

CBC CHINA NEWS

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Employee
Motivation
in Retail



Shanghai
Hosts
World Expo



China
Keen On
Free Trade

Employee Motivation - The Leverage of Glocalization

Better Performance Leverage with Portfolio Analysis of Staff and Client Surveys

By Hans-Ruedi Hertig¹

Successful global companies are good at combining global branding with local implementation. Local business units need to foster client loyalty with local service quality, giving a positive face to the brand. The Harvard Service Profit Chain as it is known explains the leverage of staff motivation on service quality, client loyalty and finally profits – a universal concept as it is based on psychological rather than social factors.

The CBC portfolio analysis identifies this leverage and explains how it can be realized. The practical example is based on staff motivation data of a large, highly successful international retailer with half a million square meters of sales space in China and 20'000 local employees.

The Concept

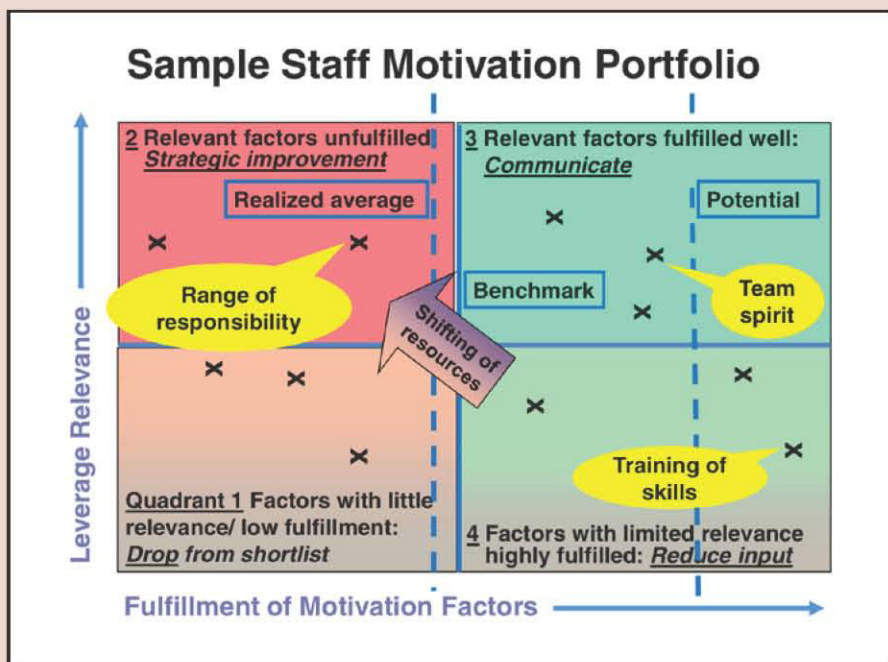
CBC measures both the level of motivation as perceived by employees and the level of service quality as rated by clients. The data model delivers global benchmarks. A “localized” questionnaire design provides feedback for practical improvements to management processes related to staff motivation and service quality in order to bring about leverage. Thinking the Harvard model through to the end shows the massive leverage potential of staff motivation and service quality for profitability as found in case studies.

Linking Survey Design and Portfolio Analysis

Whereas most staff surveys rely on more or less abstract worldwide identical “satisfaction” items, the CBC concept relies on a model of strategic processes aimed at company goals such as “lifetime client loyalty” as written down in the case on hand. The client in question furthermore illustrates the leverage of the Harvard model by

the vision “treat people how they like to be treated”.

The process-oriented CBC survey design measures how this is done in practice at local level – both regarding staff management and regarding client relationships. This produces both operational data which can be acted on locally and strategic information which can be benchmarked worldwide. How is this achieved?



World Expo 2010 Opens in Shanghai

The World Exposition 2010 opened its doors in Shanghai on May 1. Over 200 countries, territories, cities and over 50 organizations are present with pavilions.

With the theme "Better City, Better Life", the World Expo focuses on urban living, future city development and architecture to address challenges such as resource shortages and environmental pollution.

Survey data relating to staff motivation and client loyalty undergo multivariate statistical analysis and are then displayed in a portfolio according to relevance for leverage (vertical axis) and fulfillment (horizontal). The illustration shows a staff survey portfolio identifying strategic success factors and dimensions with potential to improve. CBC will produce a strategic portfolio analysis with almost any kind of data - also outside the original CBC questionnaire design.

Staff motivation portfolio: how to read it, what to conclude

The CBC portfolio shows survey data in quadrants structured by

1. Fulfillment and leverage relevance of motivation factors (x-marks)
2. Threshold levels of leverage relevance according to the Harvard model (horizontal blue line)
3. Benchmark for fulfillment (vertical blue line)
4. Realized overall average of fulfillment (dotted blue line to the left)
5. Open potential for fulfillment (dotted blue line to the right).

Each quadrant summarizes a certain segment of motivation factors implying certain consequences, actions and priorities. Similar portfolios describe which target groups - both staff and clients - should be addressed in what way.

While Shanghai is facing major problems when it comes to city planning, the mainland's most modern city has made enormous progress in the last years. The city of 20 million inhabitants has invested billions of dollars in infrastructure and transportation, which includes the buildup of 12 subway lines with over 400 km of length.

The World Exposition is expecting 70 million visitors and lasts for 184 days. It will close its doors on October 31. The Expo area covers 5.28 km² in Shanghai's Pudong district.

Nina Zhu contributed to this article

Obviously, improvements in quadrant 1 will need resources. These can be drawn from quadrant 4 where aspects of limited relevance are over achieved. In this way, the portfolio explains how better leverage can be achieved by an optimum distribution of resources - even without additional investments or costs.

A conclusion from the sample portfolio would be to:

1. Celebrate team efforts to foster staff motivation even better
2. Match the range of responsibility of individual staff members more closely to the input into training in order to raise productivity and motivation.
3. Produce leverage for service quality and, consequently, client loyalty and better performance with both aspects.

So, in the end, what is measured gets done - as the saying goes.

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China Business News in Brief

Shanghai's Property Prices Rise Further

In April, new home prices in Shanghai rose above the RMB 23,000 (USD 3,367) per square meter barrier for the first time, state media reports. New home sales jumped 35 % to 347,100 m² in the city after supply more than doubled to 414,800 m². The Chinese government has raised the down-payment requirement on second and third-home mortgages to fight higher property prices in China's major cities.

Geely to Produce Volvo Cars in Shanghai

China's carmaker Geely wants to set up a new manufacturing line in Shanghai for its newly acquired Volvo brand. The move will "localize Volvo production in China to help revive the brand domestically and globally," the company said in a statement. The city of Shanghai will also serve as the new headquarter of Volvo. Geely bought the Swedish carmaker for USD 1.8 billion from Ford in March of this year.

EU Launches Anti-Subsidy Investigation

The European Union has launched an anti-subsidy investigation into Chinese exports of coated paper. "The European Union's investigation sends a wrong message of protectionism to the world," Beijing's spokesperson Yao Jian said. Whether the investigation is protectionist is not clear. Chinese media admit that "Chinese paper manufacturers may have an unfair advantage because of government loans and subsidies." The EU could impose import tariffs after the investigation.

China Keen to Sign Free Trade Agreements



In 2010, China signed two more Free Trade Agreements, with the Association of South-east Asian Nations (ASEAN) and Costa Rica.

China has so far signed 6 bilateral free trade agreements with other nations plus one agreement with the Association of Southeast Asian Nations. And there are many more to come according to official statements from Beijing.

China and Switzerland are currently conducting a feasibility study to form a FTA. The result of the study is expected to be published in December 2010. The two countries have also ratified an agreement for the Promotion and Reciprocal Protection of Investments. As a result of this new agreement, "Swiss investors will be among the first actors in the Chinese market to benefit from

high protection standards under international law", the Swiss government said in a statement. At the same time, Chinese investment in Switzerland is expected to increase as a result of this agreement.

China's Free Trade Agreements

Signed Agreements

Chile (2006)	Peru (2009)
Pakistan (2007)	ASEAN (2010)
Singapore (2008)	Costa Rica (2010)
New Zealand (2008)	

Under Negotiation

Australia	Gulf Cooperation Council
Norway	Southern African Customs Union
Iceland	

Under Consideration / Feasibility Study

Switzerland	India
South Korea	

China's GDP Growth in Numbers

	2007	2008	2009	2010
GDP (USD billion)	3,382	4,402	4,833	5,303*
GDP per capita (USD)	2,560	3,315	3,622	3,915*
GDP growth %	13	9	8.7	8*

*estimates

Source: China's National Bureau of Statistics

China's Economy Grows 11.9%

Strong exports helped China's economy to grow 11.9% in the first quarter in 2010, the National Bureau of Statistics said.

"Exports made up 3.44% of the total growth achieved in the first quarter", state media quoted Zhang Liquan, a researcher with the State Council's Development Research Center. A year ago, the picture was not so rosy: In the first quarter of 2009, "exports dragged down growth 3.35%", Zhang said.

The remainder of the growth achieved in the first quarter came from consumption and investment.

Consumer prices increased 2.2 %, the National Bureau of Statistics said. The government set a ceiling of 3% for inflation in 2010.

GDP per capita is constantly rising in China and has reached USD 3,600 in 2009. However, state media point out that there is still a long way to go as the world's average stood at USD 9,054 in the same year.

Core Business Of CBC

Marketing Research

CBC Marketing Research uses a variety of quantitative and qualitative methodologies ranging from traditional focus groups and in-depth interviews to CATI surveys and internet-based research.

Quantitative Research:

- Telephone interviews (CATI)
- Personal interviews (CAPI)
- Street intercept interviews
- Central location testing
- Online research
- Mystery shopping
- Car clinics

Qualitative Research:

- Focus groups
- Mini focus groups
- In-depth interviews

Other:

- Desk research
- Retail research

CBC offers movable web streaming technology in Japan and South Korea and FocusVision technology in Bern, Switzerland.

Business Consulting

CBC Business Consulting helps you to successfully setup your company and find the right partners for your expansion in China. We also provide feasibility and industry studies and offer sourcing and office-in-office services.

- Market entry strategies
- Industry studies
- Location evaluation
- Partner evaluation
- Company registrations
- Feasibility studies
- Office-in-office

Executive Search

CBC Executive Search works with a large number of companies to meet their talent and executive needs in China. We directly approach all our highly educated and experienced candidates working in different business sectors including the following.

- Automobile
- Chemicals
- Finance
- IT
- Healthcare
- Retail
- Textile

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