兰卖到中国市场，但是你要是说，怎么说呢就是说，两伙，一伙厂家呢可能是说在中国已经有一定的presence，已经进入了，它有一些合作伙伴，那么它要找的就是说更好的合作伙伴卖的会更多更快，这种批量的进口。那么这些人的话实际上暂时还不是我们target的一些。虽然我们也有兴趣跟这些人合作，但是他们这些人的话呢，如果就是说抱着他现在的期待的话他可能不会特别的这个。但是另一伙呢就

是说我对中国市场还没有怎么接触，我一直想去，到中国市场去销售，但是我还没有到那个，我还没觉得我ready,或者说我还没有到那个程度。那么现在邮乐等于说是一个低门槛的平台，我把我的产品放上去它就可以跑，我可以在那呢稍微试一下我的产品，就是说有没有市场，对吧，中国的那个反应是什么，然后呢它就可以就是说在，其实邮乐这面呢也是在有一个转化过程，我们也有批量进口模式，只不过是现在暂时还没有跑起来。那么等他们就是说我现在的商家跑一段时间之后形成规模形成量了，我这边就可以马上转成一个批量进口模式，把它放在邮乐的仓库里面去成批进口，再去发。这样的话就是等于说我有一个第一步第二步，如果你第二步你不至于就跑了，就发展起来，你还可以跟我们在一起做，绑在一起做。

*Interviewer: 就是由B2C转化为B2B。*

Informant A: 对对对。

*Interviewer:*

*在国内就是说如果他感兴趣做中国产品，或者新西兰产品，他可以通过这个平台直接大批量订货，对吧？*

Informant A:

对。一个是说B2B，再一个呢就是说把那个我的\*fulfilment的那个地点呢从新西兰移到了中国去，这样的话呢就可以大大的缩减我的这个shipping cost，这样的话呢，产品就更有竞争力了，在每一个销售，因为我们知道中国对price还是挺sensitive的。所以说如果你形成一定的规模的市场了，然后你说大家的确是挺open对这个，那你可以把这个，而且也认可这些品牌是的确是新西兰的产品，对吧，从中国邮乐网上卖，的确是真正的，那么你就可以把这个fulfilment site移到中国去，从中国开始分销，这不就更好了么？就是fulfill中国的B2B、B2C。

*Interviewer:*

*那邮乐网对于新西兰这边的企业在品牌上的这种无形的marketing上有什么帮助么？除了这些就是程序上或者低成本这上面？*

Informant A:

有啊。他们的话会给我们提供这些就是说在中国什么新西兰的产品哪个品牌什么产品卖得好，大概什么价位，然后我们选商家的时候也会让他们参与，就是说我们这边帮他们筛选，筛选之后交给中国的那个邮乐，邮乐会再筛选，然后放价格产品上去的时候他们也会看，就说说哎我觉得这个产品，可能卖不掉，或者那个产品我觉得价太高了，你们看看还有没有余地低，这个他们都有，这个还是就是marketing, product, price, promotion, place他们还是就是说还是会参与到这个4P当中，实际上我们是合作的。

*Interviewer: 那这些新西兰企业在邮乐网上通过您这个NZ*

*POST的合作来卖，对于消费者有没有形成一种心理就是觉得像以前，这些企业我可能会不了解，但是因为像跟您新西兰邮政合作，我更容易接受，在这个消费者心理面您这是不是对新西兰企业也有影响？就是可能对NZ POST比较相信。*

Informant A:

我觉得这个呢就是说对新西兰企业商家这边肯定是很大的影响，因为毕竟他是跟新西兰邮政有长期的接触，然后他觉得说是在，更多的是在跟新西兰邮政合作，对吧，通过邮政跟另外一个海外公司合作，所以说他就接受起来更容易一些。要是说中国消费者的话，这个我没做过量化调查，我们不太清楚就是说是不是，我们希望是，因为听到新西兰邮政，所以就更愿意买这个平台的东西或者信誉更可靠，但是就是说我们没有这方面的。

*Interviewer:*

*这个如果有机会调查还是很有好处的。将来你这个促销的时候就是促销到哪一点，或者强调是谁，强调是CHINA POST 还是NEW ZEALAND POST，还是强调哪一个是卖点比较强。*

Informant A:

对，其实我们现在呢已经把这个作为重要卖点，就是说新西兰邮政，两国邮政联手合作推出。对。而且我们是希望能够带来一些信誉或者有一些对消费者心理有一些。

*Interviewer:*

刚才您谈到这个两群企业，一群就是说对中国市场不是很了解，但是呢对中国市场的认知呢，他还愿意跟你们合作，就从他们这些企业的角度来说呢，他们跟NEW ZEALAND

POST合作目前来说他们有没有担心他会失去控制？失去对市场的控制？比如说虽然你说他有很多自主权，比如说产品他来选，价格他来定，但是很大程度上他是受你们的影响，是不是因为你在给他们建议什么是最好的，他对市场基本上是不懂的，或者基本上是不了解的。这个就某种程度上来说的话，一方面想听你们的，但另一方面又觉得你们听太多的话他是不是自己就变得太依赖于这个你们了，他们是怎么个心理？

*Informant A:*

目前为止我还没有接收到这方面的信息或者要求，就是说我觉得你们提的太多了，他们还是说希望多给他们提建议，比方说什么样的promotion啊，需要什么样的支持啊，定的价格方面为什么我的产品卖不掉啊，就是经常找到我们来问这方面的问题。

*Interviewer:* 他们是不是想学这个东西？他们在学习过程中。

*Informant A:* 对。

*Interviewer:*

就是有的时候他们这个运作还是比较依赖于你们这边给的一些建议？

*Informant A:* 对。

*Interviewer:*

那你觉得跟他们打交道你觉得有没有难度？或者说有没有什么这么两年下来有没有什么体会就是哪些是原来没有意识到的，现在？

*Informant A:*

我是觉得是说新西兰的企业都比较open，然后人都很nice，基本上想，有主观愿望要到中国去的话他心里都有相应的一个预期说这个市场并不见得就说非常容易你放在那块就直接可以卖的，当然一开始你可能期望值比较高，但很快就发

现这个销售的量并没有他们想象的那么高的话他们也理解就是为什么，因为你的确是说你放一瓶子不知名的东西上面贴个label，对吧，你想把那用一千块钱人民币卖掉在中国市场，也不见得就是那么容易的一件事情，挂上就可以卖出去。但是就是说还是很reasonable的吧，怎么讲，有一些呢就是反应特别快，有一些特别积极的会不断的push你说，你怎么东西一出去他马上就响应。因为我们基本上对二十个商家我们也没有办法做到每一个都去说什么，有一些东西就是群发一个email就说哎，我们准备跑一个Christmas 和new year promotion，准备大概是怎么样，我们需要你怎么配合。有的商家可能啪same day就回来了，就说哎这是我们的offer，我们想再问点什么问题，有的商家可能就不见了，不见了的话，我们有一些会去follow up，因为有一些品类需要fulfill，fill up，但是不会，不可能做到每一个都follow Up。所以说你就会发现说特别主动特别积极的商家他都卖东西会卖的特别好，就是因为他的这个市场动作配合的上，合拍，有的商家会觉得说我不管，反正卖几个算几个吧，我先放在那，也有这样的，这样的话你就发现他的销量就基本上会上不去。

*Interviewer:*

*刚才我问的这个问题就是当时有一个因素解释就是行业因素，说有的产品适合于就是说在这个邮乐网上走，就是说立刻见效，除了行业因素，有没有其他因素在这里面？就没有是因为商家自己的一些因素？*

**Informant A:**

我是觉得商家自己的因素可能占大半因素，就说至于说行业的话你把有的东西放在邮乐上你肯定是想把它卖掉，而且卖的越多越好，对吧，那么你肯定是要理解到你这个产品必须要promote才能出去，尤其是新品牌，因为这些商家他都也都不是说第一次跑，拿一个新产品上来跑，都特意选的是跑了一定时间的品牌才上来，在新西兰本地跑了一定时间的品牌再上来。所以他们等于说商业规则他们也了解，但是可能是说反应于一是他们个人的情况，就personality可能有的人会稍微negative一点，或者说有一些怀疑吧，有的人可能会觉得说我这一块业务量我不在乎，可能成多少算多少那种，但好多人，大部分人还是比较支

持比较重视这个机会的，就说你有什么机会我就配合，然后咱们一起把这个做大做好。

*Interviewer:*

那我们可以叫commitment，对吧，这commitment有没有变化？有没有说一开始不commit，后来变得commit，或者一开始很commit，后来又变得不积极了，有没有这样的？

*Informant A:*

我们看的commitment还在增加，就说越来越多的人就说更多的人在engage，因为你看开始跑的时候等于说没有什么，你没数字，没有数据，但是我们跑了一个promotion之后就发现的确是对view这个visitor的数量还有这个成交的量啊都提高了很多。所以我们可以把这数据给他看，说你看我们这个跑的promotion，那一看别人家都跑成了为什么我不参与呢，对吧，所以他看了之后他就信心，他就说哎你要有什么东西你要给我打电话。因为的确群发email那些人那个你会知道那个邮箱会很大，然后他可能就忘记回，看或者点开一眼看了一下等我回头再说然后就过了时间了。

*Interviewer:*

你说这市场信息还是很重要，像你说这个，要是没有市场信息的话他这个commitment不会，不会变化那么快。

*Informant A:*

对，你要有数据，其实说到底的话，不管是商家还是谁，都是要看数据说话。

*Interviewer:*

像您这个跟这个一开始就response非常快的公司的这种关系还有包括一开始就不是那么commit，后来慢慢commit，您跟他们之间的关系有什么不同么您觉得，在交往上？换句话说就说将来你在选新西兰企业的时候有没有一个自己现在有没有一个所谓的criteria，什么样的公司更可能成功，什么样的公司我就不再去找了？

*Informant A:*

也有，但是更多的是看这个品牌。因为我们现在等于说平台的品类上的比较齐



了，所以说下面的话我会找一些就是说偏大一些的品牌吧，现在有一些，像绵羊油那个，就是marino啊那种都是比较知名的，就是你进任何一个，还有就是下面我就想上一些比如说更加知名的这一类的品牌，而且像这个，这些商家他之所以做大他也是因为他的这个经验比较多，commitment比较高，你如果说有一搭无一搭的你也不可能做这么大。所以说这些人的commitment，后面的支持就比较大。比如说你跟他谈什么支持的话他就会说你要什么支持，需要做什么东西你就告诉我，所以说这些非常容易沟通，因为你刚开始平台初期开始做的话，你没有数据，去的话人家大的商家可能会说你能做到什么程度啊，或者说我等一等吧，现在基本上你可以说我的平台比较成型了，你来看一下，看我的数据，看我销售的情况，还有我的每个买家情况，然后我们的预期是什么，这样的话你就更容易吸引到大的客户，然后大的客户你可能跟一家谈比跟十家谈的效果还好，就是你的最后的那个量。

*Interviewer:*

*这也是这么一个网络的效果，一开始的话就你说他可能知名的品牌他可能对这个东西，他因为不了解，他可能不愿意。*

*Informant A:*

对，太新了，他可能觉得说，对，因为像那个非常知名的那些他会觉得说，我这么大一品牌，我上你一个不太有名的那个，能不能卖掉，然后对我形象有什么影响，然后我怎么去manage，还有那么多渠道的conflict。

*Interviewer:* 对，渠道上的conflict，因为可以直接去中国做嘛。

*Informant A:* 对。

*Interviewer:*

*那你跟新西兰企业有没有什么资源整合的问题？从资源上有没有说类似像跟中国邮政这样的关系，一开始谈，什么资源进行支持，后来怎么资源支持有所变化，更多的投入，这方面？*

*Informant A:*

现在的话我没要特别多的资源从客户端，对，就那个商家那一端，为什么呢，我是觉得说我们其实好多东西都在实验过程当中，就包括这些marketing的这

些东西，你不是说一个，现在这些企业其实他们承担不了特别大的marketing的投入，而且就是说他们要的东西就说有个ROI在后面，比如说你要我两千块钱的产品，或者说两千块钱的marketing的支持，那你能给我回馈什么东西？这个东西在你真正跑成这个之后你有一个非常好的idea之前你去要这个，你很有可能就把这个封死了，就是你要完一次就没有了，对吧，他就整个对你失去信心了。正因为我们现在新西兰邮政的话我们把这个做成一个就是说看长期的未来发展的一个项目，所以说我们现在就是说也投入好多市场的这个budget来做这个，我们就想看一下到底哪个东西会有比较好的return，将来的话，就说未来几个月我们会整合一些商家的这些资源把它做起来，在比较有把握的情况下，再跟他们谈。

*Interviewer:*

*你觉得在整个这个和新西兰商家合作的过程中，完全都是由你们主导，你从商家学到了什么？*

**Informant A:**

从商家学到很多东西，他们还是很有经验的，就他们产品、行业的，还是了解很多的。就比如说manuka蜜啊，什么样的技术上的，还有就是消费上的这些知识，然后有哪些，怎么去卖，然后还有护肤品方面的，有哪些方法去卖，这些其实都是我们从商家学习过程当中。

*Interviewer:*

*这些学习的结果，对你们来说有没有什么tangible的一个outcome？就是说跟他们打交道这么一两年来有没有觉得从你在推销整个平台过程中对你有什么直接的帮助么？*

**Informant A:**

有帮助啊，这个就是说我们做的这个提供的信息啊，然后去communicate的方式啊，然后就是那个点啊，这些东西都是有帮助的。然后呢就是说更多的我是觉得从他那学到的就是说他们是怎么起步的，他们起步大概用了多长时间，然后他们是，这个东西是特别有帮助的。因为所有的东西都是从无到有么，基本上一致的反馈意见是全要take

time, 你不可能指望说我今天list, 明天就, 尤其那些有些是直接做网购的那些起家的那些人, 他们就更多的了解。但是一定要用social media, 一定要用这些东西配起来, 然后长期做这个, 然后要refer到一些media啊什么, 你要把这个整个的就是全方位的做起来, 你这个才能跑起来, 你不可能说有什么, 这没有magic, 这个东西。

*Interviewer: 新西兰这边的social media你有什么接触么?*

Informant A: 我们新西兰馆就做一个social media, 然后厂家也, 各个厂家好多都有他们自己的social media, 他们用facebook, 中国用微博, 我们现在也在跑, 圣诞节之前跑了一个, 现在可能大概有一千来个关注, 六七百个粉丝, 还可以我觉得, 成长还可以, 比较快。

*Interviewer: 是不是很多都来自于新西兰, 对新西兰有了解的?*

Informant A: 这个我还真不太清楚。

*Interviewer: 这个还是挺值得研究。*

Informant A: 这个值得研究, 对。

*Interviewer: 到底他们是谁?*

Informant A: 我们现在跑呢就主要通过lucky draw, 把那些信息, 然后介绍一些新西兰的见闻, 介绍一下新西兰的产品, 然后还有一些什么, 反正就是综合的吧, 就是什么有关的消息发出去, 但是每个星期有一个lucky draw, 有一个那个中奖, 我看了一下, 大部分还都是中国的那个注册的用户, 有一些是海外的, 但是大部分还是中国的。然后我们希望说这不是有一个几何效应么, 一旦推出去, 比如说一个推两个, 或者推三个, 将来成长起来就是很明的。

*Interviewer:*

这个实际上回到一个branding的问题，作为一个新西兰的平台，或者新西兰馆，如果有一个story的话，非常简短的story的话，你觉得这个story应该是什么？

*Informant A:*

如果简短的story就是说，把天然绿色的新西兰的体验带给中国的消费者。对，就是这个。

*Interviewer:* 这个story一开始就有么，还是说现在才？

*Informant A:*

一直就有。但我不觉得我们就是tell的特别strong，因为我们开始就依赖这个宣传的flyer一张，然后写那个什么最安全最天然的，但是我们那上头放的信息特别多，我们放了好多好多东西，然后后来我想想，我说哎呀如果给我这么一张东西，比如说不是邮乐，我可能不会读那么细了，然后第二期我们改版的话，加了好多这些promotion的，就像那个比如说lucky draw，就我们最新产生什么lucky draw什么的，这个可能更attractive一点，但还是说我觉得好不容易有这个会，我就想把所有的东西都说全，就是很难遏制的那种，但现在呢你有不同的这些平台渠道出去，比如说微博啊，还有一些newspaper啊，会觉得可以遏制一下这方面的想法了。

*Interviewer:*

对，这也许是最有价值的一个体现了，做营销不都是这样，很少有营销就是一开始就是有一个simple story，因为这个很难，到最后来说，成功了可能我发现说一个story就可以了，把所有的东西都包括了。

*Informant A:*

的确是。因为你在这里边，你知道很多，然后你想说的就很多，你说了很多之后你可能就把你主要的给\*water down了，就是没有突出那个重点，会发现就是兜了一个大圈子最后那一句话就管用了。

*Interviewer:* 就是我突然想到，就是像您要通过微博来营销包括通过其他social media

来营销，这样的主意是您自己想出来的么？还是您看到新西兰的企业用了facebook那些，然后您觉得我也应该中国在用微博什么？

*Informant A:* 其实像facebook，social media

marketing应该说就是很popular的一个话题，应该就说一般大家都知道的，现在做营销的人都知道的，然后好多企业也在用，做得很好。我们现在的那个企业，有的就是在邮乐网上卖的，他们自己就是用facebook起来的，就是做得很好。所以我们就说，这个还是一个需要马上着手的一件事情，然后我们圣诞节前就开始开通那个新西兰馆的微博，做一个那个，等于现在还是一个怎么说，半试运行阶段，反正是真正运行了，但是我们还是说准备稍微跑一段时间之后再积累一下经验。然后再定一个长期的计划。

*Interviewer:* 这个微博在你网站上就能看见？

*Informant A:* 对对对。

*Interviewer:*

现在咱们回到最后一个话题，最后一个话题就是说其实刚才通过我们这个交流我觉得很大程度上来说就是说这个邮乐平台实际上是在建立一个，通过这个平台建立一个网络，这个网络实际上是把中国的这个消费者群体的网络，和通过这个中国邮政，和新西兰这边的商家网络对接起来，你觉得这个网络，或者说这个新的网络，和现有的中国这种消费者的网络啊或者是邮政的网络有什么区别？

*Informant A:*

如果现在说现有的消费者的网络的话，就是看如果刨除，把邮乐刨除掉的话，那么他们能够得到新西兰产品的不外乎就是说overseas purchase海外代购那个渠道，而找一些代购的那个公司，中介公司，或者找，甚至找到他们住在海外的一个朋友给他买一些，但是这样的话呢他对新西兰产品并不了解，或者了解特别有限，对吧，你比如说我就听说过XXXX绵羊油，我再不知道有其他家的绵羊油了，或者有什么，他没有这个比较，而且对XXXX

绵羊油他知道多少，他也不知道，他就是用过而已，新西兰就是邮乐平台把这个全面展示，给他几个，就是我的品类，每个品类里头我都是知名的发若干个产品，所以他有一个比较，然后呢他整个的这个信息都是用中文解释的，就是说很全，产品是怎么样的特性，有什么样的用途，怎么使用，然后品牌故事，是谁生产的，怎么样，所以这一些都特别全，所以说中国消费者我觉得他们就可以make full decision吧，你知道更多的信息，才能make right choice，然后另一方面呢就是说选择比较多，信息比较全，再一个他是dealing with reliable Party，这是最重要的，对吧，你的朋友的话可能是，肯定会碍于面子肯定会给你寄的，但是你找一个海外代购公司，他至于能不能给你寄，什么时候给你寄，收你多少钱，这些都很难说的。

*Interviewer: 是不是挣了暴利。*

Informant A: 对，是不是挣了暴利，邮乐上面是一个listing price就是到本家，没有其他什么，如果发生什么关税发生任何东西，就这个都cover掉了，就找邮乐去claim就完了，所以说这个是比较好的一个渠道，那么售后服务的话更是一个比较好的，就是说你找到谁能可以打国内的一个800免费电话你就可以把这个问题解决，好像目前为止我还不知道。而且你知道是中国邮政的，你知道他跑不了。所以说这个是我是觉得说应该说是非常unique的地方。

*Interviewer:*

*那你觉得这个网络，跟新西兰商家这个网络，新西兰商家网络比如说它，要么就是说他对中国市场基本上属于忽略状态，要么就是重视，不知道怎么做，就说新西兰网络他有自己的一套营销办法啊，自己的一套定价策略啊，或者说换句话说新西兰的网络新西兰的做事方式，那你们这个网络建立起来，跟现有的新西兰这个做事方式啊经营方式啊，有什么区别？*

Informant A:

这需要对接。这是非常细的活，这是一个怎么说呢，很challenging的一方面，新西兰的网络的话新西兰商家的话呢，就说他们的做事方法呢风格呢就说非

常direct，非常straight-forward，

然后他们看的呢稍微短一点，不是很长，其实也可以理解，中小商家，我不要看到五年以后，我要看到三个月或者一个月以后，对吧，我的效果，所以这样的话就说在这样一个expectation下run一个长期的项目，对吧，收益比较会中长期的一个项目，你可能会发现有的时候会有这个，那你就要manage这个expectation了，你就要给他讲为什么，讲我们的目的，这一步工作的目的是为了下一步什么，我今天discount是因为我吸引眼球，让这些人有机会体验之后他回头按正价、原价买你的产品，那你不可能说一个新品上来就是一千块钱，你爱用不用，那可能一个人都没有用，你放了一年都没有人买，所以说这个就是要跟他解释这个。而且新西兰这个商家调价幅度也基本上没有咱们中国那种一砍就是什么血拼那种，百分之多少，所以他定价的时候定的很低，基本上接近他的成本了，然后你再跟他百分之五十的时候他基本上根本拿不出来，百分之二十就要他命了。

*Interviewer:* 哎，这实际上就回到一个关键的问题。

**Informant A:** 他们很honest，跟他讲我需要好的价格，他马上就砍到成本价了。

*Interviewer:*

新西兰这边基本上还是成本定价的多，按成本定价，因为他这个利润空间的话呢他有一个行业标准，或者他有一个基本的行业保住的期望值。比如我做这个生意，比如我赚个百分之二十，这就不错了，他没想就是说，怎么说呢，不像国内的有些商家，也不是说他就更贪婪，而是国内商家不同的中国文化。那你说你在这个新的网络，中国邮乐的这个平台，更接近这个中国式的营销网络呢，还是更接近于这个新西兰式的营销网络？你是怎么定位的？

**Informant A:**

其实我定位就是一个嫁接式的。你肯定是说你完全坚持新西兰式的话中国市场是肯定不会接受的，就卖一块钱你没打折我都不会买的。是吧，就是这么一个文化，就是这么一个氛围，这么一个商业氛围，一个消费者期待。那么新西兰的厂家呢，我是觉得说，但我也不想把中国那个完全拿出来，让你定起来让你定三百倍，定三倍五倍，然后你再打回折来，这样的话呢也不honest。我是觉得

说想定一个就是中间折中的一个方法，就说他定的时候多少有一些利润空间在里面，但是呢就说促销的时候并不以营利为目的，促销的时候是以保本或者说稍微削点本的这个目标，而不能说，对吧，让人家等于说血本无归。我们就有做到，目前为止就有商家做到打完折之后就等于说赔钱了，干脆一毛钱都不挣，商品是免费的。这样的话就等于说他定的价可能是就有点低了。但这些都是磨合过程当中，每一次就是说每一个商家上线啊，还有就是做促销都有就是说可以学习的，有下次可以需要避免的东西。

*Interviewer:*

*现在就是说这个问题可能是一个长期的问题，就是说邮乐这个平台定位来说的话呢，因为你要取得公众信任嘛，你要取得新西兰商家，你要取得中国消费者的信任，这信任的过程中，不可避免的存在一个咱们商业最敏感的一个利润，多大程度上比如说你要是暴利的话呢中国消费者肯定不买。*

**Informant A:**

而且都是公开的。你想能买得起新西兰产品的，相当于35岁以下那些白领，他们英文都相当好，不比我们差，然后他们就会查一下比如说那个霍比特围巾，他就会去他自己的网站上看一下，哎你在新西兰当地的售价是多少，如果我让我朋友给我买一个寄过来，那大概是多少，对吧，你必须得做到比这个低。

*Interviewer:*

*而且这个涉不涉及到一个观念，观念就是说邮乐这个平台，提到了好多好多好处，其中一个好处，让大家就觉得更信任你，而且这个信任也不是说，像上次我们谈的，也不是说来他就信任你，而是他也做一些调查，之后发现确实属于，哎，不是属于暴利的啊，当然也不是属于那个绝对便宜的。*

**Informant A:**

对，也不见得就是最便宜的。他这个就是convenience，target的就是中高端的那个客户，就是我要一个，给我的家人提供一些非常健康，非常值得信赖的保健品啊或者是服装这一类的。你有这个信心，因为我定价的时候我的目标就是说一定要定在你的那个比跑到那自己买一个然后到邮局去寄，肯定要比这个低，而且要相当低，然后你比方说你要能有人给打半折或者什么，那个咱就不好，



阻止不了，你也不可能人家商家每一周都打半折，有一些bargain bin那些，那咱们定不了。

*Interviewer:*

今天的问题让我们想了很多，至少以后写出这个论文来我们可以说提出一些所谓我们的观点认为中国邮政和邮乐是怎么成功，或者为什么会成功，基础的原因是什么样，希望拿来对你们也有一些

*Informant A:*

对，我们也希望能够借鉴借鉴你们的这个想法，因为毕竟就是我们在里头，当局者，对，所以我们想好多东西，可能已经想的很全了，但实际上可能有一些点我们Miss掉的。

*Interviewer:*

而且下一步还有一个关键的，也要跟你，能不能推荐五六家新西兰的商家，这样的话我，或者若宜，我们可以跟他联系一下我们想跟他做一个面谈，谈一谈他们这个体会，他们参与邮乐这个平台，这两年来，他们学到了什么东西，就是我们想从研究角度来说光从你这个角度看，也许有

*Informant A:*

现在呢就是障碍在哪呢，其实没有跑两年，其实从去年二月份才有两家上来，大部分只有跑到三五个月。

*Interviewer:*

三五个月至少我觉得前期的barrier，我们问一些问题也是关于不确定性，从他们角度来说，对这个项目是有没有不确定性，怎么看待这个不确定性，什么能让他感觉到更commitment，因为这是说白了最终来说的话，如果他们不commit，整个平台将来也不会永远

*Informant A:*

其实他们commit，不commit的根源就在于我觉得就是说一是归根到底是那个销量的问题，第二就是我们怎么manage的问题，就是说我们有哪些计划能够帮助他们commit，现在在这个point of

time的话，我觉得没有人不commit。所以我觉得这是属于一个非常wobbly的一个时候。

*Interviewer:*

那如果他是互动的一个过程的话我觉得还是了解一下他们还是有好处，因为如果是互动过程中的话呢，明显来说他不是光是new Zealand post说什么，他就完全是什么，他们也自己有判断。

Informant A: 他们会有的，有一些商家对中国产品还是很了解的。

*Interviewer:*

能不能跟他们聊一下就是他们对这个邮乐平台是怎么看，另外他们有什么期望，另外他们会有什么一些有价值的建议，我们也是相当于帮你做了一个这方面的一个调查。

Informant A: 这我可以考虑一下。对，这个让我想一下。

*Interviewer:*

从研究角度来说的话，我们是希望能够多方的了解一下。当然这个信息的话呢拿过来之后呢我们也会，包括问他，就是这个信息他可以光是给我们，假如说他不给信息就是说告诉你，那也没关系，我们会保证说他们的利益，从研究角度来说要得到保障，而不是说就是他有些信息他就不讲。

Informant A: 但是我就是在想，选这个的话，可能因为每家的情况可能不太一样。

*Interviewer:*

就是有代表性的，比如说你选几个非常支持的，你觉得配合非常好的，我们想了解一下怎么让他配合更好。另一个就是一些你觉得他们好像，也不知道为什么，就是还是没有完全进入状态，我们想了解一下他们是怎么是没进入状态，什么样的方法能让他们更进入状态，有那么六家公司的话，至少来说是这论文结束的时候我们可以说做了十个。因为从研究来说，十个访谈的话会增加整个这个论文的可信度。

Informant A: 嗯，行。

*Interviewer:* 这是一个。还有一个Chinese consumer, 能不能有五六个Chinese consumer我们可以跟他联系一下就是说首先就问问他在买这个商品的过程中, 他们怎么去测的, 有些东西我们都是假设。

*Informant A:*

有一些我倒是可以, 但是需要邮乐问一下, 你能把这个稍微scope一下, 然后我们跟邮乐, 跟我们这边的话, 我是觉得没有问题, 这个挺好, 这是好事。因为毕竟我们了解更多, 然后再一个就是这个东西即便说将来你要发表出去或者什么东西, 我们scan过内容之后, 越多人talk about这个我们越高兴, 对吧, 就是需要有人从不同的角度不同的考量来讲这些。

*Interviewer:*

我们研究的目的首先就是说我们假设, 或者我们认定这是一个成功的项目, 就是怎么能让它更成功。就是说成功的过程化呢有很多因素, 就说有一百个因素, 那我们说能不能找出最前面那是个, 那这样的话后面那九十个也许它都是好因素, 它的效果就不明显, 我们想把这十个找出来, 从这十个里面能不能找出三个因素。

*Informant A:*

但是我是觉得如果你position的时候, 我是觉得因为邮乐还在探索阶段, 现在就不能就认定它一定就是个成功的, 因为他在成功之前, 他就是在发展过程当中, 所以说你也不能说这就是一个成功的案例, 一定跑成了。我是觉得说这个是我们现在比较

*Interviewer:* 这个成功都是咱们自己相对的, 不是说拿出来说new Zealand post就是成功的, 我们就是说这个过程中因为我们有机会我们一起合作, 对整个过程中都有所了解, 这是很好的一个做个反思, 想一想这个项目走到现在, 哪些方面做的好, 哪些方面可能可以做但是没有机会做, 或者我们再重来一次的话会做, 就类似这样的一个人reflection。而且最终来说这个东西的话就看你来看, 我们做出其他这些访谈, 可以匿名的方式, 用匿名的方式的话就是那些consumer, 我们不需要知道他们是谁。

Informant A: 你要做什么呢，是问卷还是电话访谈？

*Interviewer:*

电话访谈。问卷呢是下次我估计是我们明年可以聊一聊这个，若宜的论文就是四月份就要交，就做几个简单的电话访谈，就是说一个访谈也是半个小时左右，就是看一看他们的体验，看一看中国消费者对这个新西兰馆的体验。

Informant A:

这个倒是挺好的，这个的话那我得跟邮乐那边，从他们那拿数据，就说看看。

*Interviewer:*

完全就说怎么选这些人，这五个人，全由他们来定，他只要是告诉我们

Informant A:

对，你大概是需要几个人，你大概是需要什么样的问题，可能也需要给他提供一下，因为可能我们也挺感兴趣怎么回复这些问题，对我们将来一些策略也会有帮助，或者说我们先做一个小pilot的一个问卷，如果行的话我们再把他把再扩，再选一些人再去做这个。

*Interviewer:*

我们可以先做一个这个东西，简单的这个一个类似于访谈问卷，interview这个questions，里面就是把比较感兴趣的问题放在里面，你们可以再往里加，你对什么感兴趣你可以往里加，这也是一种value co-creation嘛，共同来把它做出来。完了由我们来负责来做。

Informant A:

你那个就是说你要测的那个hypothesis是什么你那个论文能不能给我们看一下，看我们能有什么帮助。

*Interviewer:*

Hypothesis我们主要就想了解价值共创，就是价值怎么共同创造出来的。这是我们关心的问题，就是说

Informant A: 邮乐，新西兰邮政还有新西兰商家。

*Interviewer:*

对，最终来说实际上我们看的是一个网络平台，但是这个平台不是说，所有权当然是属于China

Post和Tom.com，但是从这个营销角度来讲，他已经实际上每个人都参与这个东西，从finance角度来说他们共同拥有，但是从营销角度来讲他是一个social network，本身是一个网络平台，没有人在完完整整的own

it.既然是从这个角度来定位不是从财务上的所有权来看这个问题，而是从一个营销这么一个平台来看的话，那就是说这个过程中真正有价值的东西是怎么被创造出来的，他这个从无到有嘛。走到现在，虽然你还比较谦虚说不过成功，但是至少说我们已经出现了，而且有sales了，有这么多人参与了，而且大家开始谈论它了，从某种程度来说这就是一种成功。从零，走到这，你有个价值创造的过程，我们想了解这个价值是怎么共同创造出来的。这是核心的一个研究问题。我们写的那个proposal可以看一下，我们有一个framework和conceptual work。

Informant A: 其实我还是挺感兴趣的。

*Interviewer:* 可能大的品牌他不会用邮乐

Informant A: 因为他有自己的渠道已经在中国成熟了

*Interviewer:*

而且如果再有一定的规模的话，在中国就可以做直销了，他自己做一个网站，直接面对中国消费者了，就自己做了。就这个涉及到定位，就是说是不是定位在中小企业

Informant A:

对，或者说你定他的普通渠道，比方说康为他，他想增加一个渠道，他有一些特定人群他够不到的，比方说三线五线城市，对吧。这都是我们特殊的优势的地方，因为中国邮政的那个coverage就是整个全中国，包括西藏，有好多单就是从西藏过来的。

我估计可能，对，太偏了，那个offer太少了。你可能铺的话你铺到广东上海很easy，但你铺到全中国那是impossible的，任何一个新西兰企业都没有机会。



## Informant B

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Informant B: All right, what would you like to know?

*Interviewer: Can we say Ule project is a collaborating project?*

Informant B: Yes.

*Interviewer: Apparently it's collaboration. So at the beginning of the talk about this project, if we can go back a little bit, how you actually started it and what were the initial problems if you like, if it was a good idea, it wouldn't happen overnight. If it did happen overnight, there must be a reason, so we just want to have a historical perspective into the project. Were there any issues or problems you want to talk about?*

Informant B: So how it happened is because we have a strong relationship with China Post and the State Bureau, for many, many years, decades. So there's always been a good level of personal contacts, at least three times a year, and we will meet their officials, high level, yes. And these will be an Asia Pacific or global meetings. China Post was developing Ule site, and they wanted to go international, so they have approached one partner, it was going quite slowly, the implementation was going very slowly with that partner, so they thought that for a couple of reasons, New Zealand might be a good test case, we would say that probably would be right that we would be a good test case, and I think their main ambitions was to give something really more quickly. China Post was always in the position of, to have a domestic business of this nature, would be attractive if there is an international arm to it, so for international business to work well, it has a strong domestic customer base in China. New Zealand would be a good test case because it is small, because we are relatively free of troubles of regulations, and because the conversation would work here in New Zealand, that conversation being to New Zealand exporters, if there is a way we could market and sale your product in China without you have to worry about all the red tapes, etc, would you be interested? Of course they would say yes. They would be interested. So it was based on a lot of contacts, trust and selection of New Zealand because we are small and advanced, industrialised, and relatively able to move quickly. The second part of your question was if it was such a good idea things would happen overnight, if it was a good idea if it takes longer or maybe never happen. That first country they have approached, things were going very slowly, they are still not yet launched. For us, in terms of the speed of postal companies, this one has happened overnight. It might have taken as I would say it had a birthday so it is one year old, but it happened quite quickly, quite quickly in terms of how New Zealanders do business because New Zealanders do business in a very international way, and dealing with China, language, culture, and the fact that it was the first international partner implementing, and it was the first time that in an area of business, New Zealand law

has met Chinese law, and that was interesting meeting of the law and that was really the main use of the legal side of China.

*Interviewer: There was no problems, right?*

Informant B: Yes and no. The legal side can be a problem but we will be doing it for the second time it would be more quickly because we would know what the potential issues were, and how to deal with them. Apart of the issue why the process of implementation has difficulties, and it did, in the legal and contract area, some of them would happen when, we would argue about how we are going to share the profit, and the neither party wants to feel as if they could have got more, but the other is just cultural style, that was what I would call, New Zealand inherent naivety wasn't a problem for us.

*Interviewer: Could be an advantage to some degree.*

Informant B: Not with the Chinese. They are very smart but New Zealanders don't do business internationally very well.

*Interviewer: Yes, you know I just taught my students that NZTE survey has shown the results how overseas people perceive New Zealand people.*

Informant B: We try to do things very quickly, we don't understand, we don't understand the straight mechanical process which is got subtlety around the outside, but it can still go quickly if you use the network, if you are experienced, and if you can listen. And if you can listen, I always say he or she who does the talking dominates the discussion, he or she who asks the questions controls it.

*Interviewer: That is right. That is a very excellent perspective. Actually we want to go a little bit deep in this one. You talk about trust, you talk about the network, you talk about there could be potential problem if each party kept arguing about sensitive things, like profit, that kind of things can never be results easily. So maybe they are the reasons why this project happened so quickly. So could you say a little bit more about how trust has actually helped resolve the problems? For example, when you face some problems, because of trust, because of network, or because of New Zealand culture, because we are good people, whatever reasons, we always say good things about trust, friendships, network, and we are flexible, and we are genuine that kind of thing, but how that actually play a role in the decision-making? When there is a problem, when there is a conflict?*

Informant B: It is fair to say that the parties were known to each other, either personally or by reputation, backed up by the fact that both worked for conservative employers, conservative companies, postal companies. So that was the underpinning bed of trust, it meant that if either party wanted to escalate an issue, it meant something serious. If it wasn't escalated it just played a game, it meant you escalating because of serious because the trust bred respect, so you didn't use the escalation process for privileged reasons, because it was a serious issue. So trust did play a big



part, particularly if we had a problem, we could go to a higher level and know that would be effective. Similarly, Chinese had one or two problems with us, they went to a senior people in this organisation. So the trust was such that when things got escalated on occasions, nobody on the either side felt as if they would be targeted or would be singled out for attention, we both accept it we both know how the rules work, say we couldn't resolve this we have to go higher, and we will accept that. So did I answer the question?

*Interviewer: Yes. But sometimes it is easy to, not go personal, if you involve a lot of personal trust in the business decision-making, sometimes you can't go personal if things didn't go the way we thought it would go, that is dangerous of personal trust getting involved in the decision-making. How did you actually deal with it if that happens, if you have some personal risk in this case? For example, you are using the network you have developed for thirty years, and you really want to look after the relationships. Because of the project, there were some rules broke or conflicts happened in the project. For example, if you do not do this, everything is fine, but if you start to take some risks, you are in the disadvantage personally.*

Informant B: There were occasions when there was other business going on, so you have to do the business and you have other major business going on. And the same people involved in both sides and both situation, some of them really is avoided, any difficulty is avoided by making a clear up-front, so my part of account there is Mr Ma, Mr Chan, so I will make quite clear that we've got a business deal here and we've got a long-standing relationship or friendship over here, here is the business deal, we would have a chat in a social setting, and say look, we are trying to do business together, at the end of that, if it doesn't work, it's because we have parameters within which we have to operate, if we can't make the deal work, thank goodness we can still have our friendship over here. So in sometimes of meetings I will go to a meeting and say right, let's leave the friendship with the door and we are going to have a meeting, you want to crack a joke, that is no problem, so I make it very clear at the end of the meeting say well, we did agree we are still friends. So it's something you have to, I have found that is a good way of handling it to keep it separately, because particularly in the Asian cultures, if you don't mind my saying, you have to provide a way the both parties handle the friendship and business because they want to do that two, they don't want to lose the friendship. It's a dilemma.

*Interviewer: So you talk about New Zealand business culture as well, you say New Zealand business culture tends to be like this. That could happen, from our interviews, we agree strongly about New Zealand business culture, which really means, well I won't say much because I want to hear your view. So actually you are trying to do in Ule is connecting New Zealand business, they are already a network, they have some similarities, they have some set ways of doing things, now you connect it with China Post, which is a big bureaucracy within China Post, they are actually becoming market-oriented, because they want to new market-oriented business like online*

*shopping, how would you see the culture clash? Would that really happen or you do not see a culture clash between two cultures or networks?*

Informant B: So can we start talking about China Post and New Zealand Post working together? So we can move on the other issues. The ease of working together is tested when you have an issue. One of the problems in New Zealand business culture is that New Zealand thinks that interest expresses by the other party, by China, New Zealand takes it as complements, and that the contract basically signed and we can start selling tomorrow. New Zealanders are very impatient, they can't understand why something can't happen today or tomorrow. And one of the real problems we had in this building was to tell people it is going to take two years, they just don't understand why it couldn't happen. We only have one or two Chinese speakers, so therefore to trial the whole negotiation we have arguments over the telephone, it's only one or two people can think through whereas where was among all English speakers, other people around the table could have a role to work on the pricing part of the argument, somebody can work on the technical, somebody could just sit there. But our key party is always visible, was always evident to the Chinese, so we had no negotiating subtlety. We did not appreciate how China Post makes decisions, their business culture, but we didn't really appreciate their business culture, I mean informant A thought that it is hard to put into words. They just don't do business as speak. We seem to have more respect or we seem to place more on the legal, on the contract being absolutely water tight, Chinese were more relaxed about it, we found. We wanted the contracts done quickly, it was our priority, they had issues. I guess the key thing was throughout the whole process is that getting the domestic part of Ule mature and success was more important to the Chinese than getting New Zealand successful. So we found in terms of speed to market for international components, it's sometimes late and different, because it's not their priority. But I think probably one of the biggest thing would have been around the legals, just there was another issue but I can't remember, give me ten seconds here, it was around cultural communication.

*Interviewer: Because I am Chinese, I used to work for the Chinese government for seven years. I know a lot of decisions made in Chinese system was close-door, very much the junior people even people at informant A's level, they can't participate. They can influence, but they are not part of the decision making. Quite hierarchy, you know, the boss decides everything, particular priority, the boss will decide New Zealand is priority and they will do it. Or boss had so many priorities, if they would not push it, nobody would care about New Zealand to some degree, because they are top-down.*

Informant B: Yes. The issue I was thinking about is business planning. Business planning and marketing. For us, business planning is quite defined, marketing is quite defined. We found that our counterpart in China they have a different view of business planning, business planning is more fluid, because that works for them. Marketing was more fluid, so we went on the some discussions in terms of what business planning meant and what marketing meant. So here our boss said where is

the business planning, we were still discuss with Beijing or Shanghai, you know, getting signed off, we are not going to do anything without the business plan, we cannot pull out but we would just reduce our effort. We would say we've got two parties working differently, we have to be patient. So you know, that is very difficult for New Zealanders to understand. Not difficult for me.

*Interviewer: Yes, because you have many years of international experience. But you are dealing with two systems, you can't avoid the differences. That really strikes us because we always feel interesting to see how you actually bridge the differences between two systems. And you have mentioned that. So in your view, in the last two years, if you could summarise some successful experience or some good working principles to get two systems connected, for the mutual benefits, what would you say?*

Informant B: Based on the Ule?

*Interviewer: Yes.*

Informant B: Ok. There is nothing magic, there's no real secret about it. I think in terms of this project, it's just long-distance common sense. I think it's very helpful if the parties can be physically together, reasonably regularly. It's not business you can do by sitting in Beijing or sitting in Shanghai or Wellington, and not seeing each other. You have to visit each other. I think you have to communicate very well and very clearly. And get the agreement of the other party, New Zealand, or end of China, understand what's required, and understand what the accountability and expectations are, it's just, it's really clarity, it's really testing your answers now, I am great believer of a couple of things actually, firstly, if China has asked us to complete work in certain time, I would like a counterpart here in New Zealand who can look at what we've done to say is that what they have asked for. Sitting in their seat, is that going to be satisfactory? That is the first thing to believe with the Chinese. Because the second thing I believe is always communicating back to them in their own language. Now sending them document, sending them in Chinese. It's courteous, and I believe you should always make it easy for the next person to do what they've got to do. Give them a complicated sheet, a complicated set of questions or requests, it's a invitation to do nothing. My boss and my people said to me you do too much of their work, I send it always stay the time, so you are actually, you know, it's as simple as all the paper has been used in the photocopier, fill it up with paper, because it makes it easy for the next person, always handle work on in a way that is easy for the next person to take action, always frame your questions to get the answer that you need, another way is ask the question that you mean to ask, don't make it complicated. And test that question on somebody who is in similar position, to the person who be the one to asked, just make it easy for them. People say it's their job, it doesn't matter whose job it is, there is money in it. So it's ok. So that is a very firm believe, make it easy, use their language and always deliver ahead of time. I said it in terms of always put the ball on their side of net. Some of the successful techniques in life cost nothing, one of them is always reply to every request on time or ahead of time.

*Interviewer: It's excellent. It's about doing something for your customer or doing something for your counterparty. Sometimes you are doing something beyond the contractual obligation, I can see that happening when you look at Ule experience, it is. And that is how we see value co-creation, it is the framing question, you know, how two parties have their own legal identity, their own profit objectives, work together to achieve mutual goals, in our view, it's co-creating value together. You can't really say that is your job and that is my job, we do it separately, or we define it very clearly. And you point about clarity I just want to seek your clarity on this part. So the clarity is very important, however, when you work in this kind of project, it's very hard, by nature it's evolving, by nature it's ambiguous, by nature it requires a lot of push and push back, that kind of thing, so how would you achieve clarity if that is a very important thing?*

Informant B: I think you achieve clarity by making sure your own situation polite, professional and clear. I want to talk about New Zealanders in the context if I may. Internationally New Zealand doesn't much to offer, and to win business internationally, as generally the small partner, this is Fiji, we are always the small party, you actually have to do more. You have to go further than 50% as a matter of course, to get reputation that the intangible or transit reputation for being efficient, courteous and helpful. Because New Zealand doesn't have much to offer, you have to be easy to work with, because you are easy to forget. You have to be easy to work with and you have to be different to other parties, you have to come through humanity, doing things a bit more than they expect, quicker than they expect. I firmly believe that and I am right.

*Interviewer: Yes. Also I think it really comes down to the core of the bridging role. Can I ask another questions, it's not about NZ Post, it's not about China Post, it's about New Zealand merchants. New Zealand merchants we have already known a lot about them. First internationally New Zealand Post is relatively smaller in the post world, in a global standard. But some New Zealand small and medium sized firms would be even more smaller and they are less visible than New Zealand Post. So they have problems with like liability of being foreign in that market, and they are very small, and they are very very new as well. So how you see your Ule project help them to overcome those problems?*

Informant B: I think it's brilliant. I think Ule is able to do that job brilliantly, because it comes down to the key selling question, if there is a way that you, small New Zealand businesses can sell your product, can market and sell your products in the biggest market of the world, without you have to worry about all the rules and regulations, would you be interested? So the merchants have limited resources, they find it difficult and expensive to market overseas, therefore launching overseas even to Australia they find it difficult and expensive without the guarantee to succeed. Not guarantee to succeed because they don't have the experience, and they have another problem, which is also the problem they have with China, the problem that New Zealand merchants have is that eventually every market they go into is bigger than

New Zealand. Therefore, if their product is successful, there is a chance they cannot supply the market, that is my biggest worry with China. So we have to think about if honey becomes really successful, do we just white label New Zealand Honey and use it from all suppliers in New Zealand so we can meet the market, so we are not through that problem yet, we should be grateful for the slow start. So New Zealand merchants, the Ule business model is a great option for them in term of not having, basically being domestic supplier even to the Chinese market, they are domestic suppliers because they export and all the licensing is taken care of another partner, it's a very easy one for them.

*Interviewer: If we can predict, I know it's very stupid to predict anything in this dynamic world, but if we try to predict what is going to happen with Ule, at the early stage I can see it is working really well, because a lot of red tape has been taken care of by New Zealand Post and China Post, but if we really try to say, if New Zealand firms want to build premium brand in China, and also to supply the niche and high-end market of China, which might be an ideal position for New Zealand to be, because of the limited supply, you can't supply the whole China, you have supply to the high-end consumers in China, somehow through Ule project. But if the New Zealand merchants do not know how to do marketing, and Ule system does not give them enough pressure or even enough incentive to do marketing in China, in the long run, Ule system will be positioned as a low-end. For example, Ule system could be comprised with a lot of merchants that do not grow with Ule together, ideally it would be they grow their insights, grow their marketing insights in China. They do not position themselves as domestic, you want them to think China more rather than just say I am a domestic supplier, how would you see that? Do you see that would happen?*

Informant B: Yes, that can happen. You know it's interesting, there is so much pride, both of the postal companies, China Post and New Zealand Post, the pride will make sure that it's a success or if it was not a success, it's not talked about as a failure. So we will control the press, we will control the media in terms of if anything happened, we would contribute to strategic reasons. But also for the merchants, the fact that they now sell in a market, even with one item, one product, you enter the market, it can only get better and bigger. Ideally, it would be good if there is another website competing with New Zealand business because we really need Ule to be stable, grow and be a fertile channel for New Zealand products, so we are making sales, certainly, and the merchants are happy, because they now can talk about having an export market and they couldn't do it twelve month ago. Pride, pride and breaking new ground is a very interesting experience and brings out very interesting emotion in terms of loyalty to the business and loyalty to the brands. And I believe this that because the merchants are certain about New Zealand Post, there is sort of certain, New Zealand merchants working through branding with New Zealand Post would help sell my products. That alone means something.

*Interviewer: I can give you some feedbacks from our interviews; we have interviewed four merchants, so much so far we found that they are all very positive about Ule, definitely very positive. So they all have their expectations about Ule that is all good things. But we do see some issues coming out of one of interviews, the inconsistency among the suppliers on the Ule website. So as I said earlier, it's about positioning again, are we positioning Ule as a platform for high-quality New Zealand merchants to come in or at least those merchants are aspired to become high-quality merchants from New Zealand. Or is it a platform for everyone who is interested in China which means they can be always passive because you guys are too good, you are too excellent because as they say, you know, Ule will do this for me, I will just do this, so what is your view on the future of Ule which is also your long-term positioning of New Zealand Post in this process? Are you always going to be the marketing sort of brain?*

Informant B: We are waiting to see how Ule goes, I think another twelve months before we can really assess it. Yes, you are quite right, there was some inconsistency in terms of the profile of the merchants. Is that an issue? The real issue is aspects of the ways business is done that is a barrier to Chinese people buy New Zealand products. So if there are things happening, in Ule environment, that result in a barrier to the Chinese person buy New Zealand products, that is the crucial thing. Inconsistency of Ule merchants on the China website, is that a barrier to the Chinese person purchasing New Zealand products? Making New Zealand exports? I don't know, I don't know. If it was, then the consistency is not good. If it is not a barrier, then I can live with the consistency. However, if the consistency says that high-end New Zealand exporter will not associate themselves with the website that has a low-end option, then we will seriously think about that if that became a barrier to sales or use of Ule. I don't know what the truth is, let me say this, we made a few mistakes, we will continue to make mistakes, and maybe the inconsistent profile of merchants is a problem, is a mistake, I don't know, I don't know. The biggest issue we have, not issue, the biggest challenge we have is getting Chinese consumers to purchase, so maybe we are trying to find out where the price points of the market are.

*Interviewer: I talked to one of the merchants and they are very keen to do some consumer research directly if they can, of course they say they would like to talk with New Zealand Post first, the post is the bridge, they very respect that, but they want to see why even they got very limited orders, but growing. They want to see first, how consumers actually compare their offering with other competitors, not New Zealand competitors, international competitors. And also the price, is price a barrier or not a barrier? If it's not, maybe they can increase their price I guess, something they want to know, like consumer preference, consumer price, perceptions, and also the how they actually develop Ule as a platform, so that kind of research somehow needs to be done either by China Post, ideally by China Post, because they control the consumer data base, or by New Zealand Post if we can get collaboration from China Post, I have already proposed that to informant A, informant A has tried to get us to*

*interview some of the Chinese consumers who use Ule to purchase. Well I got some feedbacks from the China side, but there is some issues, so*

Informant B: That is a healthy thing for New Zealand company side to do some research. We brought this thing where main offers have been access to the market of 1.3 billion people, we don't know whether they want to buy New Zealand products, so it is excellent that somebody wants to test it through research. I remember something else about Ule, it has been a real success for us in terms of building our businesses, we have approached New Zealand merchants to see if they wanted to be on Ule's website, some of them said not for us, but we didn't know you are in the international business. And we want significant amount of business ahead, so if we knock on the doors about exporting to China, it will actually be a lot of differences.

*Interviewer: I am just thinking about your relationship between NZ Post and merchants, because merchants as we know, maybe they have other agents or channels, distribution channels in China, and for NZ Post, you would like them to invest more on Ule channel or platform, but they might have to balance between different channels, so what would you do to, you know, so they can invest more on Ule website instead of their own channels?*

Informant B: There would be nothing new in New Zealand Post and New Zealand merchants on Ule, there are some situations that you don't realise I'm going to come up. For example, there is always the risk that the merchants in New Zealand will know who the customers in China are, may want to start to trade directly. There are situations where Chinese distributors will see the products and will contact the party in New Zealand merchants. There are always dynamics of challenge of business model. I think we had one situation where a party wanted to do single sales through us and whole sales through another channel, my reply to you is more theoretical than based on experience, and that is that we have a contract that set up to provide a certain business model and because of the contract saying that, you have to stick to the business model. If however, the discussion with a merchant, the market says you can make more money operating in a different way, that is the thing we can't hide at the end of the day. Come back to your question, yes, what you have described is always a risk, part from one situation I don't recall have a deal with it but at the end of the day I will fall back to the contract and I will list some commercial varying from the contract. Another point I will offer is that there are some pretty smart merchants out there who can think of ways which they will cut off the middle person because they look at us involved, and they say I can cut you off and save some margin. That is where our value and the value of China Post has to be very very evident to the merchants. Well my experience does tell me that merchants will grow to a certain size where the Ule model will have competitors, there will be competitor for the Ule model in the merchants' mind. I'm now doing ten thousands of order a month, I should avoid these middle people now. So we have to have something to offer to the merchants who grow big, so I always said to my boss small and slow in terms of business growth is good, because it let us adapt, anticipate next step might be from the

market, from the merchants. My answer to you is also contained this that to get conflicts in different situations is good because the experience with them, dealing with them makes your offering better. Don't be afraid of people who want to vary from the contract, but make sure you and your experience partner think things through.

*Interviewer: The last question we would ask is apparently if the merchants grow bigger, you might have to adapt, maybe develop a new system to capture their needs. But currently what is happening with Ule is really capturing or attracting those small merchants who hasn't got experience through which they can just immediately get some sales and get some confidence about the market. And then they have to learn, right? Hopefully they will adapt their business model. It is not a question just sharing my experience, from one of the interviews the company got orders but is struggling with the language because they haven't got the person in there who understands Chinese. That probably has been an issue they have to face whether they need to get some new personnel or at least outsource, they can't really outsource because this is very much the basic part to sell in China. So they have to change.*

Informant B: Yes, yes. It's a big market, it's different. The ideal for us is be able to do this sort of things into Australia. It's very easy to address same language, very quick but has been a difficult market to take New Zealanders to enter.

*Interviewer: Yes I heard a lot that Australia is a lot more difficult than what we thought. It's not on the language part but other issues because New Zealand products are not appreciated as much as they are in China. For New Zealand products going to China, you have to go to middle to high end, you don't want to go to low end. Because there is perception you got to be in the middle of the category, it's not like it's from Africa, that kind of perception. So one question we haven't covered but we think it would be really interesting if you could talk about, has New Zealand Post done anything similar as Ule with other countries?*

Informant B: No.

*Interviewer: Would you consider that?*

Informant B: Yes. But as soon as I said no very quickly, we have got another internet based offer, it operates quite differently, it's where New Zealanders can go on a website and purchase goods on a system called Youshop and they can purchase goods from United States, and ship to New Zealand. Why would we do this because for New Zealanders to purchase things in United States is not easy, because United States merchants don't generally send to addresses outside United States. So we've set up a United States address and all the products can go to and they ship them to New Zealand and the orders were fulfilled. That is going very very strongly, and that is a different model from the exporting model but it enabling New Zealanders to do business overseas in a different way in terms of individual purchase. We desperately are trying to get New Zealand companies to direct market to Australia, there is only one New Zealand company that we know has direct marketing business to Australia,



Easybuy, but you know, always saying that there is a way that you can reach a market four or five times of New Zealand who speak the same language, would you be interested?

*Interviewer: That is interesting. How about Australia Post? Have you worked with Australia Post?*

Informant B: Yes we do. We work with them because we just signed a bilateral, and we now are going into a new generation of working together. It takes 22 years to get this far so people say working with China is slow, well working with Australia is even slow. I mean to me, I'd say that the experience of working aside of New Zealand is different to working in New Zealand. And it can vary by country. I tried to avoid using words like "difficult" or "not easy", because you can't keep saying such things about the other party. It's different, but if you use your head, you got to make it sell, you got to make it sell. If you learn from the sales that have happened, it's limited. But if you use other people's experience and be professional, that provides you most chance to make it sell. And if you patience run out in twelve months, and it gotta take twenty-four, then you provide another limitation for yourself.

*Interviewer: Ok, I think we must say thank you to Mark now, it is excellent to hear what you say about Ule.*



## Merchant C

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*Interviewer: So I know that Ule project gave you an opportunity to enter China market, right? So before the Ule project, have you considered entering China market by yourself?*

Informant C: Yes, we actually have had some experience in China, we used to have a share-holding factory in China, and it is still open, we had a lady, Chinese school teacher who worked in Wellington, and her partner looked up the opportunities and set up in China and they contacted us. And we thought it was economic for us to manufacture further, so we provide raw materials, and sent them over to China to manufacture. First we would send them to manufacture in China, and then we would send them back. Then we sent over twelve hundreds of tons and we were given seven or eight hundreds of tons back, so we decided this were not a good deal. So we came up with the new scheme, we sold the pieces to the Chinese manufacturers, and we bought the products back and I would suggest the line they make, and I made several trips to China, to the city called Ningbo, they have a manufacturer working with our products and we were working very successfully for a number of years. The products we used to make are mainly sold to Europe and the UK. And that because as the Chinese market open up, it became more and more difficult to get more staff, cheap labour, and with more and more people doing it, it was not economic to do it anymore. So we just withdrew from that market. But having said that, the company in China also realised that there was a market for the sheepskin products, our sheepskin products compared to theirs, so they bought some stuff from their factory and take it into China, and they will market from there. So we have several experiences selling into China and we also specialise to some stores in Auckland which is just for the Chinese tourist market. I think it's because of that when Ule project came in, they saw us have already branded in China, so they approached us to see if we were interested and we've been involved with them for about eighteen months and I have to say it's slow, I mean in Ule business, we haven't got a lot of orders out of it, and the orders all tend to be very small, but we think in the future development it will be better and better, definitely.

*Interviewer: Did you think where the problems were?*

Informant C: Well, first of all, it only started selling so it is still in its early stage of development, which needs a long-term marketing programme so more and more consumers in China will trust and buy stuff from it. And it is also a little bit difficult for us to look at the site because of the different languages, so it is hard for us to keep track of how they advertise us on the site, and there are so many lines on it and I thought it would be much easier if it can be changed into different divisions. But it is early stage you can't expect it to start overnight. And I am sure given time, it would be better and better. The concept was very good, extremely good, the way the two

biggest national post firms in their countries clear the goods through and market our products in China with great marketing power and specialised capabilities, I think the concept is extremely good, and I believe once the young people get to know the site, who use how to use the IT system, and how to buy on the net, and it will take off very quickly. But at the moment, probably doesn't have enough push of the young people.

*Interviewer: So what kinds of interactions or collaborations did you have with NZ Post or China Post?*

Informant C: The interactions with NZ Post are very good, very good. We had a little incident ten weeks ago, the customer got the wrong product, and New Zealand Post worked very close with us to ensure that the right products went to the customers. They were extremely helpful and professional. I'm very, very happy with the working experience with them. The way they acted in this incident proactive, rather than reactive, and I think given time, the Ule would be a very successful venture.

*Interviewer: So you work with them in your daily operations?*

Informant C: I worked with two people, just ensure everything is running smoothly.

*Interviewer: So who is always initiating the interactions, you or NZ Post?*

Informant C: Mainly from me, when I have a problem with the orders or the project operations, I will go to informant A and XXX. They will help to send the products out.

*Interviewer: Do you enjoy working with them?*

Informant C: Well, definitely. I found them cooperative and also responsive, by responsive I mean when you required something, you went to them and they would do it for you, very much from the beginning. They are keen to get everything sorted, and I realised that was difficult. Fortunately, because of our export experience in Europe and some other places, we picked up some products and skins that were much popular in Europe and related them back to China market through Ule one. So I guess the results were mostly under control.

*Interviewer: So what kind of commitment did you have to make in this collaboration project?*

Informant C: There is not a huge commitment, you can just send the products and make the right order. So we select several products, shipped them to Ule team for selection. And discuss how much we want, and they can tell us we this one, this one and this one would work.

*Interviewer: Would they give you suggestions in pricing?*

Informant C: Yes, they did. But we were very realistic from the start, we realised that the end-user, we looked at it from the point of the end-user, we thought all of the end-

users would buy this, what do we think that would be to pay? Not so much to get the maximum profits or margin, what would be reasonable price? So that the end-user looked at one catalogue and says oh, this is nice. And when he sees the price, he wouldn't be frightened or scared away. So I like that. So that is how we, our company and Ule decided to do. So compared with some companies that market with high-end products, we put on small margin and hope more end-users can afford it and buy it. This was decided by our strategies and Ule's objective. For example, one can buy one of our products from the Ule website and delivered to his door cheaper than he came to my stores and send it back to China. Because when he makes a purchase on Ule that satisfied him, he is going to buy some other items from the catalogue or he might be going to tell his friends or somebody he knows to buy it on the Ule as well.

*Interviewer: Yes, that is very true. As we know, NZ Post did a lot of marketing promotions with all the merchants; do you think you are among those active merchants who will actively respond to the promotion activities?*

Informant C: I have to say, since it has been launched, we have a few contacts, but not much. Most of which was the notifications of orders, forms we needed to fill out or when something went wrong. So in the beginning, we didn't involve much in the Ule operations, and we didn't have many feedbacks on how things went or how other merchants were doing, and whatever. And there was one time when New Zealand Post approached us to ask whether we would like to be more involved in the marketing promotions; we said no, we were not sure about it. And then XX (NZ Post staff) told us that a chain store on Ule doing similar products, who's manager I am very familiar with. The company has many years of experience in China and he lived there for a long time and he's got very keen in the Ule promotions and he's got very good sales, you know, in the promotions. So New Zealand Post told us that they would like us to get on board in the promotions so we can get a better result as well. So after that, we tried to participate more in their activities, for example, the discount on some Chinese Festivals or special days, or gift-giving. However, we have a little bit interpretation of doing that, as much as you lose control 'cause you are selling to another country that you are not that familiar, you need to at least keep some control of your products or decision-making. So basically we have been invited on almost every occasions, special offers or things like that, and we participated some of them, like the Chinese New Year, and I am quite happy with that that are good marketing programs, although we didn't see many results from them.

*Interviewer: So if the results are getting better, you will become more committed?*

Informant C: Absolutely. It's like every business, at the end of the day, it's all reflected at the bottom line, you have to make profits. That is the same with us, too. Although sometimes you just need to keep faith in your partners or strategies in the long run, in this case, is Ule.

*Interviewer: Do you think social bonding and trust is important in your collaborations?*

Informant C: Very much so, very much so. And that is a two-way thing, which means not only I need to trust my partners, my partners need to trust me, too. Let me tell you a story about trust. I have a business partner who buys some sheepskin products from me every year, having the price set. And last year when I went back to him to try talk about the contract with the same price, and he was not happy with that, and he said, no, not easy in China as this moment, things tightened up. And of course I was not interested in that, I just wanted to continue the contract. So we talked and negotiated back and forth, I said to him well, no matter where you sell the products, I only sell to you, and I do have an interested partner waiting. He said well, well, here is my price, and if you can't, you know, if you can't meet that, we might need to find another way to do business. Now I went off on Friday and I thought during the weekend well, it will take me a long time to find another partner and to build that kind of relationship, long-term relationship. So I am going to build some sort of trust with him. And that is when we made the deal with his price and he paid on time and didn't complain too much. So it takes a while to build trust, especial two-way trust, saying I am not happy with the price, it was not what I want, but I am going to accept it and we can go much further. So I think that is a scenario where trust is both ways. In Ule project, it's not we trust in New Zealand Post and China Post, it's they trust us too, and that is very important, only in that way can we develop together and go a little bit far, especially when Ule is in the initial development stage. I know there will be doubt and questions about the whole process, but what we need to do is wait and trust that New Zealand Post and China Post won't fail us after all. And I think that is the underpinning foundation for us to continuously support their operations in Ule, like the promotions or other activities, even if the sales has been very slow.

*Interviewer: Well it's one of the uncertainties for you to participate in this project, right? Being unknown about the results or future development. So what did you do to reduce that kind of uncertainties?*

Informant C: Well we limited our risks, we took a kind of calculations about costs and benefits, like exposure risks, and that was signalled by New Zealand Post anyway. So we tried our best to keep our expectation to a certain level in the promotion things. Because people get overawed by the huge population of China, however, what they didn't think is that a quarter of the population is struggled with living, so there will be only a few people that might buy products from me. So if you give too much expectations in the project in the first place, you might become disappointed and impatient with the results, as well as the partners, I mean New Zealand Post and China Post, and that is not a good thing, for a long-term collaboration. Because we know the situation in China, as I said, I've been there for many times and I've got Chinese business friends too, we tend to slow our strategies in Ule by not committing too much from the beginning, but it doesn't mean New Zealand Post didn't do a good job, it's just we have worries, so we don't want to put the eggs in one basket. And as the

project develops, we are kind of, you know, actually increasing our commitment in this project, because we need to do marketing anyway, so doing it with New Zealand Post might be a better way.

*Interviewer: Why it is better?*

Informant C: You know, obviously they've got resources, I mean, they are the biggest national postal companies in China and New Zealand, of course they have something we don't have. And their reputations and marketing abilities are also magnificent to make customers to believe in this Ule site and believe in us. So we gradually realised that if our merchants on Ule can grouped together as a whole, you know, team, we might have a stronger presence or influence in China customers if we can combine the valuable resources of China Post and New Zealand Post.

*Interviewer: Yes, that is a very interesting point. And you mentioned trust just now, which is very important in the collaborations. So where do you think the trust comes from?*

Informant C: I think the trust comes from the process of getting to know people in the business relationships. Knowledge breeds trust. Knowledge of the other party, knowledge that you can rely on them to deliver what they have said, knowledge of knowing that they will perform on time. And you need to build this kind of knowledge through communications in the process. And the knowledge builds up like the building blocks. And as the blocks get higher, the trust gets better, and stronger. It is like any relationships, when you see the person and talk with that person often, you get to know each other, about his background, families and businesses. And you get closer to the person, you might invite him to dinner or whatever, which makes your relationship even better and you can become friends eventually. In my experience, business relationships are just like social relationships, and trust, is as important as the profits, or in some cases, the trust is even more important to make long-term deal, especially when there are risks.

*Interviewer: So if now there is an opportunity from NZ Post for you to commit yourself or your firms to some collective marketing activities, do you think you trust New Zealand Post enough to do it? Or you will wait or pass?*

Informant C: Well as I said, we don't have a lot of exposure yet, and admittedly, the payment is coming once every two weeks, which you know, comes from Hongkong, so we would, as I mention, we would have some checks or balances to see that if we could further commitment. So if the payment hasn't come after months, then you just stop commit stuff, that is natural. However, having said that, because now we know New Zealand Post better than the beginning, I guess that probably we will do some marketing with them anyway. I mean, I am still willing to believe that New Zealand Post will deliver, and will be a key role in the whole Ule project, so in this case, results or money seems to be less and less important, to some extent. Besides, every time we get closer with our partner, we get to know different things or learn new

knowledge, so it would be a beneficial process for us. As I said, in long term relationships, it is not about money anymore, it is about how you make your partner grow with you. That would decide how much I or my partner will commit.

*Interviewer: What kind of knowledge?*

Informant C: Just general knowledge, not about products, just about markets, or Chinese people. The most stuff we learnt from Ule is the general knowledge about Chinese culture, for example, I didn't know anything about Chinese New Year or Lantern's Day until the people from New Zealand Post explained to me. And we got to know Chinese customers as well, what kind of products or sheepskins they like, that kind of things. And I learnt a lot about internet and online shopping, too. All of the knowledge helps us to develop our own business in China in the long term. That is also a reason why I think this project and the concept is extremely good. For me, working with such two biggest national companies is like a 300-level paper about marketing in China in the university for free.

*Interviewer: We talked about uncertainties in the collaboration process, can you think of any other uncertainties in Ule project that you think it's really important?*

Informant C: I have to say, every business has risks or as you said, uncertainties. Even for the big business or best-run business, there is some sort of risk. There is still an element of risk, in the most innovated businesses. I mean if you are selling cakes, even that has risks. You know that 100 people coming to your store every day buying cake, and you bake 105 cakes because you are hoping there are some extra, now you might think you can bet on but if there is a big storm on the next day, everybody doesn't want to go out and you end up with a lot of cakes. And two days later, nobody wants old cakes, everyone want fresh cake. So with all businesses, there are some elements of risk. And what you do is mitigate the risk, you plan for how you are going to control that risk, and you won't have a super high expectation. Always prepare for the worst things to happen, because there is always a risk, in everything you do. So in Ule project, we think the most risks are that nobody wants to buy our products or the future plans of every party might be different, then what would we do? However, with limited commitment in the project, we believe we've got the risks under control. I mean if you are not too greedy or pull yourself outside and expose yourself that much. So once again, you need to manage the risks. This is a very important part of business, managing risks. Because the risks are not going anywhere, they are always there, so it is an on-going process. Things can change very quickly, things you don't have any control. Smart people are always prepared for every possible situation.

*Interviewer: Yes, that is true. So if you look back the whole process of your collaboration, do you think there is any difference or change regarding your business network building?*

Informant C: After the Ule project?



*Interviewer: Yes.*

Informant C: Not a lot, I guess because it is too early for me to say, but if you interview me next year, I might have a lot to say. But having said that, we are having a lot of enquiries out of China recently, so once again, it could come from that. There is this one man, came to our store one day, you know, and he said he saw our products on the Ule one day. The younger man, who spoke very good English, the younger man, said he has been looking for opportunities to export sheepskin products in China and he thought there might be possibilities to work with us. So I guess there is some possibilities after all, you know, more opportunities there in China if this project works properly. And also I think we are more open to NZ Post in the Ule project, in terms of negotiation or communication. We won't try to hide something or...

*Interviewer: You mean the relationships in Ule project is more open compared with your other business relationships?*

Informant C: Yes. We feel more secure or free to talk about anything with NZ Post.

*Interviewer: Why is that?*

Informant C: I don't know, maybe because we trust them or maybe because we interact more than others, we become more transparent in our operations.

*Interviewer: What do you think is the most important benefit or value you have gained from this project?*

Informant C: I think, as I said before, because Ule is run by two government agencies, NZ Post and China Post, so I think the concept is very good. And that is what attracts me. The two government agencies, they should get things going. They've got resources; they've got people, many people who have been trained, for many years. So if they work really hard in Ule, with their, you know, good reputations in two countries and all the relationships they have with officials or companies, I believe they can get things going really fast. So I guess the most important benefits for us are to get to market our products with these two agencies. Because I believe it is way better than we market the products by ourselves. Besides, if we don't participate in this project, we might not, you know, enter China for the second time. Not before we are fully prepared, because we have to deal with all the regulations, custom, that kind of stuff. But now, the two agencies took care of all the stuff that was such a relief for us. This is the second best advantages to work with them. However, having said that, I still believe NZ Post and China Post can do much better in the future, in terms of marketing. There is still room for us to grow. But I know that it couldn't happen overnight, so we guess we can wait to see the future, because it doesn't cost us much to list items on Ule, so.

*Interviewer: And do you see any uncertainties in the development of Ule in the future?*

Informant C: Yes I do.

*Interviewer: What kind of uncertainties?*

Informant C: Uh, the uncertainties I am thinking about, is related to the size of New Zealand and the size of New Zealand firms. The uncertainties are that because New Zealand is an isolated country, very small. And New Zealand firms are relatively small as well. So I guess in the future, if the Ule can be really successful and there are a lot of sales going out of it, I am just a little bit concerned that we might not be able to supply the demand in China. But it does take a lot of time and effort to be that successful, so I guess I won't worry about it too much. Other than that, I think there might be another issue we need to be careful as a merchant on the Ule. New Zealand won't be the only country China Post will work with. So if some other countries like Australia, the United States decide to participate and the international mall will be expanded. Then I think NZ Post and New Zealand merchants need to think about how to make China Post commit in our promotions as before, you know, because at that time, what concerns China Post is the growth of the international mall as a whole. They won't care about which countries sell the most items. They just care about the whole revenue. However, we and NZ Post only cares about how to make more sales in the New Zealand Mall. So I guess that might be a conflict in the future.

*Interviewer: In terms of long-term goals or interests?*

Informant C: That is correct. But as I said, it would be too early for us to jump into that conclusion or worry too much because Ule still needs a lot to grow.

*Interviewer: Yes, definitely. So in your opinion, what is the most important factor or principle in the whole Ule project, you know, in order to make the project successful?*

Informant C: Trust. Mutual trust, as I said earlier. For me, although people say kiwis are naïve, easy to trust people in business deals. But I always believe that is a good thing. You have to trust your partners; because there is no way that you can do all the business by yourself and succeed. We have to communicate with people and make deals with other firms. If you don't trust anyone but yourself, you can't make any deals, even one of them. So I guess being naïve and easy to trust is not a bad thing, the important thing is to trust the right people. So before you make any deals with that company or that person, you need to have some confidence from for example, friends or partners, saying that they can be trusted. Or when the company is really big and well-known in the industry or globally, I think it is ok to trust it. Because I think trust stimulates relationships to keep going. In Ule case, I trust my partners because they are NZ Post and China Post. If they can't be trusted, I really don't know who can be trusted.

*Interviewer: Because they represent the governments, to some extent.*

Informant C: Exactly.

*Interviewer: So generally speaking, as a New Zealand firm who is relatively small in size, and might also be new to China market, what kinds of difficulties do you think there are?*

Informant C: I think the straightest issue for a small firm in China is to find the appropriate and reliable person to work for you. I mean, when we operate in China before, we could find a good Chinese person to work for us because we didn't know much people. And I think for a New Zealand company to enter China for the first time, it would be really hard not to work with any agency or Chinese firms, because you don't know much about the Chinese culture, its business environment, business culture and consumers. And the consumers don't know you. So without any helps, you can't start your business there.

*Interviewer: So do you think Ule project or collaborations can help to overcome these difficulties?*

Informant C: Absolutely, absolutely. At least it will make it easier. New we don't have to hire a qualified Chinese to work for us, because the people from NZ Post are so helpful and we can just go to them. And I think the merchants are small, which means we need to work as a group. And when we work as group, we get more power in the markets, and we get more resources from each other and we can have more access to know Chinese firms. So I think collaborations are really critical for New Zealand firms.

*Interviewer: Ok, that is all my questions. Thank you so much for sharing.*

Informant C: You are welcome.



## Merchant D

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*Interviewer:* 第一个问题就是说您当初为什么要进入中国市场？

Informant

D:

目前来说，尤其是乳品来说，亚洲是一个非常大的潜在市场，从新西兰乳制品来讲，它的产量只占全球的百分之三，但是它的国际贸易交易量能占到百分之四十三。所以对于新西兰的乳制品出口，是一个趋势，而且是唯一的通道。而从中国来讲，我们公司对未来的展望来看，对乳品的需求在未来十到二十年一直是一个上升趋势，因为它的中国的生产环境，包括它的食品安全规范，还有一个上升的空间，所以在这段时间里，对于新西兰的品牌，利用我们自身优势去建立一个市场认知，扩展市场的一个比较好的机会。而且相对来讲，中国市场对新西兰企业还是比较开放的，而且双方两个国家的贸易协定从各种情况来讲，还是对新西兰企业有相当大的帮助。

*Interviewer:* 那您在邮乐网之前有没有通过自己的途径在中国开始做了？

Informant

D:

对，已经在做了，只不过也是刚刚开始，因为我们在邮乐销售的话呢是2012年的2月份，但是我们的产品真正在中国上架的话呢是2012年春节以前，1月20号，我们在中国市场的准备工作做了两年多，包括所有的通关商检这些东西，以及一些渠道的铺垫，所以原则上说在跟邮乐之前我们在中国应该是三个省份，还有一些零星城市已经有盖点了，但是销售的话呢是刚刚开始，我们设定了几个重点城市，然后有一些广告上的投入。

*Interviewer:*

*那您加入这个邮乐网是因为邮乐网能给您带来什么？加入的原因是什么？*

Informant

D:

目前来讲，邮乐这块对于海外企业最大的优势是我们直接可以通过这个平台去面对终端客户，我们有时候从代理那边反馈的消息不一定是很正确的，那么通过邮乐接触到一些终端客户我们得到一些客户直接的反馈。

*Interviewer:* 还有没有其他的原因？

Informant

D:

销售这方面可能是我觉得应该和邮乐共同成长，因为邮乐这个渠道相对来说，当然这一年有了一个很强的进步，但是如果把事情放在2012年2月，其实也是刚刚开始。

*Interviewer:* 所以您就是说有更好的机会在中国？

Informant D: 对，一个是扩宽了渠道。

*Interviewer:* 那您跟邮乐网平常的沟通和互动是什么样子的？

Informant D:  
一般来讲是通过电话会议，然后拜访客户啊等等，线上线下的都有。

*Interviewer:* 主要在哪些领域？

Informant D: 主要以marketing为主。

*Interviewer:* 那定价等方面呢？

Informant D:  
定价来讲我们公司基本上有一个指导原则，在我们范围内给一些建议。

*Interviewer:*  
那一般是您公司遇到什么需要咨询的去问他们呢还是新西兰邮政主动参与的比较多？

Informant D:  
他们参与的比较多。因为新西兰邮政和中国邮政是两个单独的个体，我们通过新西兰邮政和新西兰企业在邮乐网上销售产品，所以从企业规模和中国国企的体制来讲，通过新西兰邮政来去中国邮政和邮乐这样的大企业去接触还是有帮助的。

*Interviewer:* 那您觉得帮助主要在哪些方面？

Informant D:  
主要是在沟通方面，对于国企那些做事方式，新西兰邮政这边变成了一个沟通的平台，把一些企业放在一起，如果单独的企业去跟平台沟通的话会有很多困难，但是一起的话会比较，我们变成了communication channel里一个different project，这样的话会更有效率。

*Interviewer:* 那您觉得这些沟通里面对您帮助最大的是哪一点？

Informant D:  
关于市场，就是说我们可以通过新西兰邮政去跟中国邮政去沟通一些我们公司的发展的想法，我们想做的一些事情，那么中国邮政可以反过来通过新西兰邮政或者通过三方的方式进行沟通，因为我们是从品牌商的利益，他们是从运营商的利益，我们就要在两方面达成共识。

*Interviewer:*  
那您在这个过程中的commitment，公司的投入有哪些东西？资源方面？

Informant D:  
资源方面的话呢，应该还是资金方面的投入，目前来讲，应该以资金方面时间和精力方面为主。

*Interviewer: 那资金是就是指直接投入钱么还是？*

Informant D:  
不是，应该是产品啊各种都有。其实各种品牌商对于渠道商都是有各种支持，有直接有间接，直接的比方说在订货的时候我们送赠品，然后比如说在一些提货的时候给折扣，间接方面通过线下渠道做一些宣传，然后让大家知道这个品牌，同时知道邮乐网，那么一些零散客户我们去导向他，让他去邮乐网购买，而不是通过办事处直接购买，这样的话，各种都会有。

*Interviewer:*  
*那对于新西兰邮政这样的参与您的运作，您的感觉怎么样？希望他们更多的参与么？*

Informant D: 在目前来讲还是比较有效的。

*Interviewer: 还是应该他们投入越多越好？*

Informant D:  
对对对。其实这个直接取决于一个新兴品牌在一个市场的成熟程度。那么一个成熟的品牌更多的希望自己来主导，通过平台来润化这个渠道，但是如果像弱化的品牌，或新进入的品牌，那么更多的可能需要在困难的地方更多的依赖新西兰邮政。

*Interviewer: 您觉得从开始到现在这一个过程您觉得合作愉快么？*

Informant D: 我一直觉得合作是不错的。

*Interviewer: 需要磨合么？还是一开始就还不错？*

Informant D:  
其实一开始就还挺不错的。跟新西兰的合作。可能问题是我和邮政或者和邮乐网的合作，还没有碰到一个什么过不去的问题，所以目前来说，大家还属于风平浪静的阶段。但是随着品牌的深入，将来可能，因为邮政有他们的平台，传统平台，我们有我们的平台，平台之间或者渠道之间可能有一些在部分区域或者部分点的一个冲突，这个避免不了，那么那个时候可能新西兰邮政会发挥更大的作用。

*Interviewer: 那您在这个过程中，从一开始有没有看到什么不确定因素？*

Informant D:  
其实在最开始的时候，这个合作方式很简单，只是说我们是一个供应商，我们

是通过新西兰邮政的一个供应商，针对邮乐。我们在邮乐上上商品，跟我们在天猫上开一个店没什么太大的区别。

*Interviewer:* 只是另外一条途径而已。

Informant D: 对对对。

*Interviewer:* 所以可能在之前的投入也不多。

Informant D: 对，投入不多开始的时候。

*Interviewer:*

那现在新西兰邮政经常组织商家做一些promotion的活动，您公司参与的算积极的么？

Informant D: 对，基本上来讲，只要有NZ Post 有这个需要去做一些东西的时候，我们总是会批出一些东西来加入这个。

*Interviewer:* 为什么？

Informant D:

因为这其实是一个利人利己的事情，对于新西兰邮政来讲，我们是通过新西兰邮政这么一个企业在网上进行销售，那么对于新西兰邮政的支持是我们应该做的一些事情，然后从我们这边来说，我们反正是要做市场投入，这只是一部分，相对我们对于实体代理的投入，这已经相当小了。

*Interviewer:* 那您觉得信任的成分大么？

Informant D:

哦，那是肯定的。因为新西兰邮政作为一个国企来讲，信用远远要大于中国的国企，而且另外一个新西兰这个国企和他的商业文化，他的政府文化要比中国透明，所以相对来说我们更依赖新西兰邮政，而不是国内那边。

*Interviewer:*

可能就是说参加这些投入的原因一是可能您信任新西兰邮政，另一个可能就是参加的结果，之前的结果可能比较好，然后就更愿意参加，那您觉得这两个因素的比重是怎么样？有没有可能就是之前哪怕结果不是特别好，但是出于对新西兰邮政的信任，他组织的promotion我们还是会参加？

Informant D: 对，这个应该占得多一点，这个信任成分占得多一点。

*Interviewer:* 那您为什么这么信任新西兰邮政？是因为之前有合作关系么？

Informant D:

没有合作关系。就是从去年2月份开始合作的。因为其实从供应链角度来讲，这



是一种collaboration，不管说新西兰邮政，还是我们公司来说，对于中国邮政对于邮乐只是一个小客户，中国邮政和邮乐现在在做海外馆，现在新西兰这边contribute百分之五十，因为还有个台湾馆。他邮乐这边他是做平台的，不是做产品的，所以他的目标肯定是把海外馆做起来，那我们，不管是新西兰邮政还是我们，都只是一个小客户，可能对于邮乐来讲，新西兰邮政大一点，我们比新西兰邮政还要小，在这种情况下，我们就要自己抱成一个团，去把我们自己的势力做大，通过把销量做大，在邮乐这个平台上为我们这个group争取到更多话语权。

*Interviewer: 那您跟其他商家有联系么？*

Informant D: 联系不多。

*Interviewer: 主要还是跟新西兰邮政？*

Informant D: 对对对。

*Interviewer: 那跟中国邮政有什么直接联系么？*

Informant D:  
因为邮政在线下也在推广我们的产品，所以有时候在线下的一方面的东西还是会有些接触。举个例子，我们在四川有我们的完善的代理渠道，然后中国邮政在四川也是主要渠道，有时候渠道之间的碰撞是在所难免的。

*Interviewer: 那您觉得邮政的推广能力比起你自己的渠道，哪个更强一些？*

Informant D:  
这个只能说depends，因为如果双方都能认识到自己的长处和短处，在认知的基础上以合作的态度去做的话，那双方都能获益。但是如果双方不能很轻易的达成共识的话，可能会对品牌的发展有阻碍。

*Interviewer:*  
*那您一开始一听说这个东西是由中国邮政和新西兰邮政一起联合推出的，您觉得中国邮政这边有什么样的资源去吸引你加入这个项目？*

Informant D:  
他这边的客户资源还是非常强的，他是一个老国企，他有很多这个客户资源和各种资源，如果我们的产品在中国发展到一定程度的话，就可以借助他某种什么样的资源，在到另一个程度，又能用什么样的资源，我觉得这是一个potential。但是我们刚刚开始的时候没有办法计划到那么远。

*Interviewer:*  
*因为这个看情况嘛，他们也不可能一下子把这个资源全部都放出来。*

Informant D: 没错。

*Interviewer: 那在这个合作的过程中，公司学到了什么东西么？*

Informant D:  
经验方面来讲更多的是了解中国的商务环境。我觉得新西兰邮政很多其他的客户也是一样，我们还好我是个中国人，很多商家可能主导这个项目的是洋人，具体下面做事的不知道是什么样的人。所以这个时候，他对于中国的商业企业文化需要一个比较长的了解过程。我本人离开中国也十几年了，很多东西也得从头学。

*Interviewer: 然后这个平台对你帮助很大？*

Informant D: 对对对。

*Interviewer:*  
*帮助主要体现在哪些方面？比方说我知道了这个东西，我把它运用到了操作中？*

Informant D:  
可能更多的是一个除了文化的话，更具体的是一些对电商的操作流程。那么就是说这种操作方式和流程和商家的期望值和操作方法，这些都是以前从来没听说过的。因为市场不一样，他的玩法不一样。从他们的合作，让我们看到了未来电商这方面的一些发展空间。但是线下的合作相对就比较封闭，因为很难去摸到邮政线下这块。

*Interviewer:*  
*那您觉得这次和新西兰邮政合作的关系和您以往与其他客户合作的关系有什么不同么？*

Informant D:  
对于合作的各种支持和态度来讲，我们和邮政的合作这次相对来说更加放得开一点，但是对于其他代理和经销商的接触，我们的open程度要保守很多。

*Interviewer: 资源投入也不一样？*

Informant D:  
对，不管是资源投入，有时候他有一个信任度的问题。就是更深一点更信任一点。有些东西我们可以去跟新西兰邮政去谈，共同去考虑去开发，但是对于下面经销商来说更多的是一个指导和规范。

*Interviewer:*        *那您觉得加入了邮乐这个项目之后，对您在中国的business network的建立有什么帮助么？*

Informant

D:

目前来讲还没有特别突显，但是我觉得随着业务渐渐深入的话，应该会有些吧。但从我这个企业来讲，国内企业普遍不看好邮政可以卖奶粉，因为大家说的是事实。因为邮政这边是国企的体制，可能是从管理的灵活度这方面不能像一些私企一样反应迅速，举个例子就是去年我们在国内可能有一些老旧的产品，也不是说超过有效期了什么的，是绝对能够食用的，我们就想问一下中国线下代理的意见，我们免费支持这些产品，我们希望你们在门面中去搞一个免费试饮，像其他代理呢非常快积极的反应，然后有些地方在年前就开始做了，但是跟中国邮政这边谈的时候就非常非常慢，他们要从上面总局到下面，在回馈上来，等有结果了我们的产品差不多快过期了，活动意义就不大了。

*Interviewer:*

*那么应该会接触了更多的消费者吧，您这个销售通过邮乐应该还比较好吧？*

Informant

D:

从邮乐的市场份额来讲，我们产生的销售我觉得还是比较满意的，但是我们可能在下一步的沟通中吧能够更多的获得销售数据，比方说这个货出去了，他是卖给谁了，是卖给邮乐员工了还是卖给一般客户了，当然我们倾向于后者。这些信息的话我们通过侧面可以了解一些，但是还不是一个完善的。下一步我们是要沟通这一块，看看什么程度上我们可以达到一个数据分享。

*Interviewer:*

*您刚才提到了一些不确定因素，包括中国邮政和您的发展在以后可能会有一些潜在的不确定因素。*

Informant D: 对，因为他们是做品牌的，我们是做渠道的。

*Interviewer: 那怎么做可以监管一下或者把不确定因素更小化？*

Informant

D:

这个可能是说品牌商自身的努力的结果，因为他渠道商他开店的肯定是愿意把好卖的产品放上去，我追求的是流量。如果我要是追求高利润的产品的话很多的initial investment在这个上面，这不符合我这个核心竞争力的要求。所以对于新西兰企业更多需要考虑的是怎么样在这个市场上达到品牌认知，不能完全依赖这个渠道，渠道要进步，你也要进步。不然如果mismatch了，这个关系发展就不正常了。

*Interviewer:*

*这种不确定因素应该也是在未来的，那您在中国的战略有没有其他的打算？*

Informant

D:

我们现在不是完全依靠邮政方面，但是如果有可能的话呢我们愿意更多的去对

邮政这个渠道去做投入。从投入的偏向性来看，我们更愿意往邮乐做投入因为国企这边尽管体制不一样，但是从新西兰企业来讲，我们宁可前进的慢一点，我们希望每一步是对的。所以跟中国邮政的合作，尤其是加上新西兰邮政从中的协调，我们觉得尽管我们走的慢，但是我们不会走弯路。所以从我们这边我们愿意更多的做一些扶持，但是并不代表我们完全依赖他们，不提升自身的品牌价值。(attachment)

*Interviewer: 这一路看下来，您觉得最大的收益是什么？*

Informant D:  
收益这方面就是说提升了品牌认知。另外一方面毕竟新西兰邮政和中国邮政，尽管不一定是一个特别好的销售渠道，但是他的公信力可以证明品牌的质量一定是符合两个国家的标准，双方都认同的。那么这样对于我们建立品牌认知和公信力有非常大的帮助。

*Interviewer: 那经济方面可能是长期的。*

Informant D:  
对，是这样。因为现在来讲我们是个小企业，真正谈到那一步的话，邮政的条件一定是在市场上是最好的，那么我们不可能指望说从和邮政的合作获得多大的利润。

*Interviewer:*  
*那您觉得如果想要长期保持这么一个多方共赢的关系，您觉得最重要的因素是什么？*

Informant D:  
我觉得是沟通。大家对于双方的期望值是多少，然后在这个期望值之上选择一个最大程度的共赢。这个关系才能走的长久。

*Interviewer:*  
*就是从广泛来讲，作为一个新西兰的企业，这个企业跟其他国家的企业的相比可能有自身的一些不足，比方说规模不大，然后比较新，完全不熟悉，那您觉得这样的企业在中国发展有哪些困难？*

Informant D: 新西兰的企业以中小型为主，那进入中国这种大的市场的话，一定是有比较大的不确定性，那么我觉得这种情况下，新西兰企业去征服海外市场的话，在某种程度上有一种内部的互助是非常重要的。因为不管是通过增加市场话语权也好，是降低操作成本也好，这种互助其实是必须的，其实与新西兰邮政的合作也是一个互助的关系，只不过新西兰邮政帮我们比我们帮他们多一些，但是就像我们和中国邮政去谈的话，可能遇到很大的问题，但是就是说我们通过新西兰这个平台拧成一股势力然后去谈的话，要省很多事情，人力物力，时间等等。

*Interviewer:*

那您能不能总结一下就是这种多方参与的项目，你认为参与的每一方的收益大概是什么？

**Informant**

**D:**

从我们来讲的话建立了市场认知，获得了销售量，而且有更好的销售前景，更重要的一点呢是借助两个国家的公信力，提高了品牌形象。其实这个项目同样造福了我们的代理商，因为中国邮政的牌子在中国太强了，我们代理商最近遇到很多顾客大量的购买我们的乳制品，问他们，他们说是因为在邮乐网上看到了，一看是中国邮政的，就知道质量有保证，所以就来这里大量的买。对于中国邮政来讲呢，就是说在从传统的邮政向电商转型，那么这个对于他们是个大胆的尝试，我们也在为他们的转型过程添砖加瓦，对于新西兰邮政也是一样，对于他们电商也是一块业务，而且另外新西兰邮政随着时间的推移，他可以逐渐变成一个新西兰中小企业沟通的平台，然后能够帮助更多的新西兰企业去进入中国市场，某种程度来说也是一种转型。

*Interviewer:*

那您觉得多方的这种合作，最好的好处在哪？对于进入其他的市场，其他的国家。

**Informant**

**D:**

其实这块来讲，最主要的就是西方商业里面讲的，核心竞争力。那么在一个供应链里面，从供应链的角度来讲，一个供应链从他的最上游到最下游有不同的角色不同的人，不同的公司在里面去把产品和信息在供应链里面不同的转换，那么对于中小型企业去发挥自己的核心竞争力然后加强他的互相的合作，对于整体提高供应链的效果他有重要的作用。

*Interviewer:*

那么如果以后还有这么一个机会，就是加入这样一个项目，那让您加入的最重要的原因和动力是什么？

**Informant**

**D:**

对于商家来说可能是市场推广和销售业绩。一个是建立品牌认知，一个是实际收益。

*Interviewer:* 您还有什么能分享的么？

**Informant**

**D:**

中国邮政他是做平台的，他要替各国的商家来做这个东西。新西兰邮政就是一个商家，我们只是商家的一个产品，那么作为产品的提供商来讲，要想这个平台去获得更大的利益或者更公平的去对待的话，你肯定在各个商家做个最大，那么我们怎么去把新西兰邮政这个店做大，把它做强，去符合我们的利益。

*Interviewer: 那您觉得通过什么可以做强做大?*

Informant

D:

如果但是邮乐，渠道控制是有限的。所以怎么样去增加你的品牌认知，从任何品牌来讲，邮乐只是一个途径，如果过于依赖他的话，即便这个销售业绩好，你也面临一个问题就是有一天邮乐突然说我不让你卖了，你说你怎么办。所以就是说你不是不用它，你要保持一个均衡的优势，让互相放弃的成本都变得很高的时候，这个关系就会进入一个更深的阶段，这样对长期发展反而是有利的。

*Interviewer: 也就是说不能过于依赖它，还需要通过它发展其他的机会。*

Informant

D:

对对对。但是就是说从政策上或者支持上要做一些倾向性。因为这个渠道对于传统渠道来说可能确定性更强一点，不确定性会少一些（Trust）。但是并不代表把什么事情都扔给新西兰邮政或者中国邮政，这边只专注生产就完事了。这种也发展不起来。

*Interviewer:*

*最后一个问题啊，就是说您刚才说到学习的方面，那您从新西兰邮政那里学到的东西，对您自身能力的发展有没有什么帮助?*

Informant

D:

肯定是有的。因为就是说最明显的就是说我们了解电商之后，中国的电商不止一个，那么我们在这个电商做的经验跟邮乐网做，跟中粮网也在做，那么还是对于提升整体品牌的认知提高我们对整体经济环境的一个认识。

## Merchant E

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*Interviewer: Ok, thank you so much for meeting us today, we've got some questions, and my first question will be have you considered about entering Chinese market before Ule project and in what way?*

Informant E: We have involved in China market in 2008, but not Houra brand, but from 2010, Houra brand, yes, we went in with our sole agent in China.

*Interviewer: Oh so you have an agent in China.*

Informant E: Yes.

*Interviewer: So what are the main reasons for you to participate this project?*

Informant E: So far we are not very good at internet selling, so we think Ule is a very good way to let Chinese customers know this is 100% from New Zealand. Because we have two different kinds of labels, here we people receive it, it's 100% China's label, we have in China because China government requires some new rules, so people in China, if they buy from counter it's this (Chinese label).

*Interviewer: So these are the same products.*

Informant E: Yes, same products but different labels. 100% in English and English and parts Chinese. So if you buy from Ule, you will get this (English label).

*Interviewer: That is interesting because I did a research on this before I think in 2004, at that time of course this is required by the Chinese government, you have to do the double, yes, double, and this one, is 100% English which means you can get around the Chinese regulations on the labelling, or*

Informant E: No, because it's through EMS, so Ule has done everything for that, so the point for Chinese customers what we purchase from Ule is 100% same as New Zealand customers purchase here.

*Interviewer: From the regulation point of view, if we bought this one from Chinese shops, and the Chinese shops have to follow the regulation, say, have the Chinese labels, and English labels, and in this channel, through this channel we don't need to worry about that?*

Informant E: No, we have confirmed with Ule.

*Interviewer: So is it a new change of the regulations or it is a new way of doing things?*

Informant E: For this one, Chinese Maff\* head office is in Beijing, and so many brand chains all over China, so from this year, should start like this way, but China is so big, in different cities the understanding of this is quite different. So half of importers start that, but very small quantity.

*Interviewer: So in the future, you still need to follow this.*

Informant E: But from New Zealand, from Ule, it's still can do this (all English label). It's a gift purpose. It goes directly to the customers whereas this is going to the agent in China, so they are treated differently because it goes directly to the customer. This is to the customer (English) and this is importers (Chinese).

*Interviewer: Ah, that is how it works. That makes a lot of sense, and it is a very nice way to do it. How the Chinese consumers feel about this? Do they prefer this one or this one?*

Informant E: They prefer this (English label).

*Interviewer: Why is that, do you know?*

Informant E: If you purchase a French wine, may be you like the French language there, not Chinese, English. You know when they got Chinese in it and English in it, it got a chance what if it is made in China. Also another interesting thing is now we have two brochures, that is Chinese, and also English only. And Ule said just put this (English one). That is ok, if they want to get more information, they can find this kind of information from the website.

*Interviewer: So when you say website, it is from Ule website or ?*

Informant E: From Ule website and also our agent website.

*Interviewer: Ok, that is interesting. I found it fascinating as a person I feel this one would be better in terms of uncertainties, you know, no merchants touch that in the process. May be we can get to that point a little bit more after we go through some other questions. Did you see any uncertainties when you started collaborating with Ule project? Any uncertainties or unsure factors you may face, or risks, 风险或者不确定性?*

Informant E: So far, no, if we can set up the payment schedule frequently that would be much better. But that is what we deal with Ule. I don't say any uncertainties. We are pretty confident that they will do the job.

*Interviewer: So you are like 100% confident with NZ Post and China Post in this one?*

Informant E: Yes, yes.

*Interviewer: Let me frame this questions differently. When you work with Ule, how that happened, you know, how the first conversation happened, were there any conversation about, did you just hear about the idea and you jump into right away or it did take some time for you to how Ule works. What uncertainties mean if there is anything you concern when you started to participate in this project? Anything you concern about? Or anything you worried about?*

Informant E: The first time was that a marketing guy came here to talk with us, before that we have no idea about that. And then we discussed with our agent in China and we wanted to do this in China market, just a special channel, and we finished some research work about Ule and also some other honey and health products suppliers in that project. After that we think we can do better if we join that, and we have lots of discussion with informant A.

*Interviewer: When you talked about the agent it is interesting. From the agent point of view, they are your sole agent in China, apparently if it is the only channel, it means they can take*



*almost good benefits. But now if you develop new channel, there would be possibilities for them to get second advantages or, do they see this as a conflict?*

Informant E: First is about the price, you know, so far the manuka honey in China is still very high, so everyone wants to get benefits from this business. So for Houra, our retail price is fixed, so everyone should obey, even our agent and many distributors. So everyone needs to follow that. And we discuss with our agent so the Ule customer retail price is a little bit better, like 20% discount, so that is the rule we discuss with our agent. Also they believe it is good for them as well, if customer can purchase from Ule from New Zealand directly, it helps them to get markets bigger.

*Interviewer: That is really interesting thing, they are positive about it, they do not see it as conflicts.*

Informant E: They think it's good because any way, if we don't do Ule this Channel, so many international visitors here, you can still buy other brands and take back to China. You cannot stop so many personal ways.

*Interviewer: So they see this as a collaboration reaching the new channel and the agent channel. They see if it grows, they will grow as well. You don't even need to convince them it is a good thing.*

Informant E: Compared with the Ule quantity, their order is much huge. Through Ule it is a couple of jars.

*Interviewer: Yes, and how to review this, when the time takes along and get more influential, do you have any long-term agreements or*

Informant E: Yes, and also when we talked with them, they told us we still can make limits for every product. Like the stock for us is 200 pattern, which means 2000 jars for this particular products, so we can make that rule. That is our benefits.

*Interviewer: when you signed the agreement with China agent, you have the right to do so, right?*

Informant E: Yes, we signed a whole year supplier agreement, so like this year we only have 100 cons\* to do with you, so do under this limit to do your business. Next year when the harvest is good, you have more.

*Interviewer: So the agent agreement is yearly basis and you have the quantity limit for this particular agent, so*

Informant E: we are in stronger position.

*Interviewer: That is right. That is the reason, if you do not have that position, you rely on them, they might say use us, you should use Ule.*

Informant E: and also for New Zealand it is the same situation. Small areas can produce good manuka honey, all over the world so many people and companies want this. So in New Zealand who own beehive who can supply good manuka honey, because they are in powerful position.

*Interviewer: In market research we call this power, who got the power, in this case, the supplier got the power, not the market. That is pretty interesting. What was your involvement in this project, do you have daily collaboration or interactions with Ule?*

Informant E: together we do the shipping, packaging, the pricing, everything behind the scenes.

*Interviewer: Does NZ Post involve a lot in your operations or?*

Informant E: No, they involved in the beginning, and there are always marketing behind the scenes, as far as we know. But we don't have a daily interaction.

*Interviewer: Or when there is a problem.*

Informant E: Yes.

*Interviewer: Ok, and what was your commitment in this project, do you need to do any further commitment on your product or investment?*

Informant E: Uh..I think Ule is happy with what we have done. And also they have seen our advantages because our background is the biggest beehive owner in Australia and New Zealand. I think you may see this, so we are their sole partner for China market, and also New Zealand and other countries, for Chinese people, their cooperating partner. Ule sees that is what our advantage, because if business goes well, no enough honey very quickly.

*Interviewer: Well they have their own brand, do you have your own brand?*

Informant E: Yes.

*Interviewer: So do you see this is a conflict? Do they see?*

Informant E: The agreement between us, we cannot go into the New Zealand supermarket, so that is their main markets, and we can go anywhere except for the supermarket. And also in China, if we like, we can use their brand, but so far we like to develop our own brand. Maybe later this year or next year, we will do that.

*Interviewer: That is really interesting. You are becoming their agent for some degree for their China market. And they are quite relaxed about it. Apparently they haven't got their own strategies in China yet. So about the commitment we are really asking say Ule is a new project, and you have participated for...How long have you participated?*

Informant E: The first shipment was in January.

*Interviewer: So when do you become aware of Ule? When did the conversation about collaboration start?*

Informant E: It should be before July. Also I think Ule has the office in China control the offices. I think even between NAC and Ule Shanghai office we have some misunderstanding but we would like to go through New Zealand post to solve all that question.

*Interviewer: Could you give us an example, when you communicate with Shanghai office, what was the misunderstanding?*

Informant E: I am not sure whether it is confidential for Ule but they would like to deal with our agent in China, because they think, if so, they can grow their business much bigger than from this way. So they would like to take cargo or honey from our China agent.

*Interviewer: So from Ule point of view, they wanted to develop online business in China, they'd rather, they might think they want to get some supply from the warehouse your agent have got in China*

Informant E: To save time and save their cost, save their communication

*Interviewer: Rather than just get it from New Zealand, which is almost separated channel. So this is the Ule thinking, the shanghai office thinking. It's not really Ule thinking, right?*

Informant E: I don't think that is from their big boss, otherwise they don't need to go through...

*Interviewer: Yes. That is really interesting because apparently even in the Ule platform, there are different people operating in, the big picture should be from New Zealand to China, that's why Ule got the overseas mall, right. Why did they want to do it? The Ule shanghai team? Is there any profitable concern for them?*

Informant E: I guess in China, maybe like the sales, his income is really dependent on the sales quantity or sales income, so if he deals with our China agent, he can get good, huge products, I don't know whether it was the reason but from my understanding maybe it's good for their personal income. They can get commission or something like that.

*Interviewer: In the Ule system?*

Informant E: Yes, because we don't

*Interviewer: Know much about their operations.*

Informant E: Yes. After the first time we talked with Ule shanghai, they encouraged us and also our China agent to deal with them directly, no any business with New Zealand Post, I said no, that is not a good idea for us.

*Interviewer: Becoming really interesting this one, because in the long run business model can be really simple, get your product online and people interest and they can just buy. But behind it could be some issues addressed, I think, either NZ post would address or you would address, or their big boss there should address. Can you elaborate more during the process when you talk with shanghai office, when you said no, it that a straight no to them or you went to Informant A through New Zealand Post?*

Informant E: We said no to them directly, after we let Informant A know about that, and also after that we found that, at first when we deal with Ule shanghai, it's a young guy, later it's a young girl, so they change another staff to deal with us. We are not sure what happened. Probably be fired.

*Interviewer: That is interesting, maybe something Informant A may know more about.*

Informant E: Yes. They are quite happy to see NAC is supporting them.

*Interviewer: That is very important for alliance, you know. Otherwise there could be problem. This is not commitment but it is the process how you communicate. Any other issues in the last few months in collaborating with Ule here, NZ Post here? Any other issues you think could be interesting?*

Informant E: When we send them the products, it was such a huge process, difficult to work out. The pricing process. So that is the price showing on Ule website, that the people should buy under this price, that is commission for Ule, that is New Zealand post EMS, postage, and insurance fees, so long. (E1)It's very difficult to work with.

*Interviewer: How did you actually deal with it?*

Informant E: We printed it out and put them together.

*Interviewer: Did you change a lot of it or did you just do it as the way?*

Informant E: It was a form, and we had to fill the form.

*Interviewer: Did you get any instructions from Informant A or her team regarding how to do that?*

Informant E: They believed that it is quite simple, an easy job for everyone, but they are more professional in this than us. So if you can forward our comment to them, what we want to do is two lines, for example this is the ule customer price, also that is our supply price from us.

*Interviewer: That is right. Because from your point of view, you concern customer price, because it is the value indicating, from marketing literature we say it indicates how much your products worth of from customer point of view, this is the reference price, you actually concern how much you actually get, that is your supply price, right, between these price is the margin either by New Zealand Post or Ule, you don't really care, right?*

Informant E: We don't care. Like here we sale two in the local shops, we can sell ten dollars for example, to ule 10 or 10.50, even 9, 9.90 that is ok. But we really don't want to deal with this complicated form.

*Interviewer: Why wouldn't they send all the information to you, just quite specific information?*

Informant E: They asked us to do, the problem is you couldn't see everything on the screen, if you could, it was tiny, you couldn't fit all on the screen, you have to keep go back and forth, to fill the form, it's horrible thing. If a company like us, 就是一个公司如果想在邮乐上卖产品, 他肯定不想我就卖这一个东西, 他肯定是各种UMF符号各种口味, 然后这是50克, 肯定要给大家各种选择, 所以这么宽, 然后每个产品都要填, 这是一个。另一个是我们现在还有那个保健品, 中国消费者很欢迎消费者保健品, 他们一直催着我们上, 我们两个一想起那个来, 就下个礼拜再做, 下个礼拜再做, 但是不能再推了, 下个礼拜肯定要做, 因为一想到那个大的表就很头疼。就是他们应该有个team来做这个, 我就想在中国卖五百块钱, 在这里比方就是三十纽币。

*Interviewer: So you have to fill all the blanks?*

Informant E: Yes.

*Interviewer: For you, you only concern your price, right? Not Ule price, your price. It should be...the reference price, so where is your bottom price?*

Informant E: I can't remember.

*Interviewer: It is ok. We don't need to know the price, we just try to figure out that it is a complex system, how that actually works, when you increase your range.*

Informant E1: This is just for one products and we have other products, we need to do it all. But I think Informant A will do it for us, because we found it difficult last time.

*Interviewer: So she is happy to do it?*

Informant E: Yes, she is happy to do it.

*Interviewer: That is collaboration. I know she is great, she is like behind the whole initiating the process, trying to make it happen. This is a typical, very big system. As it develops, it soon can convert into something easier, transparent for you and me.*

Informant E: You mean we should be able to get the price set, like two prices, what we want to sell for, and what we want to sell to ule for. She knows we've got problems, because we kept emailing to her when we found problems and she will email back and we change something and email back to her, so it got back and forth a lot.

*Interviewer: Probably we can ask her whether it was you or it can be a wider issue and other merchants would feel the same.*

Informant E1: And some of the wording, like little jar of honey we sell on the website a pack of two, it was hard to know they meant one jar or two jars, it wasn't very clear.

*Interviewer: How many do you sell now, in terms of volume?*

Informant E: On ule?

*Interviewer: Yes.*

Informant E1: we had one shipment in January, February we went out two about one shipment two weeks, in March we set off two or three shipment per week.

*Interviewer: So the volume is getting bigger?*

Informant E: Some of the small jars, it is really small.

*Interviewer: Are they repeating?*

Informant E: Not yet.

*Interviewer: Not from the same customer?*

Informant E: No. We keep checking the address every time when order comes in to see whether they are going to the same place, but even looking at the map of China, it was not going to the same areas, some is going south and some is going north.

*Interviewer: So you got their address, right? Even their telephone address?*

Informant E: Yes.

*Interviewer: I am really interested because we are trying to understanding consumers as well, actually we approach Informant A, we would like to interview five or six New Zealand merchants we can get a good understanding of what is the major concern, but we want to understand how the consumer in China perceive the purchase from Ule, and their experience with Ule and their experience with you guys, to some degree.*

Informant E: And also I had an idea because like some other merchants like us, we have office and agent in China already, if they are the same position with us, we can sit together, we can talk about the product range, we can talk with each other and how to develop China market.

*Interviewer: Would you be keen, you got some information about your customer directly, would you be keen to talk to them directly?*

Informant E: Not now, maybe...

*Interviewer: What is your concern?*

Informant E: First of all, we still need to talk with informant A and other Ule office, whether they would like us to do this, also from NAC directly or from our agent, I believe from NAC directly is better. And also if you are the customer who purchases things from us, would you mind the NAC to ring you because you leave this message and contact details to Ule.

*Interviewer: I don't know, that is why I am thinking from your point of view, if this is going to grow, and you need to understand the market better, you need to understand why they purchased from Ule, why they decide to purchase from you, because there is a competition, there is an alternative, and you want to know why they are going to purchase again or not, you also would like to know why they would like to talk something positively about your product after they purchase. So this are all in the consumer survey I think from academic point of view we would like to talk to them, unless you are banned from doing this. Are there any sort of agreements between you and Ule or NZ Post that you shouldn't talk to your customers?*

Informant E: No, I don't think so. I would rather Ule to do it than us. Because they are sold to Ule, so Ule is the supplier even they are from here. So I think it would be better that Ule get the information, do the survey and pass on to us.

*Interviewer: This is interesting because in the long run, Ule would have so many products sold from Ule website, how realistic you think they would...?*

Informant E: Probably not, but I as a consumer would be annoyed if I bought something online, from somebody, and whoever made that product contacts me for feedbacks.

*Interviewer: Why would you feel like that?*

Informant E1: I would feel my privacy is violated because we bought from somebody else.

*Interviewer: That is excellent but do you know in China do you think that is a problem? Do you feel the same? I would probably feel the same because it depends on the quantity I bought. If I only bought one jar of honey and someone from New Zealand called me, I would be really surprised.*

Informant E1: Another reason is that most of honey that had been bought probably been bought as a gift, so they probably don't even try the honey, they may have give them away to somebody else. So we can't ask the questions anyway.

*Interviewer: That is excellent but the assumption is they have made a very comfortable one-off purchase, but if the assumption is they are not very sure if they have got a good purchase from Ule or from you, that is why they bought very little, if they want to do it again, they want to know more about you. I think if you customer is one-off consumer, I think your concern is valid.*

Informant E1: People that buy a couple from ule and they want to buy a lot more, they can do search on the internet, see our agent in China and buy a lot more direct.

*Interviewer: But the price is..?*

Informant E: It's very similar. And they will get a lot quicker from the agent. Or the agent will tell them what shops they can buy in their area rather than waiting for the post.

*Interviewer: Can I ask how you get your consumer data or address, because I interviewed some other merchants and they had no idea who are their customers.*

Informant E1: It was all print out but I can't read it

*Interviewer: Because it seems to me like other merchants don't have that kind of information.*

Informant E1: It was all on the paper, so they should be able to see it, or from the Ule website.

*Interviewer: In fact, it was a direct sale because you get all the information. So you can get all the information from the Ule website.*

Informant E1: or from the documents for you for shipment.

*Interviewer: That is very interesting because what you said is I have got my agent there, and now I am using Ule as really supporting my agent's business there, which means a long-term relationship between you and your agent. You are not trying to undercut them, because the purpose here is say, your agent is happy to support them, and for some merchants, they may want to use Ule as a main channel to sell their product to China, they are very happy to do the direct selling through Ule system to the customer in the long run, they do not want to have an agent, but your model is different. You have already got an agent before, and successful, do you know the volume for the agent?*

Informant E1: Six containers a year of honey.

*Interviewer: Wow, so your business in China must be in No1 or the top.*

Informant E1: No, we are still small.

*Interviewer: Six containers of honey is a lot.*

Informant E1: Not really. We could sell a lot more if we have enough product, during high demands. And we are only targeting one district in China, only one little district. Six containers.

*Interviewer: So now it is not about marketing problems, it is about supply. So in the long run, how do you see this working? I am not sure I have understand, so you have got an agent, it's very stable and you are happy. And now the Ule system comes in as you say, you are not going to do direct contact with your customer, at least you haven't thought about using it. In the long run, for example, repeating purchase, develop your business through Ule, so what is the long term plan?*

Informant E1: They are going to support each other. Ule is more about one-off gift, and the agent handles the big supermarket.

*Interviewer: And the purpose is to build some sort of awareness of the products and get the purchase market to support the agent. Because the price is not that different, so probably it would make more sense to buy them from the agent.*

Informant E: And if they want to buy the honey as a gift in English, and they can buy from ule.

*Interviewer: In the long run, I do see an interesting issue here. From Ule point of view, if they make profit, they make profit by commission and from the postal business, so they want to see this grow, for their own interests. But from your point of view, you don't want to, you still want to use your agent as your main channel, Ule is just on top of that, either supporting some sort of brand awareness in China, so there is different goals here.*

Informant E1: Different goals but I think they can work together.

*Interviewer: So in the process of collaborating with NZ Post, the whole process, do you think you are happy to work with them?*

Informant E: Definitely.

*Interviewer: Even from the beginning?*

Informant E: They are very nice and easy to deal with.

*Interviewer: I think we reach a very interesting point, I think is a long term strategy thing, I think you need to think about it. At the moment from talking with you, it seems that you are using your agent as your main channel, because they are bigger business, and ule system is becoming supportive, but in the long run, I see because from Ule point of view, they want to see your business grow in China because they can get more commission and more postal business, benefits from that. But from your point of view, you are not going to replace your agent in China or what is your thinking?*

Informant E: I think so far we are happy to see what the business going like this style, I don't know whether you talk with current customers, it is not from the top one cities, it's no 2 or 3 cities, so that is where we want to develop in that area, because for any agent in China, no matter big or small, they want to develop not only big city but small cities, they should put maybe costs also staff and the problem is you cannot find good staff for your business, so



through Ule, we can see it is a quite good way in this situation. Also we believe because China post is so strong and powerful everywhere, so they have good staff trained already for many years, so if we can encourage them from their channel, that would be quite good for us as well. You cannot do everything by yourself, and also if your agent works very hard, you still cannot do everything.

*Interviewer: So it is really about market segmentation, you know, the traditional channel you are really targeting or the main centres not controlled by with presence of your agent there, because they will have an influence. Ule system is more like a rural area where you can't reach from your traditional channel. So going back to the questions I would like to ask just now, whether they would like to have some direct experience with the current Ule purchasers to gain understanding of why they made these purchases, any sort of price concern, service concern, any other factors you may think to copy to grow Ule business?*

Informant E: Because not enough customers so far, we still can do this maybe...

*Interviewer: another few month would be interested in doing this?*

Informant E: at least two months I think.

*Interviewer: I am thinking if you get 50 customers, would you be happy to do something like that?*

Informant E: Just now when you ask this question, I think we can do this, also on behalf of us, we can ask you, like university staff or students to do this.

*Interviewer: Just now I asked some other people if you made your online purchases, would you be happy for the merchants to give you a call and ask you some questions about this purchase. They would feel their privacy would be violated, I made the purchase, why would you call me again? Do you think that would be concern for your customers in China?*

Informant E: It depends on people's characters. Some people like to talk, when you want to do some promotion, some people like to know many new things, but I don't want my customers to feel uncomfortable. But for our business development, I think it is a good channel.

*Interviewer: To me it is very interesting because if you want to encourage them to purchase, if there are uncertainties for them, a way to reduce uncertainties, one way is Ule, because Ule is China presence, official channel, another way is by original suppliers, which means you guys, I would say if I got the chance to talk to the people providing the products, I can ask them something about the products to reduce my uncertainties, I think that is something has to be done by research project, to see whether it would be any benefits for consumers or merchants.*

Informant E: If there is bad experience, they might feel happier to talk with Ule rather than us, talking to the seller. Either way, I think we need to talk with NZ Post because they have so many suppliers they can collect, good experience, good ideas, to choose which is the best way to do it.

*Interviewer: Have you learned anything from NZ Post during the collaboration? Experience, knowledge?*

Informant E: They taught us how to use the website. To be honest, so far we think we do better in this project, because from NZ Post we can only see one person, informant A, but here we have a team working together, also the advantage from informant A is she is working with China Post, they have a team with many staff there, so I think New Zealand can do better in the future. I think they learn many things from us as well.

*Interviewer: Have you participated in any promotions?*

Informant E: Yes. Like Chinese New year, Christmas, even today is Weman's day in China. We participated. We can see that they try every opportunity to find good idea for future.

*Interviewer: So the promotion is like a discount-based promotion?*

Informant E: Yes. Basically if you buy two jars of this, we give gift box. So normally people can get this, but if they join the promotion, they can get this box. So like a little discount. It is made of China but goes from here. So when people get the parcel from Ule, it is 100% from New Zealand. Also like the brochure, we normally give the brochure with the UMF 10+, but in this promotion the customers can get it with UMF 5.

*Interviewer: What are the most important motivation for you to participate in this promotion? Because you have to make some discount on your products.*

Informant E: Because if we don't do this, we would be still in the normal page of the website, we can be put on the top of their first page.

*Interviewer: In terms of pricing, the sales they have done so far, are they the same price you would do with your agent or it's really a lower price than agent?*

Informant E: Like I said, 80%-85% of Chinese market retail price, if one person who can't go to high-end shops to purchase honey in China, if he feels so expensive, I cannot purchase four jars at one time, if he can find if on Ule, he can get 80% of this, it is a big difference, four jars or two jars. Because we use so many time an labour here, so far it is not so benefit, we trust in the future it will be good.

*Interviewer: I think one thing about internet purchase is about uncertainty, which is you buy from the shops, and if the shops happen to be in the city you live in, if it have problems you can always go back or if you hear about something bad, you can go back to ask them, you always get some insurance from the shop, if you worry about something.*

Informant E: The good thing for current customers is that China Post is a good and big national company, so they trust them well.

*Interviewer: They will seek authentic and reputable companies when they choose overseas products, compared with very small shops. But if in terms of uncertainties related to, not authenticity, it's about the products, like whether manuka honey is as good as people say, for example infant formula got scandal, people would feel the channel, Ule, it is not about whether it is a regional thing, it is about whether as good as people say, this kind of information, so it is very hard for the internet to approach or communicate that. How would you see that?*

Informant E: That is why we still work very close with our agent because they also have their own team to promote not Houra honey only, but general information about New Zealand manuka honey, on the website, so if you google from Xinlang, and some famous Chinese website, you can find this kind of information, provided by our agent. So it is a very good job for everyone in this business area, sometimes they promote Houra honey, but just promote the whole category.

*Interviewer: Generally speaking, for a New Zealand firm, it's relatively small in size, or have a lot of disadvantages, do you think Ule would be a good way to overcome these kinds of disadvantages?*

Informant E: Because our company is quite special, yes we are NZ company, we have many years of experience to do business, so far we think it is a very good channel. And for us, China Post is not the only one we want to develop, also Taiwan, Japan and U.S., we have done some research things, we still believe we can learn some from Ule, so may be copy or small adjust to develop in other countries.

*Interviewer: That is excellent, it is learning process.*

Informant E:  
因为在新西兰，虽然新西兰的蜂农有很多，可以生产蜂蜜的公司也有很多，在中国你也看到，好像有很多的品牌，我们认为我们有这样强的合作伙伴，有很好的后台，在国内也是，我们不和别人拼价格，就是看质量。有一个长期的目标。

*Interviewer:*

我们现在感觉新西兰企业面临着几个问题，一个是叫小，新，外来的，不熟悉。从消费者来说，这三方面都是很大的劣势，你觉得通过不光是邮乐，通过这些年的经验，比如说小的劣势你怎么克服？

Informant E:  
因为这个蜂蜜只是最近五年来才做的，以前做的是原木和板材，整片的森林去采购或者在港口上OPEN的，相比较那个来说，如果说小，新西兰确实是小，无论是蜂蜜，好的年份可以是一万五千吨到一万八千吨，差的年份只能到一万吨，真正的用到commercial就是说用到市场去卖的只有八千吨，想想如果你做的特别好，中国人哪怕万分之一的人吃，这点蜂蜜也不够所以我就觉得应该发挥小的优势，我就是这么好的蜂蜜，我就是卖这么贵，我就是限量，给你一个尊贵的享受，我也欢迎你来新西兰实地参观，消费得起这个价格的蜂蜜，一定有能力偶尔来新西兰或者澳新几日游，如果看到这个环境，就知道产品一定质量可靠。

*Interviewer:*

这种都是情感上的接触，对于生活了很多年在新西兰的人来说。但是对于中国的消费者，他对新西兰了解还少的情况下，怎么能接受这个价格？或者说他知不知道你很小时？

Informant E:  
我觉得现在网络很发达，我为什么说做好一个打长期的仗的准备，你得给大家时间来认识新西兰，你再有钱，你在中国头上几个亿也不见得有效果。就必须像我说的大家集合起来，集体的力量，新西兰的政府也需要做这个，好处是他现在认识到中国市场

的重要性了，也不断的有这个推荐也好，宣传也好，然后再就是协会，他们也认识到了，所以也在做这方面的工作。绝对不可能一年两年就见效的。

*Interviewer:*

*小的问题就像你说的，应该是通过合作来解决，而且合作的方法很多，那新的方面呢？比方说对于国内消费者来说，吃蜂蜜，或者说吃manuka蜂蜜还是个比较新的概念，不是小的问题，这个新的问题你是怎么克服的？*

*Informant*

*E:*

你像在日本和欧洲，因为我们做的，说实话都是别人已经做过了，我们只需要从中借鉴符合中国国情的，manuka蜂蜜这个概念从八十年代末提出来，然后在欧洲和日本这两块做的比较好的，花了20年的时间。他们现在也在总结经验，就是没有强调百分之百原装进口，所以在中国现在就是强调这个。

*Interviewer:* 换句话说还是定义一个原料供应，而不是一个消费者，品牌这块。

*Informant E:* 新西兰方也在不断的吸取经验。

*Interviewer:* 就像UMF或者是5+，10+这些新的概念，你觉得在中国容易接受么？

*Informant*

*E:*

年轻人很容易接受。就像我是比较小资的，从网上一看就知道，为什么我刚才一直强调一个好的agent在中国很重要，他必须看清楚这个是有好的未来值得做，他有这些优势，我有那些优势，我们强强联手，就能长期的把路走下去。所以这个新我觉得对于现在这个信息时代，不成什么问题。如果你能找到合适的合作伙伴，大家联起手来，因为还有很多同类的企业么。

*Interviewer:* 邮乐平台实际上也是这个目的。

*Informant*

*E:*

对，因为我们还是觉得邮乐是New Zealand Post和中国邮政，这是一个很好的平台，我个人的朋友就在中国邮政，他说如果你和上层谈好了，你就不用担心了，我们30万经过严格训练的勤奋的员工，会给你去做工作，就等于你有了30万的员工。

## Merchant F

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*Interviewer: Have you tried to enter China market before the Ule project?*

Informant F: Not yet.

*Interviewer: This is your first opportunity?*

Informant F: This is the first opportunity. I did have a look when I passed through Hongkong, and just to understand the compact's deserved before Ule, I think so why not, you know, enter China?

*Interviewer: When did you start your business?*

Informant F: OK. So when did I start my business?

*Interviewer: General.*

Informant F: OK. So I think we launched that when it was fairly new, we didn't our products until 2010. And so really it's been a matter of getting established, and that's why we haven't looked at the China market until Ule.

*Interviewer: So what're the most important motives for you to, you know, participate in this project?*

Informant F: I think it offers an opportunity as I understood it to shall we say, in the water of the China market to raise a profile a little bit so people begun to know a little bit about the brand, and to have in the hands of some people in the local market with that to see whether it was successful, with that If you actually enter the market fully. So that's really what.

*Interviewer: So when you started your business, do you think selling product in New Zealand or overseas, have you got international business thinking?*

Informant F: Yes, we have, we do have. We have a trademarked branding in China, which wasn't easy, but we completely bid it.

*Interviewer: Before Ule?*

Informant F: Before Ule, just. Because we have that in our mind eventually down the track that we would, also because we have containers made in China until we want to make sure that are named, because this is a very strategic packaging you have seen it, and we want to make sure our names are protected.

*Interviewer: For that reason?*

Informant F: For that reason as well. I think that was probably just a good business practice, and trademarked in a number of other countries.

*Interviewer: Where did you try to trademark?*

Informant F: The US. We're just doing Canada now. The EU, European Union. Australia, probably, I think. We're just doing Taiwan. Maybe, I can't think any others, but there may be, I don't know. But, you know, it's quite broad. Because we always have that in our mind, that export, that you couldn't survive in the New Zealand market for very long.

*Interviewer: Before the Ule business, which market have you actually entered?*

Informant F: OK. We're selling our product through a retailer, and the US, and Canada, and the UK. That's through one retailer with a number of different chains. It's a fortune 500 company and they found our brand when we were exhibiting things down here.

*Interviewer: So that's quite easy, natural.*

Informant F: I thought it was a big, because it gave us an opportunity for a better scale.

*Interviewer: That's right. Do you think you prepared yourself for China, for the Ule project?*

Informant F: For the Ule project, that was a different thing altogether. We were talking to New Zealand tradement, at that stage, Ule was looking for people to particapte, and they put us in touch with New Zealand Post. We went to exhibit, show them up the product, effectively what we were already exporting was hopeful. Even though this doesn't require really knowledgeable exporting in a sense, you know, that's the advantage of it, but I think it does help, we've got some understanding of them. The fact is the big world, and so that's how we got involved with Ule. Ule involved us in having all our information about products translated into, it's probably, simplified Chinese, I think, and that's all on the Ule website.

*Interviewer: They have done that for you?*

Informant F: No, we did that ourselves, and it costs money. That's the main cost for us with Ule. The translation, and so on, what's the main cost. I'm not sure that it was difficult when you do the translation of any product, but something like skincare, because it was straight translation of the information we had here. Sometimes that doesn't translate into how people look at skincare there, but actually to do it fully would be so expensive, you've got to wait and see whether it's successful, I think.

*Interviewer: That's interesting. Well, I just say it's more like just translation rather than branding.*

Informant F: Yeah, in a way, it was more straight translation. We provided them copy from boxes and, you know.

*Interviewer: Who did this for you?*

Informant F: Here, the local, New Zealand.

*Interviewer: What 's the contact?*

Informant F: I think they're called New Zealand Translation Centre or Services, or something like that. Some name like that. I forget, but I think it was something like that. So, you know, that's interesting, really. Whether we chose, whether we shouldn't, we didn't really have models for us. You know, sometimes we don't really have models for that so we just bought stop photos. You know, should we only have? There're a whole lot of questions in my mind about, should we pick European models, and should we pick beautiful Chinese models. It's very difficult to know.

*Interviewer: How did you design this?*

Informant F: We chose Chinese models, but I did ask some friends who are Chinese. They said, well, it's fair skin, some person and things like, you know, pretty young faces, so I don't know.

*Interviewer: Interesting. For the model thing, this is off track the research. How did you approach the model?*

Informant F: We just purchased stop photos. You can buy stop photos, you buy the right through them, to use them on your website or whatever.

*Interviewer: Just a model of sign.*

Informant F: Just like a sign of whatever. So long as you're not saying the model, you can't choose someone famous, and sort of imply the indoors product.

*Interviewer: Not a person.*

Informant F: Not a person in that sense. It's just illustrating how you use them, skincare or whatever.

*Interviewer: That's excellent. Pretty interesting. Could you tell us the timeline of your environment when you're alert from the beginning?*

Informant F: I have to look at it.

*Interviewer: Just roughly.*

Informant F: Roughly. OK. First of all, I met Simon Stone, who, I think, was relatively, maybe the manager of what I know. But he was one who we had an initial discussion with, he then got us to provide products which they sent up to Ule and China, or Hongkong where they're based to see whether they would be attractive enough for the market, whether they like the back story, you know, that's the thing. Then what happened next? Then they suggested they found it very attractive, so we

did the translation at that point, and then provided the copy, and the photos, and so on, and I had uploaded. I would say it's started, maybe October last year. It's quite interesting since then we have done China business training with Emy Adams, you maybe come across with. I found it very hopeful, you know, you might say differently. But, you know, I thought, I found it really helpful. So we were able to ask ta packaging because our products are right, quite paper with blue ribbon. And you know, then when you think about the color? It's a good color for China because I know enough. It's the color in the morning, but according to Emy, because it's cosmetics, and because it's very glossy shiny paper, it's not, we can get away with it, should we say? But I noticed that, I'm just aware of it. It's raised interesting questions about strategies.

*Interviewer: That's really interesting. So you said you have done the translation, they have approved the idea.*

Informant F: Once they approved that idea, then I did the translation, we did the translation. Then they had the timeline they were working to and you may have that, I don't know. And so they want it to be uploaded in a certain time, and then they started doing promotions for, actually, I think, before Chinese New Year, maybe the Spring Festival, I don't know, I can't remember it.

*Interviewer: Twelve months ago.*

Informant F: Not quite twelve months. I don't think. I think shorter than that. I think it's about October last year.

*Interviewer: That won't be Spring Festival. Must be Mid-Autumn Festival.*

Informant F: OK. Whatever. Just they offered specials for there's a reason, they also for launching and understand that they use some of our products for promotions, so they run competitions to, one of our prices and as you know, they setup Weibo site, we picked one of two our products. The recipient of these prices photograph them and put them up on Weibo so that's helpful. So it takes, we're prepared for it to take time because the one major cost we had is translation, that's done, and it's really a matter of how Ule are going to promote it, we ourselves can't promote it in a sense. You know what I mean. There is nothing we can do.

*Interviewer: I understand that. So far have you got any sales?*

Informant F: Yes, we have had some sales.

*Interviewer: When that happened? That must be exciting.*

Informant F: Yes, it is. It's been very slow. I explained that to informant A. Initially, I said to her, are you sure you want me to do this, because we haven't had many sales. She said skincare generally has been very slow, I think. So we had some sales, this



week, for example, we had, you know, it's usually one order or two order. I would say, perhaps, in the whole time, we have twenty orders. It's not too bad.

*Interviewer: For how long?*

Informant F: Since about November.

*Interviewer: Last November. It's four months.*

Informant F: It's not too bad. Mostly, it's when they're on special. We had one order, we did gift pack for New Year and that was in a gold box with blue paper and so on. It looked very attractive and they did a voucher system. We only had one purchase from that, but the most popular products have been day cream with some protection, night cream, eye cream. We've already had about twenty orders, so you know, it maybe eighteen or something. For example, this week on Monday till what we're today, Thursday, Tuesday, we had four orders all at once. That was, and, we had another one just prior to that as well, and that's not got the boxes, they were just straight orders. It was on Ule, they did promotions on special for some little festival, I don't know what was. And so I think myself every time we sent off a nice box with our product in it, it looks perfect. I think everytime that is like a little marketing thing. That's somebody is getting it and saying to other people, I really like this. So we don't have anything that we add to the parcel that's in China because it was in additional cost, and I just, you know, there is a limit to what you can do, but I think that would also be helpful, that there was a little bit more emphasis on our New Zealand's story, on New Zealand's seaweed with using and a little bit, it was on the website, but it would be nice in the box. But we're hopeful, that also I understand, you know, displaying some of our products in a shop, you know, they've got three shops, that they're doing people touch and feel in a shop, and I think that would be helpful as well, but it's really, you know, especially for skincare, I think food is easier, but skincare or something take a little longer, but there is still an opportunity there, and it saves a lot of issues about trying to set up your own company there or go into partnership with your distributor, get your product registered, discuss whether they have to be tested on animals which is still our requirement, maybe, you know, that's very complicated.

*Interviewer: So internal regulatory requirement is so far very easy for you?*

Informant F: Yes, exactly.

*Interviewer: But there are regulations in China.*

Informant F: Well, there're regulations in China but now when you are buying them over the Internet. You know what I mean. You can, people are supposed to, could say, they buy them on their own risk or. I mean if you buy something here, I think this is a trade. If you buy something here on the Internet, skincare product, it's not subject to regulations. I think that's true. So in that sense I guess you buy it on your own risk.

*Interviewer: When you work with New Zealand Post, what other things you feel are the most grateful, most valuable? What other things you feel can be improved? You want to get more?*

Informant F: Working with New Zealand Post has been an interesting experience because I've never worked with New Zealand Post before except just the first. I have found them very helpful, very supportive, very professional and very interested. They have been really very good indeed and very keen to make it work and in terms of improvement, for me, it's only increasing sales which there's some, you know, they can, I know they are trying to work hard on the marketing. I think it's the marketing and promotion that will make the difference. But in terms of one to one dealing, it's been excellent for me.

*Interviewer: So in terms of marketing, we're in the industry, so we all know too well, skincare is the marketing, so it is not something that is evaluated in a sense of electronic products. Marketing is important but how you see the marketing investment, you think, will take your business to the future themselves? If someone has to invest, I think, it usually*

Informant F: I think it's very difficult for the China market because the channel is definitely through them, and the market is so fast, that I think that probably the promotion or whatever is better, sort of direct by them. Even if they, because at the moment our sales are very small. Even if they need more, you know, they say you can be part of this promotion but we will need a small amount of money or whatever. I think that would probably be fair, but not if you're promoting their brand rather than your own if you see what I mean.

*Interviewer: That's right. That's very interesting. With regards to your product in China market, what are the selling points, what really make consumers buy your products?*

Informant F: What would make consumers buy the product? We are different from other skincare brands in New Zealand. We are using marine, marine is something that has been used by Asian markets for centuries.

*Interviewer: Marine?*

Informant F: Marine. Seaweed. So it's healthy. So Everybody knows it's very nutrient-rich product. It comes from water. It is from New Zealand. And I think that perhaps we need to promote that side of our product a bit more, personally, on our website, and generally, because the seaweed we use is protective resource here, they can only be collected under licenses, and I think that trying to exactly establish what is well factor for different markets, it's probably, as I said the key tool, the success of it really.

*Interviewer: At the moment, when you said promote, this is sort of off track of our topic, but more and more interested in marketing in the literature. So do you see the*

*unique selling point of your product is quite clearly. Because of seaweed. Seaweed is the resource closely tied with New Zealand, sort of the natural image. It's just clean environment, so seaweed mark is good. If you want to promote that kind of this product in China market, do you think somehow New Zealand power to get the part of story even stronger, more visible, and somehow get that story can be, consumer is online....*

Informant F: Probably, actually because it's a quite interesting story to see where it's collected, which is on the east cape, and so I went there, I've got some photos actually of it, looking at the seaweed, you're not allowed to cut it, you have to collect it's been tossed up from the deep. Maybe you're right, maybe that needs a more understanding of, we've been talking about this in a relation to other markets as well whether we need more of well factor . Should we say?

*Interviewer: I'm still thinking about your relationship with NZ Post? and do you think your relationship is ?*

Informant F: Mostly, I deal with informant A and XXX. XXX actually did the China training, just by chance. You will see it. And I have found them, I like them, then, I like dealing with them. I think also we are a company that we like, is long term relationships rather than looking for the best dealing of time. So long term building up relationship that's why we're prepared all the time and to Ule, because in the end, maybe it's going to be a big success, and for them, which I hope, because overall that's good for New Zealand. New Zealand Post can build up this, you know, the brand, the New Zealand brand. It also means people are selling at a reasonable price in a margin from here. So you know, there are a lot of benefits to be hit if it's successful, so I really enjoyed working with informant A and XXX. And we also have some dealings with more than dispatch side because they have a system that until you get to it is relatively complex to do, but having I can see it works very well, and but well we had a little glitch with that, mostly to do with our own computers not liking their website. We resolved that and it was done in a really nice way, very patient, so I can only speak really highly New Zealand Post.

*Interviewer: So when you like have any kinds of issues or problems, you will go to the informant A, and ask the questions.*

Informant F: Absolutely, and I had a little bit of correspondence with one or two people in China. Mostly about payments and so on, and it's always very charm.

*Interviewer: So in terms of the marketing, that's the focus of the success factor. How you think you can improve your marketing? Have you improved your marketing in the past by working with Ule? What're you going to think in the future?*

Informant F: I think we can personally improve our own presentation of our product. But I've got to be convinced that's going to work because to trying to get more is what I want. You know, you really need almost Chinese marketing person who is

used to the cosmetic skincare industry to really look at your copy and say, really you need to emphasize this point and this type of person, you know, whatever. So that's something we could do. The New Zealand story on us probably needs to be stronger, and I think also maybe Ule is continuously trying to improve their marketing, so it's not going to be easy, I don't think, because it's quite difficult, it's much more difficult than you think to get the website really selling brilliantly, I think. Maybe I'm wrong.

*Interviewer: Would you be happy to have another interview with us in a twelve-months life? Then we will see how that thing progresses.*

Informant F: Yeah, that would be interesting and I'm also interested in what you feel, what you find out, discussions and so on, because that's also interesting, because there may be recommendations, may be things that are interesting for the individual retailers or myself, participants.

*Interviewer: One thing I see it's got to be done as of time if the merchant is committed to the market. I just say you need to have somebody who really give you some insight into the market in your firm, either as your employee or as an ongoing consultant. It's got to be manageable cost, it's got to be too high.*

Informant F: I think this is probably also an issue about price point. I'm not sure what it is. I know that on Amazon, there's a couple of services, what they're called sweet wons, you know, where the market price is from here to there. It's almost always, and there is another one here in between, it's another one thing or the other. So there may be some understanding for products like us, of what really is sweet, you know, because you want to hear to the right layer of people.

*Interviewer: What's your strategy in China in the future? Are you gonna, you know, mainly through?*

Informant F: At the moment, it depends what will happen. We have just recently, very recently, this last week, had a consultant in Taiwan, just a different market, but we thought it was a more manageable size to understand what would make our product attractive there, and that would I hope also give us, I know that's a different market, but I think it will give us more insights into the China market. It just happened that I met Taiwanese who is a consultant. Initial feedback has been very positive about our products, so then we've got to think, OK, what can we learn, are there any lessons that we can apply to Ule offering or whatever. But we're not that far down the track with her findings. She just came back. So I don't know exactly. But the strategy in the future, if Ule was very successful, you would be getting a reasonable number of orders that you would expect them over time to increase and to multiply really like that, then continuous to be an attractive option rather than the huge cost of trying to fully enter the China market until you get to the point we can't manage any more. That's really what I think. But you know, who knows the future.

*Interviewer: That really depends.*

Informant F: Yeah, it does. It does really depend. Aside from Ule, I met someone the other day who was trying to sell something out in China that involved very substantial cost for, would have involved very substantial cost for us. When you're a small company, I mean that's really just me and I've spoken to financiers, you can't afford to spend huge amount of money on, you know, this is an easier step to enter the market and proving the market before you try to do them all.

*Interviewer: So you think Ule will be a very good platform for you to overcome this type of, you know, because the company is too small?*

Informant F: I hope so. And there are other companies probably who are doing something similar to Ule now.

*Interviewer: so far do you see the Ule project is breaking even for you, or you think run lost?*

Informant F: The cost of transition. I would say at the moment we see it more like, I don't think it's broken anything yet. We might, by end of July or August, I hope. Particularly with spring and summer coming, I think it's more of time to buy skincare and so on. You know, people feel like doing that. It's same here, and then we're breaking even. It makes everything a little bit easier. This is like a little bit bread on the water to attract the ducks and to see what happens. So it's been a very positive experience for us and we're hopeful that it would be successful for New Zealand Post because then that's a great outcome.

*Interviewer: So far everybody is happy.*

Informant F: But they have to increase their sales. That's the challenge for them. I suspect I don't know whether they still take on people. But I think that maybe the time to really stay with what you've got, push to make that successful. You know, it's a great concept if they can get it to go and it would be wonderful.

*Interviewer: Have you seen any skincare competitors on Ule New Zealand mall? You have some competitors from New Zealand, the same category on the Ule website?*

Informant F: The same category. I've spoken to one of them actually, I met her the other day and I asked her how her sales are. It's always interesting. You never know what people would say. She said it's been very slow. She didn't tell me how many, I didn't tell her how many, but she said it's been very slow.

*Interviewer: Could you figure out why?*

Informant F: She didn't know really. If you are a brand, not a market brand, I think people buy brand.

*Interviewer: What I can speak is that your experience with Ule is quite positive. Maybe because you're a positive person.*

Informant F: That's also true. My glasses are always half full.

*Interviewer: All the merchants have been interviewed. They all feel like the sales are very slow right now. Everyone feels the same.*

Informant F: OK. That's interesting as well. Everyone feels the sales are slow.

*Interviewer: I think it's because this is still an early development stage.*

Informant F: It's very early days. It's very early days. You know they've just set up the Weibo page. There is an opportunity, you know, that they're working with New Zealand, New Zealand maybe NZTE, or maybe New Zealand natural, or one of those. You know, it takes time to establish, and sometimes you can just strike lucky with a great idea that catches the imagination so everybody is flocking to the website. I think they're doing it a bit with promotions and so on, and the fact that when my product was on Weibo, they got 300 lights. That's not bad for totally unknown product from a totally unknown website.

*Interviewer: How do you know? Can you read Chinese? How do you know 300 lights?*

Informant F: No. Informant A sent it to me and I have friends read Chinese. You know, you have to register for Weibo. I got to register it. I got to have a look.

*Interviewer: I saw your promotion on Weibo. It's through Ule platform. It has a brief introduction about your products.*

Informant F: That's good, but there was also someone who posted photos about it because one of our competitions. So, anyway. 300 lights for the whole site. It's still good, those things will make difference, you know, this uses the social media, probably needs to do a lot more.

*Interviewer: In order to get the social media work, you need to get some interesting stories, right? Interesting stories.*

Informant F: People will begin to follow or to be really interested.

*Interviewer: Not only about products, about New Zealand.*

Informant F: Exactly. Exactly. So it would be interesting. You know, one thing, because my son works with a number of Chinese people. He was very keen, they were very keen, when he was telling them about what we're doing, that we should be on Weibo and something else, goodness, I can't remember it now. And that in fact we should have our own, in some way, get someone to information for us and use Chinese person who can put information up about where're going up to East Cape to look at the seaweed or something. Something that people come back to read, but we haven't done that.

## Merchant G

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*Interviewer: Before you participate in this project, Ule project, have you considered about entering China by your own or?*

Informant G: We do have distributors in China, already.

*Interviewer: You have relationships in China. What kind of relationship?*

Informant G: There is a customer called, Pinckles, who buys our product. He does a lot of New Zealand stuff. He is a New Zealand store basically, so he buys New Zealand wine, honey, placemats.

*Interviewer: New Zealand made stuff.*

Informant G: New Zealand made stuff, so we distribute to him, and we did so before we started looking really.

*Interviewer: So why, what is the main reason for you to, you know, participate in this project?*

Informant G: The main reason was to see what the market was like, and to understand what's been looked for out there, to try being into new markets, to grow our business. We make awesome products so we just want to get out there as much as possible.

*Interviewer: So it's like another channel for you.*

Informant G: Yeah, it's a business channel and we have, we can also do the free trade agreement with China individually, so it's quite good ...

*Interviewer: So you told me that you didn't sell much through Ule project?*

Informant G: We only sold two, three sets of, two sets of placemats and a set of coasters. One was on single's day in China, and one was, I think it might be Valentine's day or somewhere around there, it was a couple of week ago.

*Interviewer: A special day.*

Informant G: Yeah, seems like people shop on specific days.

*Interviewer: What do you think the main reason not selling so well?*

XXXX: We've only been on there since December, so we've only been there three months.

*Interviewer: Oh, that would be*

Informant G: Yeah, we haven't been, we've done no active marketing or anything like that.

*Interviewer: So you haven't participated in any collective promotions?*

Informant G: No, as yet, no, we just want to get on there first, see what was like and we had a few communication issues with emails coming through, so that's the products back a few steps.

*Interviewer: Did you see any uncertainties when you started selling on?*

Informant G: We don't have anything to lose for being there.

*Interviewer: That's true. Just have a try, yeah?*

Informant G: Yeah, just to see what the market was like, to try to develop an understanding of the Asian market, what they are into, through our distributors as well, we have found that in the Asian market they want round placemats rather than rectangle, so we are trying to develop those which would be eventually gonna be the Ule website as well.

*Interviewer: So I thought you didn't have to make much commitment as well, right?*

Informant G: No, as we distribute from here, so all is stock, we didn't make specific product for that website. We just haven't stocks so any orders come through that can be dispatched straight away.

*Interviewer: So what if New Zealand Post contact you and saying that we have a big promotion activity. Would you?*

Informant G: Yeah, we participate.

*Interviewer: What do you think will make you more active in this project? Results or positive results?*

Informant G: Results, and when we haven't actually seen New Zealand Post since we signed up, so when we went live, we haven't had contact from them, so it's not like they are actually seeking us to market our product or market it on their website. But, yeah, they came to us with marketing proposal, we looked it seriously, to see if it could grow that business.

*Interviewer: So all of the interactions are based on emails, contacts?*

Informant G: At this stage.

*Interviewer: So do you think trusty is important in this relationship? Do you trust the people from NZ Post or from the?*

Informant G: They've been to work with, and, I mean, these two people that I corresponded with, quite a lot have been really understanding, really good to, you can get quick responses, so they found this business partnership.

*Interviewer: So up to now, it's like an enjoyable relationship for you, very enjoyable?*

Informant G: Yeah.

*Interviewer: No problems?*

Informant G: The only problem that we had is that emails from TomTom part don't seem to want to come to me, so I have not been receiving the notifications that their orders are there, so that's our only biggest problem at the moment.

*Interviewer: So no other problems at all.*

Informant G: No.



*Interviewer: Yeah. Do you think trusty makes you more commitment to the project? If you, you know, interact with NZ Post more?*

Informant G: If they were more actively seeking promotional stuff, it might, when we are gonna ask him for promotional idea. Put that way, because we said that's their job to market their site, because they are gonna venture with Ule so.

*Interviewer: So do you think NZ Post involves in your daily operations, like the marketing or suggestions on the project or you have to do it by your own?*

Informant G: We have no. We have one meeting with their marketing people. And they hadn't made full plan as of yet, and they will come back to us.

*Interviewer: So, maybe, have you learnt much in this process? Learnt from NZ Post about marketing knowledge or experiences? No?*

Informant G: Not really.

*Interviewer: Because of the short term, right?*

Informant G: That's why I said to you we haven't been there for a very long time, so.

*Interviewer: So, yeah, basically, yes. Do you think any changes compare other relationships you have in this project? Are there any differences in their relationships? Or the way you interact?*

Informant G: Well, I have a lot to do with our distributors, whereas I don't have a lot to do with New Zealand Post. So when I'm always communicating with our distributors on their orders and what they want, it's bigger in there, more substantial in there, a lot time-consuming, so I mean I don't have a chance to deal a lot with New Zealand Post.

*Interviewer: So what do you think would be better for New Zealand to do, to, you know, promote this project? More importantly?*

Informant G: I guess if they want to market New Zealand, they need to start marketing it.

*Interviewer: So maybe, they haven't done enough marketing.*

Informant G: Their marketing plan was they are going to start this year, to start marketing things, but I haven't seen anything as yet, but I think what they are trying to do in getting our brand out there is a good idea.

*Interviewer: The concept is great.*

Informant G: The concept is great. I mean, we are a little country, we need a little greater value we can get. So but I do think that it is not gonna sell it itself.

*Interviewer: Do you think the conduction between NZ Post and China Post, this kind of like combination of two different national posts. Do you think this has a big role in this project for you to enter?*

Informant G: Yes. Yeah.

*Interviewer: Because of the?*

Informant G: Because of the logistics. If you are sending customers' things like that, so to have China Post and NZ Post working together, it is gonna be better than trying to get in there on our own.

*Interviewer: So, yeah, that's true. Do you think you have any differences in your relationship network in China after you do the project? Haven't?*

Informant G: No, I haven't seen that.

*Interviewer: Have you expected to see in the future, maybe? Is it another way for you to develop?*

Informant G: We would hope the business would grow, which then wouldn't turn see more relationships in China get our products down there, but as said it's been pretty short, we haven't, three sets of placemats and coasters, not a lot to base your information on.

*Interviewer: How are you marketing your product in China like then? What kind of marketing have you done?*

Informant G: In regards to Ule or in general?

*Interviewer: In general, yeah.*

Informant G: We don't market our product. We ...

*Interviewer: The distributors will market your product?*

Informant G: The distributors will market it, so our Chinese distributor has a shop, he would market it however he sees his market.

*Interviewer: What kind of the distributors are? Just stores or firms?*

Informant G: I think he owns several stores.

*Interviewer: Like shopping malls, in shopping mall?*

Informant G: I think just shops as such and I believe there all, he only has good ---- New Zealand product in the shops, so like honey, New Zealand wine, New Zealand placemats, not sure what else he buys, but, yeah.

*Interviewer: So do you see any uncertainties in the future, maybe? When you are involved more in this project?*

Informant G: No, because this is a different market. It's going, our distributors are selling to retail, and where Ule is selling directly to customer, and Internet shopping and online shopping is becoming more and more popular, so I don't think that would affect our distributor side of things at all.

*Interviewer: So in the future if this project would go well, would you like balance different operations between you and distributors and project, which would be more important for your business?*

Informant G: Natively be more important. more important for each other.

*Interviewer: So you will balance, always balance them.*

Informant G: Definitely, and it is different range of our products, so what's on Ule's website is different to what other distributors buy, so we've got what we think could sell to the public on Ule's website, and our distributes can order anything from our range that they think they can sell in China or in Hongkong.

*Interviewer: So it's all you select different kinds of products?*

Informant G: We sticked to the stuff that the Ule website based on our top selling designs in the Asian market.

*Interviewer: So you have suggestions from the man sells the stuff that would be more?*

Informant G: Well, we distribute to Taiwan, Hongkong, China, Korea, so we took the top selling designs from all of those distributors, and we picked that one that we thought would sell the best in the Asian market.

*Interviewer: So you did the same thing with Ule project?*

Informant G: Yeah.

*Interviewer: So you select the most, you think the most popular designs?*

Informant G: Popular designs would be for the public.

*Interviewer: So, in general, as a New Zealand firm, you know, samller insides, that kind of disadvantage. Do you think there are other disadvantages for New Zealand firms to compete with other firms?*

Informant G: Yeah, definitely.

*Interviewer: What kind of disadvantages have you seen?*

Informant G: Our size. New Zealand is not a big place, and cost for getting things to places because we are far away from the rest of the world, but I think we make up to that in the quality of our product, and the integrity of our business.

*Interviewer: How do you think you can overcome these, reduce something? Through this project, maybe? Can you?*

Informant G: I think the cost is always gonna be hard for New Zealand because where we are.

*Interviewer: Yeah, it 's too far.*

Informant G: You cann't move New Zealand, yeah, it's so far away from everything else in the world, and we are small, and to manufacture things here and then to see in another places, just cost us more than when we were in Australia or we were in China, or anywhere else.

*Interviewer: So if you are a new firm to China, to China market, the local firms would see you as a new entry, right? How did you overcome this kind of disadvantage to establish*

*relationships in the beginning? How did you establish your business in China in the first place?*

Informant G: We've already just started entering into China, right? middle of last year without sort of ... to China.

*Interviewer: Difficult? Because, you know, you have to, you know, build contacts first?*

Informant G: It's difficult in regards to what China's government and customers allow us to do, very very strategic, to get free trade agreement things like that, you've got certain, you've got making certain criteria.

*Interviewer: Did you get any help from other parties or you?*

Informant G: Only through Department of Commerce to find out the most useful information to be able to distribute to China, and then really really helpful, and we also have a distributor on the other side in China, ask him the questions for us, what we need to supply, how we need to supply, and what format, where acceptable to Chinese customers and government.

*Interviewer: Do you think this kind of collaboration, you know, different parts, involve different parts to help you or help other New Zealand firms to enter China more easily?*

Informant G: Yeah, yeah, you've got the help, you've got the background to get in there, otherwise straight hard. I faced a lot of obstacles when I was trying to figure out what was acceptable, what met the free trade agreement, and what didn't.

*Interviewer: So it took long term.*

Informant G: Yeah, it took about, for me to finally figure out, probably it took about 4 to 6 weeks to figure out where we stood as a company to import into China direct.

*Interviewer: How did you learn this kind of experience? You went to China by yourself or you just talked with other firms?*

Informant G: Just talked to people, other firms like borders, customers. I spoke to MATH, I spoke to department, the Auckland Regional Chamber Commerce, I spoke to our distributor in China,

*Interviewer: You find your distributor yourself or?*

Informant G: He approached us.

*Interviewer: Do you think that's? You haven't got like any time more in China, like you search for other distributors or partners?*

Informant G: Our global sales manager has been on trips to China, to try to source distributors or things like that. We are also observing Hongkong fair in April, so that might open a few more doors for us.

*Interviewer: Yeah, do you think, what is the most important thing for you to maintain a long term relationship like in this project if this project can work well in a very long time?*

Informant G: Communication.

*Interviewer: Communication is the most important.*

Informant G: I think so.

*Interviewer: Why do you think communication?*

Informant G: Without communication and research, we're not gonna know what's going on in their market, we're not there. I'd see posters and they've got marketing people or things like that. That should be passed on that information.

*Interviewer: To you?*

Informant G: Yeah, definitely.

*Interviewer: What kind of information do you think is most important for you to?*

Informant G: What market said, what they are looking at, what they think is popular, what people are interested in, you know, I think that they need to do some market research in the market, find out where people are at, whether people in China want to buy wine, whether they don't want to go shop, things like that.

*Interviewer: So you haven't got any feedbacks from NZ Post?*

Informant G: Not as yet.

*Interviewer: OK. So they might need to do that.*

Informant G: I think they should, definitely.

*Interviewer: That would be very helpful. And what do you think you can get from, the most stuff you can get from this project? What is your expectation to participate in this project? The most important benefit?*

Informant G: Getting our product out there. That's our main goal is to get our product out there if people want to buy it then your thing's gonna into home or business or things like that.

*Interviewer: Do you think you can establish new business because of this project, like meeting more partners in China, maybe? Maybe, right?*

Informant G: Maybe, it takes off. China is a big place, so you never know what is gonna.

*Interviewer: But you do see a big opportunity to enter China?*

Informant G: For our company, yeah, definitely. It's one of the biggest markets to be there, so if we can get from the door, which was part of why we chose to do the Ule project, and which was why we have distributor in China. It is that our product is out there now, you know, people are seeing it.

*Interviewer: Do you think business network is important in China?*

Informant G: Yeah.

*Interviewer: How important? In what ways would they help your business going?*

Informant G: What if you can get businesses to support your product, then they are gonna want to sell it. They like your product, then they are gonna want to sell it, then they are gonna push it. It's gonna be beneficial to everybody. No money coming into China, no money coming into New Zealand.

*Interviewer: OK. Cool. Thank you so much. My question is around what's the most important thing in collaboration, as you said it's communication, yeah, and how New Zealand firms can, you know, overcome the barriers to enter China market.*

Informant G: There needs to be a lot more literature on how hard to get into the China market, because I started right from the beginning, not know anything how to get into the Chinese market and it was like who do you ask, so there was, you know, nothing out there to say you need to go to this place first, this place, then this place. So I just spent a lot time ringing around, what do you think I should do, where you think I should go.

*Interviewer: And one more question. For you, if you see this whole project is a big opportunity or a good concept. For you, what would you do to make this more development, if you have this kind of power or position to operate this kind of project. What would you do?*

Informant G: I prefer to market it more. Market it more in China, and market it more in New Zealand. Because no one knows about New Zealand does the businesses that New Zealand Post have approached. You know, they are trying to build this shopping mall online for all New Zealand stuff, but to me I haven't seen any marketing material or any promotional material, saying you need to go to this website or anything like that.

*Interviewer: Oh, yeah, that's right. So how will you brand this, you know, online platform if you are the marketer. How would you say?*

Informant G: I'd market New Zealand as a whole because this is a beautiful country, and products come out of New Zealand are beautiful. We have a lot of beautiful products, wine, honey, placemats. You can't get the quality placemats that we make anywhere else in the world. So I would market the country to get the product out there.

*Interviewer: Do you think the combination of two posts is a good feature as well?*

Informant G: Yeah, I do. Because then we can, I think it gets through New Zealand customers into the Chinese customers are easier having the two posts' services on board.

Interviewer: Yeah.



## HUMAN ETHICS COMMITTEE

### Application for Approval of Research Projects

Please email Pipitea (Faculty of Commerce and Administration and Faculty of Law) applications to your supervisor who will then email it to a Pipitea HEC member for a preliminary review.

**Note:** The Pipitea Human Ethics Committee attempts to have all applications approved within three weeks but a longer period may be necessary if applications require revision.

#### 1 NATURE OF PROPOSED RESEARCH:

- (a) Staff Research/ Student Research (delete one)
- (b) If Student Research Degree **MCA** Course Code **IBUS 509**
- (c) Project Title: **A Network Perspective of Value Co-creation in Cross-Border Business Relationships: Changing from 'One of Them' to 'One of Us'.**

#### 2 INVESTIGATORS:

- (a) Principal Investigator

Name **Ruoyi Sun**

E-mail address **sunruoy@myvu.ac.nz**

School/Dept/Group **School of Marketing and International Business**

- (b) Other Researchers                      Name                      Position

**N/A**.....

.....

- (c) Supervisor (in the case of student research projects)

**Dr Hongzhi Gao, Victoria University of Wellington**  
**Asso. Prof Val Lindsay, University of Woollongong, Dubai.**

#### 3 DURATION OF RESEARCH

- (a) Proposed starting date for data collection - **After HEC approval has been granted**  
 (Note: that NO part of the research requiring ethical approval may commence prior to approval being given)
- (b) Proposed date of completion of project as a whole — **1 April, 2013**

#### 4 PROPOSED SOURCE/S OF FUNDING AND OTHER ETHICAL CONSIDERATIONS

(a) Sources of funding for the project

**MCA student research grant --- \$1500.**

(b) Is any professional code of ethics to be followed  
If yes, name

**N**

.....  
(c) Is ethical approval required from any other body  
If yes, name and indicate when/if approval will be given

**N**  
.....

#### 5 DETAILS OF PROJECT

Briefly Outline:

(a) The objectives of the project

**The objective of this research is to investigate the formulation of a value co-creation strategy/approach including its development process, pre-conditions and outcomes in a business-to-business context, and evaluate how this value co-creation strategy/approach may embrace and interact with other international business variables in the process of small-and-medium-sized enterprises' internationalisation. The collaborative activities by New Zealand firms and their partners/business customers in China provide the context of this study.**

(b) Method of data collection

**This research will be qualitative and based on case studies. The empirical materials/data will be collected through face to face interviews with owners/managers from 4-6 New Zealand firms and also their partners/customers in China if appropriate. The NZ firms should meet the basic requirement of value co-creation that is more than half of their products/services in a business relationship are the results of co-producing, co-R&D, or co-marketing between the supplier and customers/partners. New Zealand firms will be approached and invited to participate by an introductory email or by phone. The interview will be one to one and half hour interview with the owner and/or executive directors in NZ firms in charge of business development.**

**I will apply for a separate HEC approval for the interviews with managers in Chinese firms in China if needed, depending on the progress of the thesis after I collect and analyse the data from NZ firms.**

(c) The benefits and scientific value of the project

**The main theoretical contribution of this study is to integrate the network view of firm internationalisation and the Service-Dominant logic of marketing, and develop a general model of value co-creation in cross-border business-to-business relationships. Ultimately, this value co-creation approach will**



**provide recommendations and implications for improving business practice of foreign small-and-medium-sized enterprises in collaborating with Chinese business partners and customers.**

(d) Characteristics of the participants

**Participants will be owners or executive managers of 4-6 New Zealand firms who engage in a value co-creation relationship with Chinese business partners and customers. One person will be interviewed from each firm.**

(e) Method of recruitment

**Potential firms will be chosen based on a predefined criterion for the value co-creation relationship and through checking secondary data (where applicable/possible) and recommendations from the trade-promoting agencies/associations in NZ. I will approach the owners/executive managers of these firms through emails or phone and ask for their interest in and willingness to participant in this research.**

(f) Payments that are to be made/expenses to be reimbursed to participants

**None**

(g) Other assistance (e.g. meals, transport) that is to be given to participants

**None**

(h) Any special hazards and/or inconvenience (including deception) that Participants will encounter

**None**

(i) State whether consent is for (delete where not applicable):

- |   |          |
|---|----------|
| (i) the collection of data                        | <b>Y</b> |
| (ii) attribution of opinions or information       | <b>N</b> |
| (iii) release of data to others                   | <b>N</b> |
| (iv) use for a conference report or a publication | <b>Y</b> |
| (v) use for some particular purpose (specify)     | <b>Y</b> |

#### **IBUS 509 Master Thesis**

Attach a copy of any questionnaire or interview schedule to the application

(j) How is informed consent to be obtained (see sections 4.1, 4.5(d) and 4.8(g) of the Human Ethics Policy)

- (i) the research is strictly anonymous, an information sheet is supplied and informed consent is implied by voluntary participation in filling out a questionnaire for example (include a copy of the information sheet)

**Y**

- (ii) the research is not anonymous but is confidential and informed consent will be obtained through a signed consent form (include a copy of the consent form and information sheet)

- N**
- (iii) the research is neither anonymous or confidential and informed consent will be obtained through a signed consent form (include a copy of the consent form and information sheet)

- N**
- (iv) informed consent will be obtained by some other method (please specify and provide detail

**N**

With the exception of anonymous research as in (i), if it is proposed that written consent will not be obtained, please explain why

**NA**

- (k) If the research will not be conducted on a strictly anonymous basis state how issues of confidentiality of participants are to be ensured if this is intended. (See section 4.1(e) of the Human Ethics Policy). (e.g. who will listen to tapes, see questionnaires or have access to data). Please ensure that you distinguish clearly between anonymity and confidentiality. Indicate which of these are applicable.

- (i) access to the research data will be restricted to the investigator

**N**

- (ii) access to the research data will be restricted to the investigator and their supervisor (student research)

**Y**

- (iii) all opinions and data will be reported in aggregated form in such a way that individual persons or organisations are not identifiable

**Y**

- (iv) Other (please specify)

.....

.....

- (l) Procedure for the storage of, access to and disposal of data, both during and at the conclusion of the research. (see section 4.12 of the Human Ethics Policy). Indicate which are applicable:

- (i) all written material (questionnaires, interview notes, etc) will be kept in a locked file and access is restricted to the investigator

**Y**

- (ii) all electronic information will be kept in a password-protected file and access will be restricted to the investigator

**Y**

- (iii) all questionnaires, interview notes and similar materials will be destroyed:

- (a) at the conclusion of the research

**N**

- or (b) **2** years after the conclusion of the research

**Y**

- (iv) any audio or video recordings will be returned to participants and/or electronically wiped

**N**

- (v) other procedures (please specify):

If data and material are not to be destroyed please indicate why and the procedures envisaged for ongoing storage and security

- .....
- .....
- (m) Feedback procedures (See section 7 of Appendix 1 of the Human Ethics Policy). You should indicate whether feedback will be provided to participants and in what form. If feedback will not be given, indicate the reasons why.

**After the interviews, each participant will be sent a summary of the interview for accuracy checking as soon as it is completed.**

- (n) Reporting and publication of results. Please indicate which of the following are appropriate. The proposed form of publications should be indicated on the information sheet and/or consent form.

- |  |          |
|--|----------|
| (i) publication in academic or professional journals                                       | <b>Y</b> |
| (ii) dissemination at academic or professional conferences                                 | <b>Y</b> |
| (iii) deposit of the research paper or thesis in the University Library (student research) | <b>Y</b> |
| (iv) other (please specify)  |          |

**IBUS 509 Master Thesis**

Signature of investigators as listed on page 1 (including supervisors) and Head of School.

**NB: All investigators and the Head of School must sign before an application receives confirmed approval**

.....	Date.....
.....	Date.....
.....	Date.....

**Supervisors:**

.....	Date.....
.....	Date.....

**Head of School:**

.....	Date.....
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**A Network Perspective of Value Co-creation in Cross-Border Business Relationships:  
Changing from 'One of Them' to 'One of Us'.**

***Research Information Sheet***

Dear Mr/Ms:

My name is Ruoyi Sun, and I am a Masters student majoring in International Business at Victoria University of Wellington. As part of my degree I am undertaking a research project which will be used in my Master's thesis. In this research, I am hoping to get some understanding of cross-border collaboration and value co-creation between New Zealand firms and their business partners or customers in China.

I would like to invite you to participate in an interview (approximately one to one-and-half hour). In the interview, you will be asked some questions related to your experiences of collaborating with Chinese business partners or customers, and discuss the key factors that encouraged and hindered the decisions in the collaboration and value-creation process. I would be extremely grateful if your firm could participate.

This research has been assessed and approved by Pipitea Human Ethics Committee. Your responses will be confidential. Neither your name nor your organisation will be identifiable in the reporting of the findings in any presentation or publication resulting from this research. The research will be completed by 1 April 2013. You could withdraw from this study after the interview by informing me before 31 January, 2013. If you do so, all the information you have provided will be destroyed. If you would like to obtain a copy of the findings, you may contact me directly by the email address provided below. The research data will be destroyed two years after conclusion of the research.

Your input will be immensely helpful to me. If you agree to participate in this study, I will contact you to arrange an interview time which is convenient for you.

Thank you so much for your time and assistance in making this research possible. For additional information about this research, please do not hesitate to contact me or my supervisors, Dr Hongzhi Gao and Associate Professor Val Lindsay.

Best regards,

**Ruoyi Sun** (sunruoy@myvuw.ac.nz)

Masters student, School of Marketing and International Business, Victoria University of  
Wellington, New Zealand

**Dr Hongzhi Gao** (hongzhi.gao@vuw.ac.nz)

Supervisor, School of Marketing and International Business, Victoria University of Wellington,  
New Zealand; Dr Gao's research profile can be accessed from:

<http://www.victoria.ac.nz/smib/about/staff/hongzhi-gao>

**A/Prof Lindsay** (val.lindsay@vuw.ac.nz)

Supervisor, University of Woollongong, Dubai.



## ***Consent Form***

### **A Network Perspective of Value Co-creation in Cross-Border Business Relationships: Changing from 'One of Them' to 'One of Us'.**

This consent form outlines my rights as a participant in the study entitled “**A Network Perspective of Value Co-creation in Cross-Border Business Relationships: Changing from 'One of Them' to 'One of Us'**” conducted by Ruoyi Sun, (Masters Student, Victoria Business School, Victoria University of Wellington, New Zealand).

The interview will take approximately one hour, and I understand that:

- My participation is entirely voluntary. I agree to be interviewed for the purpose of the study.
- The purpose and nature of the interview has been explained to me, and I have read the information sheet as provided by the researcher.
- I have the right to choose whether the interview will be electronically recorded or not.
- Any questions that I have asked about the purpose and nature of the interview and research have been answered satisfactorily.
- I have the right to decline to answer any questions asked
- I have the right to withdraw my consent to participate in this study after the interview has taken places by informing the researcher before 31 January, 2013. If I do so all information I have provided will be destroyed.
- I understand that my identity will not be disclosed in any presentation or publication resulting from this research.

Name of interviewee: .....

Signature of interviewee: .....

Date: ...../...../.....





***Interview Questionnaire***

- Background Information
  1. Please tell me about your Job title, Years of experience in overseas markets, Nationality.
- Can you tell me an example of a successful business relationship you have with a Chinese business partner, or a Chinese business client? Why do you think this business relationship is successful? Why do you think this relationship is a kind of collaboration?
- Do you engage in any sort of co-producing, co-R&D or co-marketing activity with this Chinese/foreign partner/customer? If so, please tell me how you started this collaborative activity? More specifically,
  1. Who initiated the collaboration? Your firm or your Chinese partner?
  2. What were the initial objectives when you started the collaboration? How did the objectives of collaboration change and evolve in the process? Please give examples.
  3. What sort of uncertainties both parties encountered at the beginning stage of collaboration? Please give examples.
  4. How did both parties manage these uncertainties in the process? Please give examples.
  5. What were the benefits for the Chinese partner/customer getting involved in the process of XXXX, in terms of your products or services? What sort of experiences did the Chinese partner/customer get from the collaboration? Any emotional side of the customer emerged in this process? For example, did they enjoy working with your firm? Please give examples.
  6. How did the above customer experience impact on the relationship? In what ways? Any emotional effect? Please give examples.
- What were the major constraints and barriers in the process to reach this level of collaboration? How did you overcome these constraints and barriers? More specifically,
  6. Was the relationship strong at the start? If no, how did it become strong in the process? Please give examples.
  7. Was each of the parties in the relationship committed to the collaborative activity at the beginning of the process and what kinds of commitment did each party make? If yes, why so? If no, how did the commitment change? Why? Please give examples.
  8. Was it a mutually trusting relationship at the beginning? If yes, why so? If no, when did it become a mutually trusting relationship? How was the trust built? Please give examples.
  9. Was the relationship long-term oriented at the beginning? If yes, why so? If no, when did it become a sort of long-term relationship? How has this long-term perspective become recognized and agreed upon by both parties? Please give examples.
  10. Were your firm seen as an outsider of the market or local business networks when you started the relationship? If yes, why so? How did this outsidership impact on your business development in China? How did this business collaboration help your firm to

tackle the outsidership perception by the local business networks? How did this insidership impact on your business in China? Any co-branding equity? Please give examples.

- What were the major resources pooled together in the collaborative process? Why this way? How did this happen? What were the benefits of this way of collaboration? Purchase intensions? Please give examples.
- How did you see the learning part come in play in the collaboration? Was each party willing and ready to learn at the beginning of the collaboration? How did the learning patterns change in the process? What were the benefits of the learning in the process of collaboration? Creative solutions? Please give examples.