

By MCI Shanghai

What does it take to build membership and raise an association's visibility in China? What are the elements to consider in building a business plan on growing an association in China?

This question can only be answered by considering the type of association or professional industry involved. First and foremost there has to be a clear understanding about the objectives motivating the access to China's community. On the Chinese local market, building visibility through various marketing and communications channels, conducting events (conferences, training programs) are considered key elements to build up a community. On the other hand Membership is not considered as a credential, although credentials are perceived as key incentives for Chinese community.

Considering future trends, the asset of Membership will most likely lose its importance; national trends highlighting that the local market values product line/package offered by associations or professional industries. The emphasis on product package shows how important it is to be a knowledge provider in China.

Government relations must be considered as an important aspect of the association's business plan and if associations have ready-to-use standards that can be applied to the national market, this will be of value for the association's future development. Considering this, the business plan should be also about how to leverage the standards.

How is certification perceived in China?

Advocacy and outreach policies should be used to raise awareness on the importance and value of certification. National companies support certification programmes in China as they want to be considered as global players and so looking for ways to get accepted by the international community.

International Associations should keep in mind that local positioning in China is key. The objective being to differentiate yourself from the competition while remaining within national standards.

Key elements for the business plan should include developing, localizing and distributing certifications & publications and organizing events. Events should include training programs and network opportunities in case of professional associations. Other marketing considerations could be web-based trainings, webinars and virtual education. Overall, marketing & communication activities are crucial, keeping in mind the importance of translation issues, which have to be budgeted beforehand.

Are Chinese product buyers by tradition?

Traditionally yes, as facts show that Chinese nationals can be influenced by certain types of products. This leaves an open market slot/space for products from professional industries or Associations to be positioned. From a cultural perspective, Chinese value products that offer immediate returns like promotions or recognition. Their strong sense of pride in achievements can be triggered with highlighting the value of credentials. Furthermore, Chinese companies want to play on a global scale.

This again illustrates the value and importance of marketing and communication in positioning the brand and build up consumer visibility. With a popular brand comes the clients.

In the past, what types of products have sold well or have not sold well in the Chinese market

Types of products that haven't done so well on the Chinese market include:

- Membership and Affinity products that are perceived by nationals as generating extra costs without valuable/superior value to them.
- Products with poor language conversion, as their Chinese translation may be perceived negatively or have a funny connotation.
- Products where the company's ownership is questioned.

Types of products that have done well include:

- Product lines that trigger professional recognition (e.g. certification holder being a tangible reference towards others)
- Products that enjoy a proper name conversion
- Products perceived as popular or part of luxury brands
- Products that imply networking events with global intelligent leaders

What types of cultural characteristics need to be taken into consideration when dealing with potential Chinese buyers?

- Age: younger generations prioritize virtual experiences (importance of internet-based tools)
- Price
- Career Development (want companies to pay for their education)
- Short term is preferred over a long term goal
- Will an associations' product help them to get a quick raise?

How much are typical potential buyers willing to spend?

This question is difficult to answer as it depends on how much value they get from the product. "Money is not an issue" – "Money is always an issue". Membership applications are perceived as very sensitive from a psychological perspective, especially for Chinese woman.

What can be done?

Market research & surveys should be completed to properly identify target audiences. Another important factor to be considered is the affordability/purchase power of targeted audiences (no value at targeting a specific audience for a specific product if the product represents their 3 month salary).

Word of mouth is very popular in China, so focus should be put on peer's recognition of your value.

Web-based strategies are incredibly important and work more effectively than traditional advertisement. Only issue is a necessary adaption to national providers as Facebook, Twitter, etc are submitted to a certain form of censorship by national authorities.

What types of purchasing trends have been witnessed in the past?

- Big ticket item purchases
- Bigger products (bigger cars, bigger TVs, etc)
- More luxury
- Status and pride – social and financial recognition.
- Online purchases

What type of products associations should have on offer for the Chinese association market?

- Certifications, Professional trainings, Networking events, Publications
- Online available products (DVDs, CD-roms), Web-based education, Webinars.
- Merchandising: lanyards, pins, cups....
- Webcontent: use of videos posted on an equivalent YouTube Channel of leading speakers, Association's presentation videos, etc.

Who are the potential buyers: social category, age, gender, sex...

Target audience of potential buyers are those who invest into their professional development, those who are career focused/minded. Fact is that by analyzing an Association's membership, men represent their main contributor opposed to women who have a different perception of memberships. In the actual market, associations are perceived mainly as knowledge providers focusing towards professionals who are mainly men, when considering national demographics.

How do we reach the potential buyers... (selling techniques of the different products) and what factors may aid their decision thinking?

- Need bottom-up and top-down endorsement
- Local HR departments will not proactively support unless endorsed by general manager.
- Management need to see the value of the training.
- Web-based products like e-Newsletters (push communications), webinars, social & networking platforms (Twitter, Facebook), mobile channels (push communications). Cyber-related activities always work.

What an Association must consider to enter China? The top 10 list?

- 1) Neutral Profit or Profit Making?** Revenue vs. altruism. If profit making, what is your revenue model?
- 2) Identify Association's Value to the Chinese market:** or the knowledge products—what are their added value to the Chinese market? Your association may be a top service & product provider, but is there a need / a market spot for your products?
What are the current Chinese demographics so as to define your associations market? Do you have any members active on the local market at all? Are your products being used in China?
Important outcome is to know the demand and identify if you can meet the gap.
- 3) Environmental Scan:**
 - a. Risk Analysis:** External environment factors (political, etc)
 - b. Legal and Finance Implications:** Understand your legal implications, get the right legal info.
 - c. Market Readiness:** is it the right time to enter the Chinese market? Current qualifications of professionals in your field of activity? Do they recognise your association's products?
 - d. Competition analysis:** who are your competitors on the national market? Any product in this marketplace that can replace your offer?
 - e. Government Relations** map out this community, which will be different per industry/profession.
- 4) Sustainability:** what are you going to do in the long term? How will you highlight towards your Chinese target audiences your long-term commitment?
- 5) Localization:** articulate appropriate service model, product, customization, this implying translation and tailor-made products to adapt to local market characteristics...
- 6) Language barrier:** how do you communicate, how often?
- 7) Pricing Model:** question of affordability? 10 USD model or 1000 USD membership fee?

- 8) Technology:** how do you manage your entire database, deliver your products...?
When relying on web-based tools, what would be your positioning, how to articulate your brand recognition? Keeping in mind that your potential target audiences have a different internet culture: some groups may not deal with multi-lingual information (importance of translations), lack of appropriate knowledge in DB management. Also to be considered are different internet privacy issues. Considering all these aspects, how can your association get in touch with everyone?
- 9) Centralized or Decentralized decision making:** can you decentralize activities to a local partner or does everything has to be controlled via HQ in USA?
- 10) Professional Talent:** working components have to be considered – indirect or direct work with/for the association?

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