

How can ARYI successfully enter the Dutch market?



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Executive summary

Innovating moxibustion instruments while inheriting the traditional concept of moxibustion (Sichuan ARYI, 2009) is the motto of Sichuan ARYI Medical Technology Co, Ltd (ARYI), as stated on its official website. As the leading company in the creation and distribution of moxibustion apparatus, ARYI manufactures most of the moxibustion used apparatus in the Traditional Chinese Medicine (TCM) market. The founder of ARYI, Mr. Feng Tian, started the business in 2009 in Sichuan province, China. The company has since expanded its markets to north America and south-eastern Asia. As a result of its success of these foreign markets, ARYI has decided to expand its market into the Netherlands. This report aims to figure out the possibilities of ARYI entering the Dutch market. To address the central question of how ARYI can successfully enter the Dutch market, qualitative secondary research was conducted based on the use of exploratory studies, supported by a semi-structured interview with Mr. Feng Tian and seven in-depth interviews with the owners of Dutch TCM clinics; these latter examples of primary research were executed based on a descripto-explanatory research design.

Overall, the results of this research indicate that ARYI could potentially successfully access the Dutch market. According to the industry analysis, traditional Chinese therapies are highly accepted in the Netherlands, and an internal analysis, including an examination of marketing materials, demonstrates that ARYI is competitive in this field. However, although the Dutch market offers various opportunities to incoming businesses eager to establish themselves within the country, many threats still exist in the market. Based on a DESTEP analysis, the largest threat is from stringent EU regulations; however, threats from substitutes and the sheer volume of transportation costs could also impact heavily on ARYI's success.

Consequently, several recommendations were developed for ARYI to take into consideration before accessing the Dutch market. Importantly, ARYI must be aware of the strict EU export regulations, that could create obstacles for ARYI entering the market. Based on the distribution analysis, ARYI can access several solutions to overcome these obstacles, such as cooperating with an agent to overcome such barriers and working to adapt to the Dutch market rapidly. Thus, ARYI is advised to utilise both indirect export through a carefully selected agent and direct export based on the use of e-commerce to supply customers directly. In accordance with the customer analysis and competitor analysis, a differentiation strategy and an online marketing strategy are both also recommended. ARYI should promote its products and communicate with customers directly through its official website. The company must also focus seriously on logistics because these will affect the required incoterms and costs of exportation.

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1.Introduction

1.1 Background

Products made in China have become popular throughout the world, and with the rapid development of China's economy, Chinese culture has also spread rapidly. In recent years, traditional Chinese medicine clinics have sprung up all over the Netherlands (Xinmin, 2017), a phenomenon that not only reflects the increasing international influence of China but also benefits from the multi-cultural society that has developed in the Netherlands. The ability of the Netherlands to adopt a variety of foreign cultures within its society has encouraged many Chinese enterprises to establish their businesses there. Alongside the expected development of large-sized international firms, the developing Chinese economy has helped smaller and medium-sized Chinese enterprises to explore such opportunities to promote Chinese culture overseas. Sichuan ARYI Medical Technology Co, Ltd (ARYI) is one of these companies.

1.2 Problem definition

Sichuan ARYI Medical Technology Co, Ltd (ARYI) is a moxibustion device manufacturer that holds several national patents; the company provides its products to professional medical institutions and practitioners of traditional Chinese medicine. ARYI has access to a stable market with customers both inside and outside China, but it is attempting to discover more potential foreign markets in order to grow the business further while maintaining its domestic superiority. Currently, ARYI is exploring the possibility of entering the European market after successfully gaining the market share in America, Canada, and Southeast Asia in 2011 (Sichuan ARYI Medical Technology Co.,Ltd, 2017). ARYI would like to begin its business with the European market in the Netherlands, as there are more than 1,600 TCM clinics within that country, and acceptance of traditional Chinese therapies among the population is high (TCMNED, 2016). The Eastern medical therapies are in demand in this country, and Chinese therapies are particularly popular. Thus, an entry strategy for the Dutch market was formulated by ARYI to address this particular situation.

1.3 Scope of research

Due to time and scope limitations, this research could not cover whole of the potential market in the Netherlands; thus, three major cities, Amsterdam, Rotterdam, and The Hague were used as representative locations. These three cities have the highest GDPs and largest population centres in the Netherlands (Embassy of the People's Republic of China in the Kingdom of the Netherlands, 2009). There are also successful Chinese businesses in all of these cities, and each city has a China town area located in its city centre, which reflects the fact that many Asian people live in these cities, increasing demand for Eastern medical therapies. ARYI aims to target Dutch TCM clinics that provide the traditional moxibustion therapies to patients. To understand the consumer behaviours of

this target group, seven in-depth interviews were thus executed, with interviewees selected based on company size, company reputation, and the location of the company.

1.4 Problem formulation

Although ARYI has gained global experience exporting to the North American market and the Southeast Asian market, the European market offers an entirely different economic environment. This is a vital point for ARYI to take into account, and the company thus requires a comprehensive export analysis to understand the global and local market situations, as well as the opportunities, threats, and consumer perceptions that it will face in the future, in order to benefit from these most effectively.

This research thus has two levels of objective: the primary objectives are the creation of both internal and external assessments for ARYI, while the secondary objective is the examination of ARYI's entry strategy, including the generation of ways ARYI can improve its marketing activities. The central question is as formulated below:

How can ARYI successfully enter the Dutch market?

To answer this main question, several sub-questions can be derived from theoretical frameworks. The first five sub-questions deal with the internal and external analysis of the primary objective, while the subsequent sub-questions focus on entry strategy and future projections for ARYI.

- 1. What are the theoretical frameworks best used in ARYI's case?**
- 2. What is the company description of ARYI?**
- 3. What is the market description for ARYI's products?**
- 4. What are the internal factors affecting ARYI's entry to the Dutch market?**
- 5. What are the external factors affecting ARYI's entry to the Dutch market?**
- 6. Which entry mode is likely to be most effective, based on the juxtaposition of influences from external and internal factors?**
- 7. What is the most desirable marketing plan for the selected entry mode?**
- 8. What payment and delivery conditions should ARYI enforce?**

By gathering answers to these sub-questions, the central question will be answered naturally.

1.5 Report structure

Completing the primary objective of this study will result in recommendations for ARYI's entrance to the Dutch market. The first step is to evaluate the company internally and externally. The internal analysis will be given first, with the strengths and the weaknesses of the company gauged by means of economic models, supported by information from an interview with ARYI's manager. The

external elements will then be analysed through interviews with the managers of several representative Dutch TCM clinics. The data will then be analysed with an emphasis on evaluating the opportunities and threats that may be faced by ARYI in the Dutch market. Based on the examination of the internal strengths and weaknesses and external opportunities and threats, a SWOT analysis and a confrontation matrix will be developed to address the creation of a potential entry strategy. After this, a recommended export marketing mix for ARYI along with optimum payment and delivery conditions will be illustrated. Finally, implementation recommendations for the company's development in this market will be provided.

2. What are the theoretical frameworks best used in ARYI's case?

2.1 The structure of an export plan

Leeman defines exporting as “marketing, selling, and distributing goods or services from one country to another country or countries” (Leeman, Introduction Export Planning, 2010). In order to explore the possibilities available for entering the Dutch market, ARYI must discover more about the local TCM industry and obtain information about its target customer. The export policy plan should provide the principals of the company with insight into the selected market and enable ARYI to define the economic environment created by the Dutch market to demonstrate the opportunities and threats that the firm may face. The results should thus tell ARYI how to use its advantages to take root in the Netherlands. On this basis, an export plan was created by the researcher.

The book ‘*Export Management, A European Perspective*’ (Veldman, 2010, pp. 367-373) was used as a guide in creating this export plan. On the micro level, the internal analysis dealt with the ARYI's company description and a description of the market. On the macro level, the external analysis focused on the attractiveness of the Dutch market, the opportunities and threats that ARYI is likely to encounter in the Netherlands, and the expected changes the company would be required to make based on the strategy implemented. A confrontation matrix was also composed from these internal and external factors showing the key points that must be addressed by the company. Finally, the export marketing objective and a preferred choice of strategy, including logistics management and payment conditions, was drawn up.

2.2 Theories used in the creation of the ARYI export plan

These theories are listed in *Table 1*.

Section	Description	Theories
Company description	This section relates to the company information (history, vision, mission, and product range)	Mission & Vision Product range
Market description	This section relates to ARYI's positioning, customer group, customer needs and technology	Abell model
Internal analysis	This section links to internal factors such as the company's strengths and weaknesses	Strengths Weaknesses Porter's value chain BCG matrix
External analysis	This includes all external factors such as the target market, customers, distribution channels, the overall industry, and competitors	DESTEP analysis Porter's five forces
SWOT & Confrontation analysis	This sector outlines the strengths, weaknesses, opportunities, and threats.	SWOT analysis Confrontation matrix
Export action plan	The final marketing plan, including products, price, place, problem-solving, and promotion is illustrated here	Marketing mix
Payment and delivery conditions	The preferred delivery conditions and payment terms are explained in this chapter	Incoterms

Table 1

2.3 Theory description

In the following sections, descriptions of all the theories used will be given.

2.3.1 What is the company description of ARYI?

To answer this sub-question, a company description was created. This company description is important to ARYI because it can tell the company whether it has the capacity to implement its export plan. The company description consists of an overall company description and a product range description. Readers can acquire a range of basic information including ARYI's history, its mission and vision statements, and the current goals of the company. According to Bain & Company, a leading management consulting firm, mission and vision statements define the approaches that can be used to reach a firm's objectives, as well as describing the future position of the firm (Bain &

Company, 2015). Moreover, readers can also obtain a product range description from full company description. To define ARYI's product range, a detailed portfolio of the products it manufactures was required, and this thus firmed the first step of the export plan.

2.3.2 What is the market description for ARYI?

In order to answer this sub-question, the Abell model was used to clarify the market description of ARYI's market. The Abell model is a business definition model developed by Dr Derek Abell that is constructed from three dimensions: served customer groups, served customer function (customers' needs), and technology utilised (Abell, 1980).

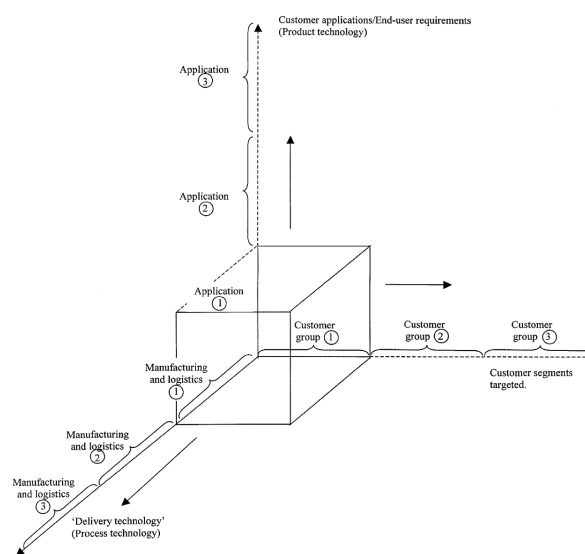


Figure 1
Source: (Abell, 1980)

In ARYI's case, the Abell model demonstrates who ARYI serves, what the served customers' needs are, and how ARYI meet the demands of these customers:

- **Customer segment:** this is the customers that the company targets. For instance, ARYI aims to target TCM clinics in the Dutch market.
- **Customer requirements:** the needs of the target group. Here, ARYI's target group needs moxibustion equipment.
- **Delivery technology:** the method the company uses to satisfy consumer needs. ARYI's customers require smoke-free and safe equipment, and ARYI thus innovates to create high-quality and smoke-free products to satisfy its customers' needs.

2.3.3 What are the internal factors affecting ARYI's entry to the Dutch market?

To answer this sub-question, models and theories based on internal analysis were used. Internal analysis consists of two main sections, which are the considerations of strengths and weaknesses. According to Veldman (2010, p.72), strengths are the recourses or capabilities that make a company more competitive and can contribute to it achieving its objectives. Weaknesses are the hindering effects that make succeeding more difficult. A solid strengths and weaknesses analysis was important to ARYI because these factors can be used to tell the company whether it will be able to implement its export plan. To assess the company, Porter's value chain was used.

Porter's value chain

The concept of the value chain of an organisation was introduced by the American economist, Michael Porter in 1985 in his book '*Competitive Advantage*'. Porter claimed that the value chain represented a category containing those of an organisation's activities which designed, produced, marketed, delivered, and supported its product reaching its customers. These activities relate to economic value, and influence differentiation and costs (Porter, The Value Chain, 1998). Porter's value chain was thus used to analyse the company in terms of its activities and thus to evaluate which activities are appropriate and efficient and which are not.

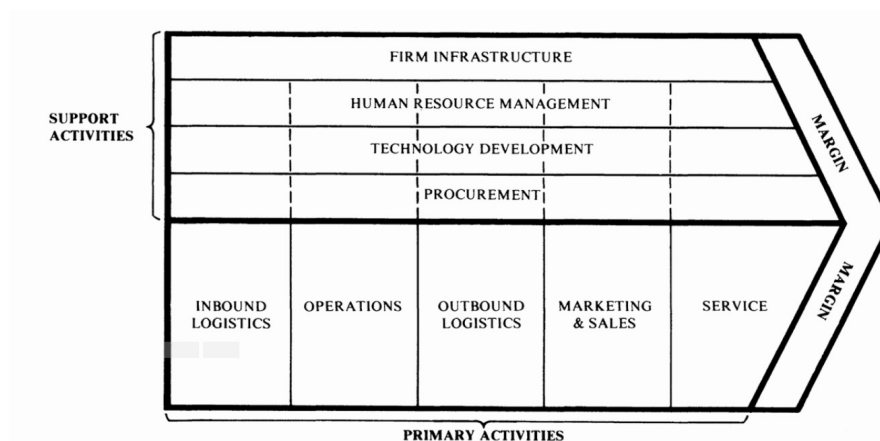


Figure 2
Source: (Porter, The Value Chain, 1998)

As it is shown in Figure 2, the value chain consists of value creation activities and margin. Value creation activities are divided into two parts: primary activities and support activities. Primary activities are those activities which directly linked with production and delivery of a product or service, and there are five generic categories of primary activity:

- **Inbound logistics:** Activities associated with receiving, storing and distributing inputs to the product or service, such as material handling, stock control, transport, and returns to

suppliers. In the current case, ARYI buys the components for its moxibustion machines from external suppliers.

- **Operations:** Activities associated with turning inputs into the final product or service, such as machining, packaging, assembly, and equipment maintenance and testing. Here, ARYI manufactures its products in its own factory and tests the machines before putting them onto the market.
- **Outbound logistics:** Activities associated with collecting and storing the product and distributing it to customers, such as warehousing, material handling, and distribution.
- **Marketing and sales:** Activities associated with encouraging buyers to buy the products, such as advertising and sales administration.
- **Service:** Activities associated with enhancing or maintaining the value of a product or service, such as installation, repair, training, and parts supply.

Support activities help to improve the effectiveness of primary activities. There are four generic categories: Procurement, Technology development, Human resource management, and Infrastructure.

- **Procurement:** These activities serve function of purchasing inputs used in the company's value chain, such as raw materials and supplies as well as assets.
- **Technology development:** These are activities that are directly concerned with the product or process or with a key resource, such as R&D, process development, and raw material improvement.
- **Human resource management:** These activities involve recruiting, hiring, training, developing, and rewarding people within the organisation.
- **Infrastructure:** These activities include general management, planning, finance, quality control, and legal and governmental affairs.

Source: (Porter, The Value Chain, 1998)

Veldman also explains the margin portion of the value chain: "Margin is the difference between the total value and the collective costs for carrying out the value creation activities" (2010, pp. 72-76).

2.3.4 What are the external factors affecting ARYI entering the Dutch market?

An examination of current external factors was required tell ARYI what its new selected market looks like. External analysis should reflect the attractiveness of the market, information about competitors, the buying behaviours of the target group, and the potential distribution channels that ARYI can use. The external factors include the macro-environment of the selected market, the attractiveness of the industry, the behaviours of the customers, an assessment of the competitors, and the selection of various distributions channels (Veldman, Researching and selecting foreign markets,

2010). The results of a consideration of these elements indicates the answer to the sub-question *What are the external factors affecting ARYI entering the Dutch market?* DESTEP analysis, Porter's five forces, and other theories about distribution channels were thus used and these are demonstrated below:

DESTEP analysis

DESTEP analysis provides information regarding demographic, economic, social, technological, ecological, and political factors in a target country; in ARYI's case, this target country is the Netherlands.

- Demographic: includes elements such as total population, household composition, life expectancy, and education.
- Economic: includes factors such as employment rates, economic growth, currency value, and development of GDP.
- Social: includes working hours, health, leisure time and similar factors
- Technological: includes elements such as the prevalence of hybrid technology and wind/solar energy technologies.
- Ecological: focuses on aspects including rates of product-recycling and take-up of organic food.
- Political: includes local responses to factors such as globalisation and the WTO, and more focused government policies.

Source: (Leeman, DESTEP analysis, 2010)

Porter's five forces

Figure3 shows a chart of Porter's five forces. Porter's five forces identifies the profitability and attractiveness of an industry based on five forces, which are the threats of new entries, the threat of substitutes, the power of buyers, the power of suppliers, and competitive rivalry. This model was used for its ability to tell ARYI whether the selected market is attractive or not. According to Porter's concepts, the weaker any or all of these factors are, the more attractive the industry (Porter, *Competitive Strategy: Techniques for Analysing Industries and Competitors*, 1998).

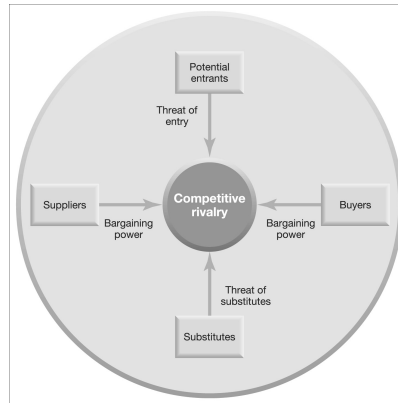


Figure 3
Source: (Porter, Competitive Strategy: Techniques for Analysing Industries and Competitors, 1998)

- **Threats of entry:** This depends on how easy it is for competitors to enter the market; the greater the barriers to entry, the better for existing competitors in the market, and the harder it is for new entrants to the market. Typical barriers include economic scalability, supply or distribution channel access, legislation or government action, and differentiation among competitors.
- **The threat of substitutes:** Substitutes are products that offer similar value or meet a similar need, but which come from a different industry. The higher the threat of substitutes, the less attractive the industry is.
- **The power of buyers:** The power of buyers (immediate buyers) is higher when there are a few large buyers in the market, and when buyers can switch to another product with lower cost, as well as where buyers also become suppliers; this is called backward vertical integration. The higher the buyers' power is, the less negotiating power a company has, and such buyer can thus demand cheaper prices.
- **The power of suppliers:** The power of suppliers is high when a few producers dominate supply, and where the switching cost to the company is high; when suppliers become sellers, forward vertical integration occurs. The higher the suppliers' power, the less negotiating power the company has in this direction.
- **Competitive rivalry:** It is important to distinguish competitive rivalry from competitors themselves. Competitive rivals are only those companies that sell very similar products or services to the same customer group. All of the threats mentioned above impinge on competitive rivals; low entry barriers increase the number of competitors for all existing businesses in the industry, for example. The more competitive rivalry exists, however, the worse the situation for all existing firms in the industry.

Source: (Johnson, Whittington, Scholes, Regnér, & Angwin, 2014)

2.3.5 Which entry mode is likely to be most effective, based on the juxtaposition of influences from external and internal factors? -- SWOT analysis and Confrontation matrix

As stated in 'Export Planning', a SWOT analysis combines an examination of the company's internal and external environment, in terms of the company's strengths and weaknesses, market opportunities and threats, respectively (Leeman, p. 39). To answer the sub-question *Which entry mode is likely to be most effective, based on the juxtaposition of influences from external and internal factors?*, a SWOT analysis and confrontation matrix were thus created.



Figure 4

The confrontation matrix (TOWS matrix) is a table which provides the strategic options for the company.



Figure 5

- SO option: By utilising a combination of strengths, an offensive strategy can maximise the company's opportunities.
- ST option: Strengths are combined with the threats to create a strengthening strategy that minimises both real and potential threats.
- WO option: A defensive strategy that minimises weaknesses by taking full advantage of opportunities.

-
- WT option: This is a withdrawal strategy that minimises weaknesses and avoids threats.

Source: (Leeman, SOWT analysis, 2010)

2.3.6 What is most desirable marketing plan for the selected entry mode?

Marketing mix

In order to answer the question, *What is the most desirable marketing plan for the selected entry mode?*, the theory of the marketing mix was used. Marketing mix is an essential part of any export plan, because it indicates the actions that can be implemented in the selected market. According to *Marketing, an Introduction*, "Marketing mix is a tactical market tool that the firm blends to produce the response it wants in the target market" (Armstrong & Kotler, 2013). To support the export marketing strategy, the 7Ps marketing mix must be invoked and explained. The 7Ps refer to products, promotion, price, place/distribution, people, presentation, and politics (Veldman, The export marketing mix, 2010).

- **Products:** this refers to the goods-and-services combination the company offers to its target market. The company should take care with the quality, image, brand, features, variants, support, and guarantees of these factors (2010).
- **Promotion:** this refers to the activities that communicate the merits of the product to the target customers and persuade them to buy it (2013). The methods of promotion need to cater to people in the target country, which means that there are several aspects that the company should take into consideration, such as the effects of personal sales, advertisements, and sponsorship (2010).
- **Price:** this is the amount of money customers must pay to obtain the product. The price should be adjusted in accordance with the current competitive and economic situation and to bring costs into line with the buyer's perception of a fair price (2013). The concept of price should also take into account the pricing policies in the exporting country.
- **Place/distribution:** this refers to company activities that make the product available to the target group, which includes methods that the company uses to send the products to customers (2013). This may be determined via different export strategies, such as channels, agents, distributors, and customer service (2010).
- **People:** here, this focuses on company recruitment when entering a new market. This then becomes an important tool for realising the value of a company, as good personnel have an impact on a company's growth opportunities in a new market. When the company recruits employees, it should be aware of that whether the employees are equipped with knowledge of the target culture and the languages used in the new market.
- **Presentation:** this refers to the ways in which the company presents its products to customers.

- **Problem solving:** The company may encounter many export problems, whether in terms of legal, financial, and or customs issues. It is important for the company to develop solutions to these problems, as these factors may contribute to an impedance of value creation.

Source: (Veldman, The export marketing mix, 2010), (Armstrong & Kotler, 2013)

2.3.7 What payment and delivery conditions ARYI enforce?

The logistical process plays a vital role in international trade. The company should thus be careful with its options for different payment terms and delivery conditions (Veldman, Exports, logistics and customs policy, 2010).

Payment terms: According to the Business dictionary, payment terms refer to the conditions under which a seller will complete a sale. The period allowed to a buyer to pay off the amount due is specified within these conditions, and the currency that a buyer will pay for the products or the services is also clarified in the conditions (payment terms, 2018).

Incoterms: Incoterms is used to refer to the terms of delivery. These conditions specify the obligations at every step of delivering the products for both the seller and the buyer. The following picture shows the different obligations that the seller and the buyer take on under different Incoterms.

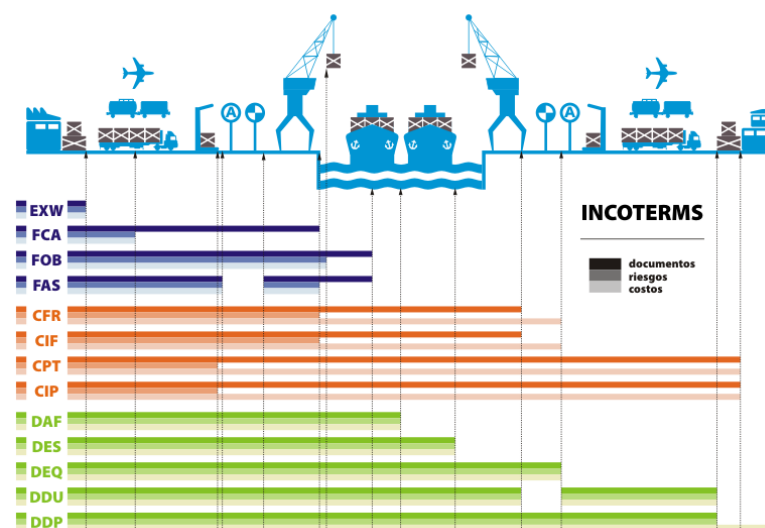


Figure 6

EXW (Ex works):

- The buyer is responsible for packaging and collecting the goods.

FAC (Free Carrier):

- The buyer transports the goods, and the seller exports.

FOB (Free on Board):

-
- The seller takes care of and pays for transport *up to the moment* when the goods are on board a ship at the port of departure.

CFR (Cost and Freight):

- The seller exports, taking care of and paying for transport up to the moment the moment when the goods are on board a ship at the port of departure.

CIF (Cost, Insurance and Freight):

- As with CFR, but with additional insurance.

CPT (Carriage Paid to):

- The seller delivers the goods to a primary carrier and pays for transport to the agreed destination, including any charges for uploading. The buyer is responsible for insurance.

DDU (Delivered Duty Unpaid);

- The seller is in charge of transportation to the place specified, including paying any charges for uploading. The seller exports and thus takes care of any transit formalities for this.

Source: (Veldman, Exports, logistics and customs policy, 2010)

3. Methodology

3.1 Research design

The purpose of this report is to examine the possibility of ARYI entering the Dutch TCM market. This chapter will explain the methods chosen by the researcher, looking at both why these approaches were selected and how they were used. Primary and secondary data were collected through quantitative field research and qualitative desk research, respectively. To better answer the central question “*How can ARYI successfully enter the Dutch TCM market?*”, a descripto-explanatory study and exploratory study were undertaken (SAUNDERS, LEWIS, & THORNHILL, 2012). A descripto-explanatory study means that the researcher seeks to create an accurate profile of the situation; the description is likely to be an adequate explanation of the situation. This type of study is used in the internal and external analyses phases of this thesis. The objective of an exploratory study in contrast is to discover what is happening and to gain insight into a topic of interest, often by way of asking open questions, and this approach was used in the in-depth interviews

3.2 Methods

In order to answer the central question, eight sub-questions were devised to allow additional focus during both the qualitative desk research and quantitative field research. The types of research associated with each question are outlined in Table 2.

Sub-questions	Type of research
What are the theoretical frameworks best used in ARYI's case?	Desk research
What is the company description of ARYI?	Desk research and field research
What is the market description for ARYI's products?	Desk research
What are the internal factors affecting ARYI's entry to the Dutch market?	Desk research and field research
What are the external factors affecting ARYI's entry to the Dutch market?	Desk research and field research
Which entry mode is likely to be most effective, based on the juxtaposition of influences from external and internal factors?	Desk research
What is the most desirable marketing plan for the selected entry mode?	Desk research
What payment and delivery conditions should ARYI enforce?	Desk research and field research

Table 2

3.3 Data collection

Desk research was utilised as the main method for collecting data. During the research process, information from the internet, related reports, government policies, and commercial publications were all collated. These data are therefore secondary data, which refers to data that has already been collected for some other purpose (Saunders, Lewis, & Thornhill, 2012). Many of the relevant statistics were, however, retrieved from sources including the company's official website and governmental reports, making them both credible and valuable. Table 3 shows the top five most important sources of online and offline references for this research:

Sources	Specifics
Offline	<i>Export Planning</i> , an academic work by Leeman that emphasises the theories behind export planning
Offline	<i>Export Management, A European Perspective</i> , an academic book by Veldman that offers a guide to the formulation of an export plan.
Offline	<i>Marketing, An Introduction</i> by Armstrong and Kotler, which is particularly useful in terms of analysis of customer behaviour.
Offline	<i>Strategy for The Public and Private Sectors</i> by Veldman and Szabo provides information about marketing strategies applicable to ARYI's expansion to the Netherlands.
Offline	ARYI's annual report, which describes the company's current situation and future goals.
Online	The website of the Association of Dutch TCM clinics offers an overview of the current situation of the Dutch TCM market to help with analysis of the marketing environment.
Online	The ARYI official website offers information on the internal factors affecting the company.
Online	The EUROPA website specifies the regulations in force regarding export to EU countries.
Online	The Alibaba website; an online shopping website, this offers data regarding sales and customer return rates, along with basic information about competitors to ARYI that can be used in analysis.
Online	A country annual report: <i>Trends in the Netherlands 2016</i> , which offers demographic and economic data about the Netherlands.

Table 3

Interviews are one of the main methods used in exploratory studies; these generally support qualitative methodologies by allowing exploration of the perceptions of respondents about a particular topic or idea (Saunders, Lewis, & Thornhill, *When to use semi-structured and in-depth interviews*, 2012). In order to create a better understanding of the focus company, a semi-structured in-depth interview was arranged with ARYI's manager Mr. Feng Tian. Seven further in-depth interviews based on a set of pre-determined open questions were also conducted with the owners of seven different TCM clinics in the Netherlands in order to investigate the TCM industry and customer behaviours in the Netherlands. These interviewees were selected based on their company size, which ranged from small private clinics to large franchised clinics; clinical reputations within their home cities and throughout the Netherlands; and location within one of Amsterdam, Rotterdam, and The Hague. The interviewees were selected as representative experts in their field, with direct contact with relevant customers every day; they were thus deemed to have valuable awareness of the relevant consumer behaviours and the market overall. The duration of these interviews was four hours and 23 minutes overall. The interview with ARYI's manager was carried out over Skype as Mr Tian was located in China, while the other interviews were conducted face-to face. The interview questions used in each case can be found in appendix 1 and appendix 2, respectively.

3.4 Data analysis

3.4.1 Desk research

To answer the first sub-question, the books '*Export Planning*' and '*Export Management, A European Perspective*' were utilised as reference materials. These two academic sources provided a clear guide to creating an export plan. Moreover, several theories about such exportation are also explained and supported in these books.

In order to create the accurate company and market descriptions, ARYI's official website, the annual reports of the company, and news releases about the Chinese TCM market were mainly used as references. The internal analysis focuses on identifying ARYI's advantages and drawbacks, and thus Porter's value chain was discussed; the semi-structured interview with ARYI's manager Feng Tian was also arranged to support this investigation.

In terms of external analysis, related information published on the internet, such as reports about the company and the TCM industry, was widely used. The books '*Marketing, An Introduction* and '*Strategy for The Public and Private Sectors*' also provided supporting theories on customer analysis and distribution analysis. Porter's five forces model was used to assess the Dutch TCM industry, and in order to highlight ARYI's opportunities and threats in the Dutch market, the researcher focused on acquiring information relating to TCM in this country. Further evaluations of the TCM industry

in the Netherlands was carried out by means of interviews with several TCM clinic owners from the Netherlands.

Ultimately, a descripto-exploratory study form was implemented, and based on the evaluations of the company and the potential market, a confrontation matrix and preferred entry mode were constructed. The payment and delivery conditions were defined based on information about exports drawn from the EU website and the interview with ARYI's manager, Mr Tian.

3.4.2 Interviews

The following paragraphs illustrate the interview questions used and include an explanation of why these questions were useful in addressing the sub-questions defined earlier. Owing to the different emphasis in each interview segment, the interviews came in two versions. The first, one is with the manager of ARYI, was a semi-structured interview which focused on the company itself. The purpose of this interview was to investigate any information that was unclear on ARYI's official website. The questions were thus designed based on Porter's value chain, with the aim of allowing the researcher to understand the structure of the company and its strengths and the weaknesses more effectively. The second version of the interview questions was designed to elicit factors used within the marketing mix, and the responses to these questions assisted the researcher's formulation of customer requirements and thus the creation of an appropriate marketing entry strategy.

Interview questions used in the interview with ARYI's manager:

1. What is ARYI's operation mode? – *This question aimed to elicit information about the structure of the company and, based on Porter's value chain, the inbound logistics, operations, and outbound logistics involved.*
2. How many departments does ARYI have?
3. How do those departments cooperate with each other? – *The structure and infrastructure of the company and the functions of each department are the focus of these two questions, with the intention of creating a clear overview of the firm. The marketing, sales, and the services functions are also involved in this outline.*
4. What marketing strategies does ARYI currently use? – *This question relates to the promotion and distribution channels used by the company, which are unclear on ARYI's official website.*

Interview questions used in the interviews with Dutch clinics:

1. How many patients on average come to your clinic each week or month?
2. Are they generally Chinese or Dutch people?

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3. How many of them visit for moxibustion?
 4. What difficulties did you meet when you first established your clinic? (lack of resources, government policies, insurance, etc.) - *The first four questions of this set refer to basic information about the clinics and local acceptance of Eastern medicines and Eastern medical therapies.*
 5. What products do you use for moxibustion? (traditional methods or machinery)
 6. If you are interested in moxibustion equipment, does this include standing moxibustion apparatus?
 7. (If the interviewee already uses moxibustion instruments) Do you have much knowledge of standing moxibustion equipment? - *These questions reflect the demand for moxa-therapy in these Dutch clinics and the ways in which customers think about moxibustion equipment.*
 8. Which brands of equipment do you use in your clinic? Do you think they are difficult to use?
 9. What standards do use when choosing materials or instruments? (quality, performance requirements, certification, policies, etc.) – *Answers to these two questions contribute to the marketing mix developed as part of the Products section, offering an idea of the criteria used by customers when they choose moxibustion equipment.*
 10. If you are interested in such machinery, what price would you be willing to pay?
 11. What aspects influence your brand choice apart from price? - *These two questions are important for determining the price of the products as the company enters the Dutch market.*
 12. How do you currently buy your medicines and medical machines? (online, local suppliers, etc.)
 13. Do you order medicines and supplies from outside the EU? - *These questions relate to the distribution channels to be used within ARYI's marketing strategy on entering the Dutch TCM market.*
 14. Which channel do you receive most of your TCM industry information through? (representatives, cooperating companies, medical journals, etc.) - *This offered an important overview of relevant promotion channels for the Dutch market.*

3.5 Limitations of data collection and analysis:

The websites and documents used for this research are freely accessible; however, there are still many limitations to the information. For example, some graphs and reports can be used as references only by website members, and many academic websites require users to sign up and to pay or to be a member. Luckily, there are also many alternative methods for relevant academic sources.

The interviews also have certain limitations. For example, exact financial data discussed could not be used in this thesis as it is confidential information for ARYI. However, the manager did provide

other information with regard to the company's strategy, which was very helpful in terms of internal analysis.

Additionally, owing to time limitations and the fact that the target group of customers for ARYI includes clinics (B2B) rather than individuals, a questionnaire could not be included as part of this thesis. Therefore, eight interviews were arranged, and the researcher has received the corresponding answers from the interviewees.

4. What is the company description of ARYI?

4.1 History

Sichuan ARYI Medical Technology Co, Ltd (ARYI) was established in April 2009 in Sichuan province. ARYI is a leading company in the moxibustion industry and as such invents and manufactures most of the standing moxibustion equipment used in China. As a pioneer in the industry, ARYI devotes itself to research and development of standing moxibustion equipment to facilitate its sales of moxibustion supplies and dissemination of the concepts of TCM health.

ARYI standing moxibustion equipment was debuted at the TCM annual academic meeting in June 2009. However, the reaction of customers to standing moxibustion equipment in the local market was not initially positive. Thus, the founder, Feng Tian, changed the company's strategy from focusing on the mainland area to opening up markets in coastal areas. At Guangzhou International Beauty Expo in 2012, ARYI's products were better received, and they have since become much more popular in China. According to ARYI's official statistics, nearly 200 hospitals and 1,000 TCM health care clinics in China now use ARYI's products. After creating a stable domestic market, the company began to explore the possibility of entering foreign markets, and since 2011, ARYI's products have gained popularity in the TCM industry in the USA, Canada, and South-eastern Asia (About ARYI, 2016).

ARYI continues to innovate and develop its moxibustion equipment. By 2014, the company had obtained one patent of invention, three patents of design, and four utility model patents. These laid the groundwork for the company's membership of the Sichuan society of acupuncture and moxibustion. After becoming a member of this professional academic organisation in 2014, ARYI began communicating more widely with other TCM institutions and learning from public hospitals, as well as providing production support to them. These experiences enabled ARYI to raise the professional level of the industry, and emphasised the importance of raising awareness about the concepts behind moxibustion health care. At the beginning of 2017, the ARYI group created an association called the "Moxibustion Fan Club" online; this association provides a platform for people who are interested in TCM and moxibustion to communicate with each other (The story of ARYI, 2015).

4.2 Mission

ARYI's mission is "innovating moxibustion instruments while inheriting the traditional concept of moxibustion" (Sichuan ARYI, 2016). ARYI invented standing moxibustion equipment to eliminate the inconvenience of using traditional moxibustion tools. Currently, ARYI focuses only on this

standing moxibustion apparatus to fill the market gap in innovative moxibustion instruments (Sichuan ARYI, 2015).

4.3 Vision/Goals

ARYI's vision is to achieve leading brand status within the industry and to set the industry benchmarks with its high-standard products. ARYI is also likely to consider developing a peripheral product line in a few years, such as sports equipment and healthy foods. The goal of ARYI is first to improve the proficiency of its products, then to expand the depth of its product range. Based on current data, ARYI's output value will reach 20 million or more within the next five years (The Story of ARYI, 2015).

4.4 Product range description

Moxibustion is used to warm various regions and meridian points of the body with the purpose of stimulating circulation and inducing a smoother flow of blood and qi (The YinOva Center, 2018). The traditional method requires a practitioner to hold the moxa stick or to use a support point on the body. ARYI's standing moxibustion equipment solves the problem of human resource inefficiency and other issues caused by using traditional moxibustion paraphernalia. ARYI produces and sells not only standing moxibustion apparatus, but also associated peripheral products.

An overview of the products produced:

- Moxibustion equipment: standing single-head moxibustion equipment (family version and professional institution version), standing smoke-free moxibustion equipment, standing double-head moxibustion equipment (Engine, 2015)



- Consumables: normal smoke-free moxa stick, scented smoke-free moxa stick (Consumables, 2015)



- Product components: Double buckle ear net cover, single buckle ear net cover, smoke-free net cover, net cover cup, heat accumulation ring for vertical moxibustion box, smoke cover cloth, moxa-cones, smoke-free box, extinguishing box, moxa-stick push rod, normal standing moxibustion head, smoke-free standing moxibustion head (Parts, 2015)



- Personal care products: moxa shampoo (Body care products, 2015)



5. What is the market description of ARYI's products?

5.1 Positioning

The market for standing moxibustion equipment did not exist before 2009, when ARYI opened the market to innovative moxibustion apparatus and more companies later joined it. ARYI's apparatus covers the middle to high price niche (518 RMB to 1580 RMB, or approximately €70 to €205). ARYI regards itself as a leader in the industry and seeks to establish the industry benchmarks. By selling high-quality and smoke-free apparatus and continuing to innovate moxa technologies, ARYI has ensured that its moxibustion devices and brand are well-known in China. Many public hospital rehabilitation departments and TCM clinics and beauty salons now recognise ARYI's products as being high quality and convenient innovative moxibustion devices. Moreover, the markets that ARYI is involved not only covers moxibustion equipment, but also the moxa-sticks, and, by extension, the whole TCM market. In recent years, in order to expand ARYI's brand value, the company has sent brochures on "the knowledge of health care via moxibustion" to its customers.

5.2 Who is ARYI's customer group?

ARYI customers include the rehabilitation departments of public hospitals and traditional Chinese medical clinics and beauty salons. These departments, clinics and salons provide moxa therapies to their clients, though the more traditional approach to moxa therapy is generally only available in the clinics.

5.2 What are ARYI's customers' needs?

The quality of the products is the top priority for these service institutions. They expect ARYI's products to meet professional standards and to receive national certification. Moreover, they expect ARYI's instrument to be durable and to improve the efficiency of their daily work. These customers, especially the beauty salons, want ARYI's instruments to become popular among their clients, so that they can retain customers and their popularity in the industry will grow. They also require after-sale services such as installation, repairs, and technology support.

5.4 How does ARYI meet these demands?

ARYI continually innovates its product range. Staff attend academic meetings frequently and cooperate with professional teams; in addition, hiring further employees equipped with TCM knowledge has allowed ARYI to improve the professionalism and quality of its equipment as it expands its product range. Moreover, based on the different needs of customers, ARYI produces two versions of its standing moxibustion apparatus, which are aimed at professional use and family use, respectively. Two independent sales departments offer help with relevant hardware problems and spread moxibustion knowledge. In terms of hardware problems, ARYI also collects customer

feedback regularly to improve the quality of its products. ARYI also answers customers' questions about moxibustion and teaches customers how to use its products. Customers also receive moxibustion knowledge guides from ARYI to help them acquire additional knowledge of moxibustion and other Chinese therapies.

6. What are the internal factors affecting ARYI's entry to the Dutch market?

Porter's value chain is regarded as a useful method for systematically identifying competitive advantages and limitations. This generic description of activities was thus used to help the researcher and readers understand whether there are certain activities that are more valuable to ARYI or which could be improved to become competitive strengths for ARYI. The primary activities were analysed initially:

1. Inbound logistics, Operation, Outbound logistics :

ARYI has the same operation mode as DELL. Owing to a lack of production ability, ARYI cooperates with supporting plants by providing a model of each component, and supporting plants in their production. ARYI standing moxibustion equipment is mainly made of metal, and thus, ARYI works with factories in Guangdong, where the best metal industries in China are located, choosing factories in Shandong to produce the thermal insulation systems for similar reasons of expertise. ARYI is in charge of design and installation, and of the packaging of the products. Owing to the quantities demanded by the customers, the outbound logistics is divided into two sections. ARYI delivers big orders through a logistics company and small orders through an express company.

2. Marketing and sales:

Word-of-mouth marketing and digital marketing are the main marketing methods ARYI uses to promote its products. ARYI also regards the expert channel as its top promotion channel. ARYI sends attendees to many symposia every year, as this kind of meeting provides ARYI with the opportunity to communicate with and learn from such experts. Through this expert channel, ARYI has been introduced to more hospitals and has gained credibility from its customers, encouraging more people to choose ARYI products and to go on to introduce ARYI to their friends in turn. New media operation is another important marketing method used by ARYI to promote its brand and products. ARYI advertises and offers the latest information about moxibustion on its public account on WeChat.

As with the outbound logistics system, the sales department is also divided, here into distributors and e-commerce. ARYI's distributors deal with the larger orders, as most large orders are from hospitals and TCM institutions, and this team has at least a basic knowledge of TCM and moxibustion health care; other sales people are only in charge of selling products. Many beauty salons purchase ARYI's products online, through the company's website, or on Taobao.com, Alibaba.com, or WeChat. They do not know as much about moxibustion as the professors and doctors do, so ARYI's salesmen also provide additional training in using the products and moxibustion in general to them.

3. Service:

After-sales services have created a connection between ARYI and its customers. ARYI uses a comprehensive after-service strategy that it can be divided into hardware services and technical support. Although the failure rate of ARYI's standing moxibustion apparatus is less than 0.3%, ARYI still collects feedback from customers regularly (interview with ARYI, 2017). However, most after-sales service is mainly about technical support. ARYI uses media operations to facilitate this by publishing the instructions for products along with their brochures on the company website and its public WeChat account.

These support activities can be further analysed:

1. Infrastructure:

The infrastructural activities of ARYI are split up among the company units, including the department of human resources, department of finance, department of production and support, department of marketing, department of sales, and the warehouse. The financial department manages financing and accounting, while the department of production and support manages social resources, and it is responsible for selecting business partners, product innovation, and collecting feedback from customers. The warehouse oversees storage and logistics.

2. Human resources management (HRM):

Human resources management is one of the most vital activities of ARYI. Alongside recruiting, hiring, and training employees, ARYI's HRM also reviews and manages staff according to production needs. The HRM is also responsible for the analysis of statistical data, and for assisting and supervising the production and support department when selecting suppliers.

3. Technological development:

Technological development is the role of the department of production and support. The production and support department designs the products and makes component models, as well as improving the product quality and innovating to create new products by analysing sales data and evaluating feedback from customers. In order to guarantee product quality, ARYI's HRM also supports the technological development by hiring employees with appropriate professional skills.

6.2 Strengths and Weaknesses:

Strengths	Weaknesses
Quality	Inbound logistics
Customer relations	Not familiar with European market
R&D	Occupies more space than other moxa-therapies
Reputation	Small product range
Online marketing tools	
Export experiences	

Table 4

In terms of competing with the traditional moxibustion industry, to establishing its competitive advantages, it is necessary to analyse ARYI's strengths and weaknesses. Such analysis can take the form of cost advantage or differentiation advantage. However, the researcher was not able to utilise confidential financial data, and thus, in this case, the strengths and weaknesses were analysed based on differentiation advantage, that is, on identifying those activities that create the most value for customers.

6.2.1 Strength:

1. Quality:

The whole success of the firm is based on the products, and ARYI's brand represents high-quality. ARYI improves its products by communicating with experts and increases its product range by evaluating feedback from customers. Moreover, professionalism and reliability are bywords for the firm. ARYI's standing moxibustion apparatus has been authorised by the national patent centre and recognised by more than 200 hospitals. By maintaining this level of support from experts and customers, ARYI's brand awareness can become higher.

2. Customer relations:

Service is a value creation activity for ARYI, and its focus on service enhances its brand image and social benefits; this activity also increases market share and maintains the products' value. The installation and repairs services favourably affect the popularity of the products, and the regular collection of feedback has increased the credibility of the company. This feedback has also supported the development and innovation of products. Moreover, the provision of training has raised customer confidence in using the products. All of these activities have thus led customer relations to become stronger.

3. R&D:

Data analysis supports all of ARYI's product development process. ARYI continually evaluates sales data and feedback from experts and customers, and based on these analyses, ARYI has made a great deal of progress in product innovation while maintaining high-quality products. ARYI innovates smoke-free moxa-sticks and smoke-free moxibustion devices; these new characteristics have made the equipment more eco-friendly and competitive.

4. Reputation/Brand awareness:

ARYI participates in academic TCM summits regularly, affording the company many opportunities to communicate with TCM experts. ARYI's brand is recognised by public hospitals and its products have both certifications and national patents.

5. Online marketing tools:

ARYI has an official website and an official WeChat public account. Customers can purchase products directly through the official website, and ARYI can collect feedback instantly. A 24/7 online support service is also available on the website. ARYI also uses WeChat, which is the most popular social communication application on Chinese smartphones. This means that customers can communicate with the company whenever they want, wherever they are.

6. Export experiences:

ARYI has exported to the United States, Singapore, and Canada, which means that it is equipped with knowledge and experience of exporting. These experiences could help ARYI to adapt to the Dutch TCM market more quickly than its competitors.

6.2.2 Weaknesses:

1. Inbound logistics:

Compared to its marketing and sales operations and technology development, ARYI is less strong in terms of its inbound logistics. As mentioned above, ARYI designs product models and cooperates with raw material factories to produce the components. Though ARYI sets the standards for the components, the operational activity is heavily influenced by the suppliers, which may lead to issues such as delays.

2. Unfamiliar with the European market

ARYI has exported to north America and south-eastern Asia. However, Europe is a new market to ARYI, and it is unfamiliar with the economic environment and export regulations of the European Union and the Netherlands.

3. Occupies more space than other moxa-therapies

ARYI's standing moxibustion equipment takes up more space than other modern moxibustion devices such as electronic moxibustion apparatus. With electronic moxibustion

devices, such as moxa-light, customers can put them on their bodies anywhere, but ARYI's devices can only be used where there is an independent space.

4. **Small product range**

ARYI sells standing moxibustion devices, moxa-sticks, and replacement components. Compared to other moxibustion companies, ARYI has a smaller product range, as most others also sell Chinese medicines and other TCM apparatus.

7. What are the external factors affecting ARYI's entry to the Dutch market?

7.1 IDESTEP Analysis

It is essential that ARYI analyses the trends relating to the selected country, in order to understand the macro-environmental opportunities and threats when entering the Dutch market. Six aspects will be analysed: demographic; economic; socio-cultural; technological and ecological factors, alongside the political-legal environment. This chapter focuses on analysing the social-cultural, ecological and political aspects, because these are the most significant elements directly affecting ARYI.

Demographic aspects:

The moxibustion can warm regions and meridian points of the body, aiming to stimulate circulation through these points and induce a smoother flow of blood and qi (The YinOva Center, 2018). The moxa therapy is appropriate for physically weak individuals across all age groups, being particularly useful for the elderly upon 40-year-old. The Netherlands is a developed country, having a population of 17 million inhabitants in 2016 (European Union, 2016). Statistics on the Netherlands show there are approximately nine million people above 40-years of age which is almost half of the total population (Demography, 2016). Moreover, ANF (Acupuncture Now Foundation) (2015) noted that in 2014, approximately 250,000 people of this total have chosen acupuncture to ease pain or heal their body. This number is approximately 25% of all complementary and alternative medicine patients. Furthermore, such statistics convey the popularity of Chinese therapy, with 80% of Dutch TCM clinics' patients being Dutch people, 10% being Chinese and the further 10% being foreigners residing in the country (Dutch Chinese Association of Chinese Medicine, 2016). Additionally, over 2000 TCM clinics have been established in the Netherlands, with the majority providing moxa therapy (Dutch Chinese Association of Chinese Medicine was established in Amsterdam, 2016). This means that a demand exists for Chinese therapy, with demand for the moxa-therapy and moxibustion apparatus also expanding.

Economic Structure:

With a GDP of USD697,219 billion and GDP growth rate of 2.4% in 2016 (European Union, 2016), mean Dutch household income is EUR23.6 thousand, with 9.3% of gross income spent on social insurance premiums. In 2015, health care was approximately 95.3 billion euros, with each citizen spending an average of EUR5,628 euros, which is 14.1% of GDP (Statistics Netherlands, 2016). The Netherlands has an export-oriented economy. Approximately 80% of raw materials are imported, while over 60% of products are exported, with 80% foreign trade attained within the EU (Kingdom of the Netherlands, 2009). The country is also a major importer, with commercial services imports amounting to EUR118 billion in 2014, situating the country seventh in international rankings (Import in the Netherlands, 2017).

Technological level:

Immediate customers (TCM clinics) must possess basic Chinese TCM knowledge for using ARYI's products. Fortunately, the Netherlands' TCM industry is rapidly developing, with an increasing number of Dutch people, particularly general practitioners and foreigners, beginning to learn traditional Chinese therapies and accept TCM. Presently, over 2000 clinics exist in the Netherlands, all of which provide moxa-therapy (Dutch Chinese Association of Chinese Medicine was established in Amsterdam, 2016). Dutch TCM clinics are equipped with professional TCM technologies, with doctors being highly trained in TCM knowledge.

Dutch logistics are effectively structured. Schiphol airport and the Port of Rotterdam are two major European cargo ports, providing the country with a key role in through transportation of goods to Europe at large. This has made it an attractive location for foreign companies (Netherlands Enterprise Agency, 2017). Many logistics firms have opted to establish branches in this well-developed country, for example the national company Post NL, as well as DHL one of the most renowned international logistics companies. Furthermore, 79% of all containers transported to the EU-27 countries are via Dutch territory (The gateway to Europe, 2017). Therefore, in future ARYI's products may have access to the wider European market through Dutch ports.

ARYI may consider E-commerce as an appropriate export method for Dutch market entry. E-commerce technology is well-developed in the Netherlands. Export.gov explained that many international firms are active in the Netherlands, with E-commerce being the mostly widely adopted method for companies undertaking business in the Netherlands (U.S. Commercial Service, 2017). Moreover, mobile E-commerce has become increasingly popular in Dutch society, comprising 13% of total E-commerce undertaken in the Netherlands. iDEAL is the most common method of payment, with credits cards, payment slips and authorisations also acceptable for Dutch E-commerce (International Trade Administration, 2016).

Socio-cultural factors

Chinese culture and Eastern therapies, for example acupuncture and massage, are highly accepted among the Dutch population. Acupuncture and moxibustion were introduced in the Netherlands 300 years ago through three Dutch citizens. Presently, over 2000 TCM clinics have been established in the Netherlands, with more than 4000 certificated TCM doctors, with approximately 200 of these being Chinese (Dutch Chinese Association of Chinese Medicine was established in Amsterdam, 2016). As mention previously in terms of demographic variables, 80% of clinic patients are Dutch, 10% are Chinese and the remaining 10% are foreigners residing in the Netherlands (Dutch Chinese

Association of Chinese Medicine, 2016). Even royal family members, the prime minister and major celebrities know this culture. An increasing number of Dutch people and foreigners in the Netherlands have begun to learn about Chinese culture and study TCM therapies. Therefore, it is apparent that Chinese therapy has gained popularity in this country.

Political-legal environment

One of the Netherlands' major import partners is China (European Union, 2016). The Netherlands has invested heavily in their bilateral relationship with China. In March 2014, Chinese president Xi Jinping initiated his first official European visit in the Netherlands. Both countries agreed to intensify their bilateral relationship, seeking to establish an "open and pragmatic partnership" (Chang & Pieke, 2017). Moreover, the Netherlands is an active partner in China's multilateral and sub-regional initiatives comprising the "Belt and Road project", with trade agreements covering various areas from commercial sectors to ecological cooperation. This has led to the Sino-Dutch relationship reaching a peak unprecedented in history. Trade figures have demonstrated that since the mid-1990s, the goods value of Sino-Dutch trade has expanded from approximately EUR2.5 billion to EUR40 billion. Over 450 Chinese companies have established Dutch branches, for example Huawei Enterprise and China Cargo Airlines (Rutte, 2015).

Concerning the legislation sector, three aspects must be considered: EU export and import regulations; Dutch medical insurance, as well as safety systems. Firstly, all products, particularly machinery and medical devices sourced outside the EU, require certification via CE Marking prior to being sold in the EEA (the EU plus Iceland, Lichtenstein and Norway). CE Marking provides confirmation that the goods have been assessed and accord with EU safety, health and environmental requirements (European Union, 2017). Despite being difficult to obtain permits from the European Medicines Agency (EMA) for Chinese herbs and medicines, the majority of Chinese herbs are permitted for sale if marketed as foods or food additives (Huang, 2013).

Secondly, insurance is a legal variable that may affect the Dutch TCM market. Physiotherapy and dental care are not reimbursed by the Netherlands' compulsory standard insurance package, with citizens obliged to purchase an additional package from insurance companies to cover these services (Government of the Netherlands, n.d.). Fortunately, acupuncture and moxibustion are increasingly recognised by Dutch insurance companies, with customers able to receive a refund covering between 70% and 100% of payments.

Thirdly, the Dutch government stipulates that every business premise must be equipped with a fire safety system in their offices (Netherlands Enterprise Agency, 2017). This system may affect users

of ARYI's standing moxibustion apparatus, due to moxibustion's stimulation of body spots through the heat from burning the moxa-herb. The smoke from burning moxa-herb may trigger the fire safety system. Fortunately, ARYI's smoke-free products may resolve the potential smoke-related problems.

Assessment:

The DESTEP provides a positive outcome concerning the Dutch market's macro-environment relating to ARYI. Firstly, many TCM clinics have been established in the Netherlands, meaning that there is a sufficient number of direct and potential customers for ARYI. Secondly, eastern therapies are highly accepted by Dutch people and foreigners. Thirdly, the Netherlands' developed economy and infrastructure provides a foundation for ARYI, alongside a comprehensive system for Dutch-based export and import trade, particularly with respect to E-commerce. Despite the export and import regulations being very strict, the growing number of Sino-Dutch bilateral businesses will assist companies such as ARYI to transcend these difficulties.

7.2 Industry analysis

The industry analysis seeks to demonstrate the target market's attractiveness. The fewer external factors there are affecting the company, the more attractive the existing market sectors appear, with the environment increasingly beneficial for the company.

The threat of entry

The first dynamic for analysis is the threat of new entrance. As a new entrant to the Dutch TCM industry, several obstacles may affect ARYI. The first obstacle is the economy scale. Expansion in the scale of economy of the market will result in increasing volume of product production, which diminishes the per-unit product cost. Despite the Dutch TCM industry's swift development, with the market size being significant, it lacks the industry norms and maturity of the Chinese TCM industry. Therefore, the Dutch TCM market's economy of scale is not well-formed. Furthermore, with respect to ARYI's situation, the volume of product production is dependent on customer demands. As the DESTEP analysis illustrates, the majority of patients visit TCM clinics for acupuncture, with moxibustion machinery used infrequently. Consequently, in contrast with the Chinese TCM market, demand for standing moxibustion apparatus in the Dutch TCM industry is low, which may pose difficulties for ARYI entering the Dutch TCM market. Secondly, distribution may be an obstacle for ARYI, given the lack of unified industry norms within the Dutch TCM market, with every clinic possessing its own channel for purchasing products they require (interview with Beijing Tong Ren Tang, 2017). Consequently, ARYI must invest extra time and more money to identify or establish a distribution channel to remove the barriers.

Fortunately, TCM clinics and new establishments face no prohibitions in relation to Dutch policy; on the contrary, the Dutch government adds acupuncture into an extra insurance package. Furthermore, updated legislation provides opportunities for TCM clinics. Additionally, the Chinese embassy in the Netherlands is attempting to assist clinics with overcoming the challenges associated with importing traditional Chinese medicines and apparatus. The Chinese embassy also supports Dutch Chinese TCM associations with disseminating the TCM culture among Dutch people. Therefore, the government is providing opportunities for ARYI to enter the market. Moreover, ARYI's standing moxibustion apparatus is distinct from existing moxibustion apparatus. For example, certain clinics use electric standing moxibustion apparatus which is burdensome and creates considerable smoke. Without using electricity, ARYI's standing moxibustion apparatus has light holders and is equipped with smoke-free accessories. Resultantly, ARYI possesses a unique competitive advantage for gaining market share, with the threats of entry being at a medium level.

The threat of substitutes

The Dutch medical industry is well-developed. Most hospital rehabilitation departments provide professional medical apparatus for recovery from injury and healing the body, which possess equivalent product efficacy as traditional Chinese therapy. Additionally, the majority of patients trust Western medical care, with most western hospitals' rehabilitation programmes being included within the basic insurance package (Den Haag, 2017). Therefore, the threat from substitutes is significant, with ARYI having to find a way to compete with western medical care.

Buyers' bargaining power

The majority buyers ARYI focuses on are TCM clinics rather than individuals. Over 2000 clinics are present in the Netherlands, with the situation where a few large customers comprise most sales being unlikely to occur. Therefore, ARYI's buyers are not concentrated. Moreover, the standing apparatus is not a rapid-use product like the moxa-stick. Each apparatus may be used for years, meaning that the products do not account for a significant percentage of buyers' total purchases, thus customers do not possess notable leverage over ARYI in terms of price. Nevertheless, buyers' switching cost are relatively low. Buyers may easily select other traditional Chinese therapies, for example acupuncture or massage, with equivalent product efficacy as moxibustion therapy. Furthermore, the buyer competition threat is considerable. Backward vertical integration may also occur. The majority of clinics will have the capability for self-supply, or even to become suppliers; for example, Shenzhou clinics established their own sales department as one method of making profit (interview with Shenzhou, 2017). Therefore, purchasers' power tends to be high.

Suppliers' bargaining power

As mentioned previously, the Netherlands has few suppliers operating within the TCM industry. Most clinics retain their own China-based purchasing departments, or directly import from China (Dutch Chinese Association of Chinese Medicine was established in Amsterdam, 2016). Although ARYI is a brand, it is also a manufacturer and supplier. ARYI's apparatus' components are sourced from various factories in China. Forward vertical integration will not occur, because the standing moxibustion equipment is assembled in ARYI's own factory, with ARYI's suppliers just selling small components to the company. Consequently, the supplier competition threat is low. Given the developed nature of the Chinese TCM industry and TCM apparatus industry, sufficient suppliers exist for ARYI to choose from, thus reducing ARYI's switching cost. Therefore, regarding bargaining power, ARYI retains leverage over its suppliers, with the threat being limited.

The industry rivalry

Over 2000 clinics have been established in the Netherlands, with the TCM market almost saturated. It is also the case that each clinic has their own suppliers. This will result in the industry's low fixed costs, given that high investment in capital equipment or initial research is not necessary. In the context of the Dutch TCM industry's growth, any organisation may expand with the market. The TCM market comprises of various products and services, with customers able to switch between competitors; thus the methods of competition are not simply dependent on the price. Therefore, rivalry is increased.

Assessment:

ARYI has an opportunity to enter the Dutch market. The Netherlands' TCM market is approaching a mature market stage; however, it still lacks the industry benchmark. Furthermore, the majority of customers possess their own supply chains, which are stable and of a long-term nature. It is also apparent that the threats posed by substitutes are considerable, resulting in the customers' bargaining power increasing. Therefore, the situation is challenging for ARYI. Nevertheless, there is a stable relationship between ARYI and its suppliers, while compared to ARYI's competitors, their products have a competitive advantage. Moreover, the Dutch government has an open attitude to the TCM market. Based on the above industry evaluation, overall the Dutch TCM market is attractive to ARYI.

7.3 Competitor analysis

ARYI faces three major competitors in the TCM industry, which are ShengXing, YIZI, and TianYi. In China, the majority of moxibustion apparatus and its supplies are sold via Alibaba.com. These three brands are defined as ARYI's competitors due to being the top four brands sold on Alibaba, although ARYI's sales are highest on the platform.

Criteria	ShengXing	YIZI	TianYi	ARYI
Established	December, 2009	June, 2015	September, 2015	April, 2009
Headquarters	Chengdu	Guangzhou	Qingdao	Chengdu
Numbers of employees	10 - 20	30 - 50	10 - 20	51-100
Business model	Distributor	Manufacturer	Seller	Manufacturer
Business scope	Sells moxibustion apparatus and its supplies	Sells household beauty equipment and TCM apparatus	Sells moxibustion apparatus and its supplies	Sells moxibustion apparatus and its supplies
Segmented customers	TCM clinics, hospitals, manufacturers and individuals	Beauty salons and TCM clinics	Beauty salons, TCM clinics and hospitals	TCM clinics, hospitals, manufacturers and individuals
Pricing	Low level	Medium level	High level	Middle to high level
Product quality	Medium	Medium	Medium to high	Medium to high
Product design	Simple and Chinese style	Complicated and Chinese style	Simple and modern style	Simple and professional Chinese style
Rate of returning customers (data from Alibaba.com)	7.41%	19%	24.44%	33%
Export experience	None	None	None	USA and Canada, Singapore

Table 5

ShengXing:

ShengXing has many shared characteristics with ARYI. For example, it is a sales agent established in 2009 in Chengdu. ShengXing is a distributor selling acupuncture equipment, rehabilitation physiotherapy equipment and supplies. The firm has equivalent segmented customers with ARYI, namely hospitals and clinics. Nevertheless, in contrast with ARYI, in terms of hardware and infrastructure, ShengXing has none of its own factories due to not being a manufacturer. Concerning the software sector, ShengXing has no web shop and has no international export experience. Regarding its products, ShengXing's product range reflects that of ARYI, however, ShengXing's products are low-price and medium quality. Data from Alibaba.com indicates the rate of returning customers, with ShengXing and ARYI's rates being 7.41% and 33.4% respectively. Therefore,

despite both ShengXing and ARYU actually possessing significant selling experience in the domestic market, ARYI still retains its competitive advantages such as export experience, E-commerce experience, high product quality and strong reputation among customers (ShengXing, 2017).

YIZI

In contrast with ARYI, YIZI is a young company established in Guangzhou in 2015. YIZI also considers TCM clinics as their primary customers, has although possessing a wider product range that covers and focuses on household beauty equipment. YIZI has its own factory, while being certificated by the national agency. Resultantly, the products' average quality surpasses the industry standard. YIZI relies primarily on Alibaba as their online distribution channel, because the company has not established its own official website. Given that the company sells numerous products from another industry- the beauty care industry- sales via Alibaba have exceeded ARYI's, although the rate of returning customers is just 19%, which is lower than for ARYI. Further, YIZI was established in 2015 and has no overseas distribution channel, with its primary market being China. These analyses illustrate that ARYI has a greater customer reputation and selling experiences in contrast with YIZI (YIZI, 2017).

TianYi

TianYi is another young enterprise established in 2015, based in Qingdao. They are a powerful rival to ARYI, given their shared position as medical technology companies narrowly focusing on moxa-therapy and emphasising the development of moxibustion apparatus. TianYi's customers are TCM clinics, while the firm has an equivalent product range to ARYI's, while TianYi's main market is China. Nevertheless, TianYi's rate of returning customers is 24.44%, which is lower than ARYI. TianYi is a seller with the company owning no factory for product fabrication. Furthermore, the company is smaller than ARYI, with no official website and heavy reliance upon Alibaba's online shop. The mean product price is higher than ARYI, while product quality ranges from medium-level to high-level. Therefore, in terms of brand image, TianYi has a similar conceptualisation as ARYI, with a positive brand reputation among customers, however ARYI has cheaper prices, higher product quality and greater retailing experience (Alibaba, 2017).

Assessment:

Three major competitors have been identified, which are ShengXing, YIZI, and TianYi. Product quality, customer connections and export experiences are the major elements in assessing ARYI and its competitors. ShengXing and TianYi do not own their own factories. Therefore, manufacture and installation are undertaken by different firms, potentially diminishing goods' quality control while

increasing product costs. The relationship between consumers and product quality may affect the rate of returning customers. Nevertheless, ShengXing and YIZI do not have their own websites, resulting in customer connections being less close compared to ARYI and TianYi. Customers can only contact ShengXing and YIZI via Alibaba, which is particularly inconvenient. Furthermore, it will be more difficult for ARYI's three competitors to enter the Dutch TCM market, because they have not previously exported to overseas markets. Therefore, ARYI possesses a competitive advantage for entering the Dutch market, in contrast with its rivals.

7.4 Customer analysis

Customer analysis is essential for ARYI's customisation of marketing tactics for the Dutch TCM market. Seven in-depth interviews were undertaken to understand ARYI's potential customers. The interviewees were selected according to company size (from small private clinics to large franchising clinics), the clinics' reputations (renowned clinics in Dutch cities and nationally), as well as location (the Netherlands' three largest cities, namely Amsterdam, Rotterdam and The Hague). The following sections will present an analysis of the data collected. To effectively comprehend the Dutch market and implement the most appropriate marketing plan, the Abell model is applied as the analytical model; the customers' standards and interest in the brands, alongside their purchase preferences, will be analysed as the referencing condition of customers' consumption behaviour.

Abell Model

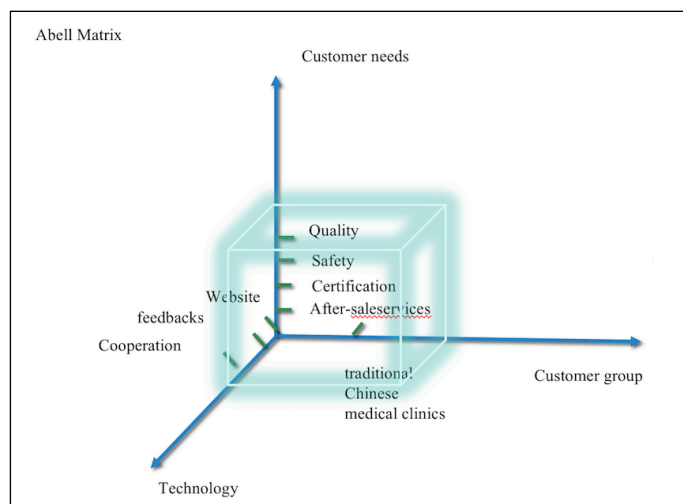


Figure 7

The target group:

As the market description stated, ARYI's Dutch market target group is traditional Chinese medical clinics (B2B), who provide moxa therapy services to patients. Furthermore, the traditional approach of moxa therapy is available in the clinics. The majority of Dutch TCM clinic owners are Chinese people living in the Netherlands, who have maintained contact with the Chinese TCM industry.

Customers’ requirements:

Based on the in-depth interviews, Dutch customers have sought traditional Chinese medical approaches rather than western medication. The table below conveys Dutch customers’ requirements in detail. As is apparent, the clinics, high-quality and safe apparatus with CE marking are the products they require. Furthermore, the after-sales service is an important element that customers require.

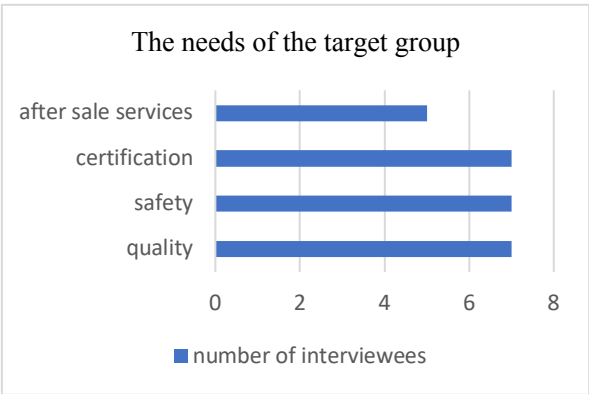


Table 6

During the interviews, quality was the initial comment made by customers relating to the product. Quality concerns product efficacy and the product’s own durability. Regarding the clinics, their primary concern is the products’ professional standards. Customers anticipate that ARYI’s products are useful and can assist patients. Furthermore, customers require that products may be used for a long period, with no hardware issues suffered. Safety is the second element mentioned by customers. It is crucial for ARYI’s products to adhere to professional standards, with certification gained from the EU, given the strict nature of import/export regulations of. Strong after-sales service is a further requirement from customers. Given that the products relating to customers’ needs are medical apparatus, it is essential that the company provides installation and repairing services, alongside training in the use of machinery.

Technologies:

ARYI should consider several technologies in order to fulfil customers’ demands. RYI’s R&D department must regularly obtain and evaluate feedback obtained from consumers in order to enhance equipment standards as well as to extend product use duration. ARYI must also cooperate with experts or agents with experience of exporting to the EU market, in order to learn about the process for securing CE marking. Regarding after-sales services, the tutorial for using the products that is available on ARYI’s official website can assist customers with product familiarisation, with customers able to contact the company via ARYI’s 24/7 online service.

The Abell model only illustrates the basic criteria that customers are concerned with in relation to the moxibustion apparatus. The following paragraphs will analyse the target group’s consumer behaviour in particular. The bar chart below demonstrates the standards of ARYI’s targeted group during their selection of moxibustion apparatus:

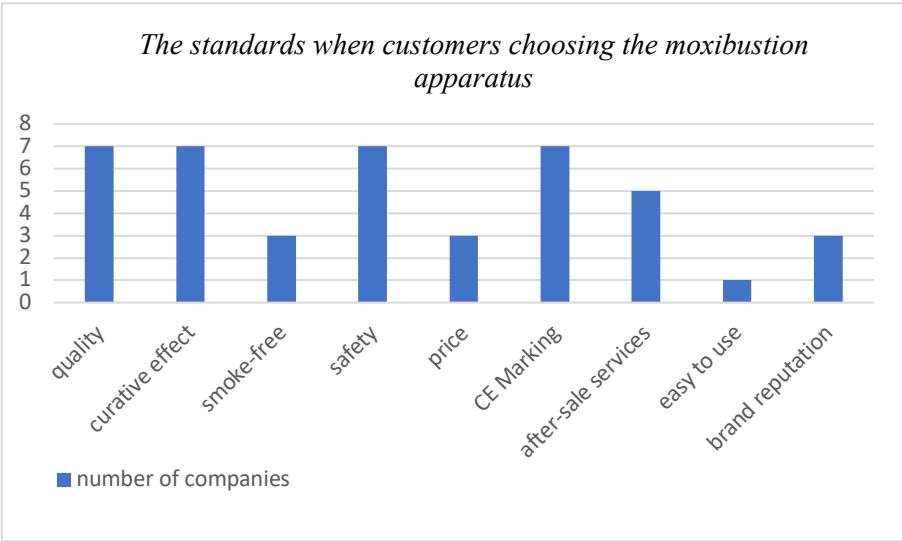


Table 7

As it is can be found out in the Table 7, all of the interviewees regard the quality, curative effect, safety and CE marking concern the product’s standards. Five clinics held the view that the exporting company’s after-sale services are also crucial. Given that the Dutch government has legislated that every clinic requires a fire alarm, almost half of the interviewees stated that the smoke-free characteristic is another gauge when selecting a moxibustion device. Three interviewees identified the price as their standard during the purchase of moxibustion apparatus, whereas three regarded brand reputation as their principle concern in relation to the products. Nevertheless, two interviewees who regarded the price as their standard also suggested that products with a genuine curative effect, would make a higher price acceptable.

Table 8 illustrates customers’ interests in ARYI’s products following the researcher’s introduction of products to them.

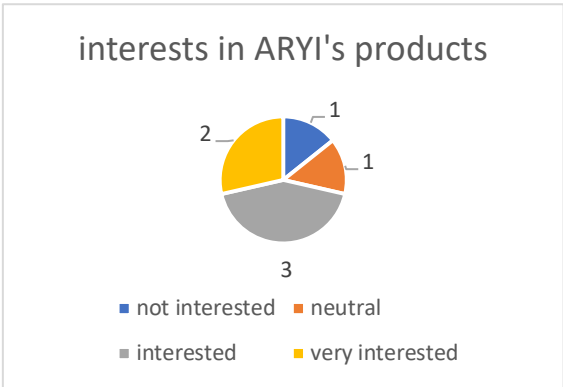


Table 8

More than half of the interviewees show their interests in ARYI’s smoke-free moxibustion apparatus. They think that the standing moxibustion apparatus is helpful when doctors doing therapy on the patients, for instance, in the interview with Tong Ren Tang, the interviewees hold the view that traditional moxibustion therapy occupies the time and doctors. However, ARYI’s standing moxibustion can solve the problem of taking human resources properly. Yian Tang and Yeah Come were particularly interested in ARYI’s smoke-free standing moxibustion apparatus, as the product may eliminate smoke from the burning moxa-stick. Nevertheless, Shenzhou clinic’s managed proposed that the standing moxibustion apparatus is pointless, given the lack of demand for moxibustion in their clinics, while many substitutes may replace the moxibustion apparatus. Moreover, other influential elements are supplies such as the moxa-sticks as well as product size and price, which drives the company to select electric moxa-apparatus.

Table 9 exhibits the channels through which customers purchase their Chinese medicines and TCM devices.

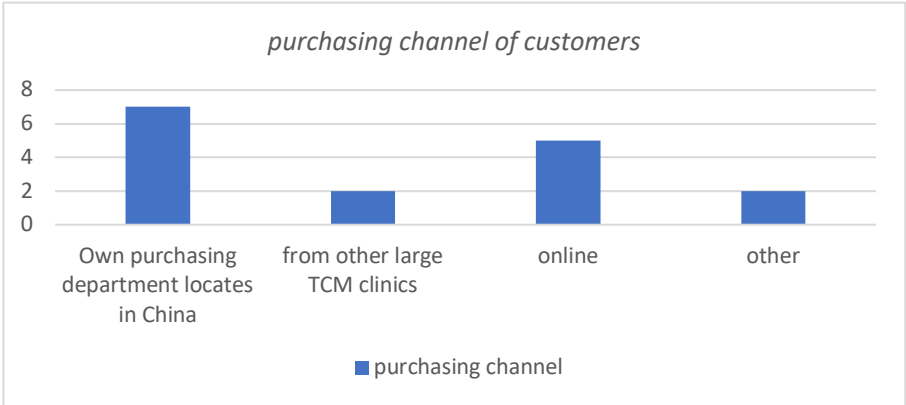


Table 9

All interviewees retained their own China-based purchasing departments, while two also purchased the products they required from other large size clinics. For instance, YiJiu is a small, Hague-based clinic, which purchases Chinese medicine and some small therapy devices from a larger clinic called ShenZhou. Five interviewees preferred to purchase products online. They believe that online shopping is convenient, while offering a wider product range. Two interviewees possessed other purchasing channels, although owing to clinics’ confidentiality, they were unwilling to communicate details of this channel to the researcher.

Assessment:

The analysed data reveals that customers require products with high quality, safety, efficacy and certification. This outcome is reasonable, given that ARYI's direct customers are hospitals and health care institutions, thus their products must ensure safety and possess professional certification, with high-quality products also enhancing the reputation of medical institutions. Moreover, in accordance with consumer buying preferences, the direction of ARYI's distribution channel within the Dutch market can be identified. ARYI may promote and distribute its products both in China and in the Netherlands, given that many clinics retain a China-based purchasing department. Certain consumers favour smoke-free standing moxibustion apparatus, whereas others believe that such equipment is useless. ARYI must rigorously consider its product positioning, as well as how ARYI's products can compete with substitutes.

7.5 Distribution analysis

ARYI must consider the various possibilities and distinct distribution channels prior to entering the Dutch TCM market. Potentially, several different distribution channels are appropriate for ARYI, which will be analysed below. Ultimately, the most effective approach will be selected for ARYI to enter the Dutch market.

Direct distribution

Direct export means that ARYI can directly export their products to customers, with ARYI needing to be responsible for handling market research, foreign distribution channels, shipment logistics and collective payment. For ARYI, direct export poses various advantages. For example, ARYI will possess a sounder comprehension of customers' requirements, while the business' efficiency will be strengthened. ARYI can immediately post products to customers once they have ordered them via ARYI's official website. Customers will feel safer as they will be aware of who they are engaging in business with. Via direct export, customers can provide feedback more rapidly and directly to ARYI. Furthermore, ARYI's potential profits will be strengthened, due to intermediaries being eliminated. Moreover, ARYI will retain control over all transactions, while the company will enhance their protection of trade markers, patents or copyright, thus posing a sound means through which ARYI can maintain their brand reputation. Conversely, direct export also has certain weaknesses, as it can be costly in terms of time, money and energy required for market research. After-sale service is a further aspect that ARYI must be mindful of, because ARYI may be unable to solve customers' problems as rapidly as local companies.

E-commerce

E-commerce poses an attractive approach for ARYI to sell their products directly from their warehouse to the customers. ARYI has an existing online shop where customers can directly purchase goods. Furthermore, customers can be informed about original products and news relating to the Chinese TCM industry via ARYI's official website, or through Alibaba. ARYI's also provide online customer support, thus it is a perfect means through which ARYI can maintain contact with customers. E-commerce saves money, due to reduced sales and transition costs. Given that ARYI has already established a website, E-commerce can be quickly engaged in by the firm. Moreover, E-commerce is efficient due to fewer channels and less dependence on foreign connections, with ARYI retaining greater controls. Nevertheless, E-commerce also poses certain disadvantages, for example, customers are unable to physically examine products and must take responsibility for logistical costs.

Indirect export via agents

Working with an agent for export is rather common in Europe; more specifically, over 75% of internationally-orientated European companies opt to use agents during export work (Indirect export, 2010). Employing an agent could be a sound option for ARYI. Despite ARYI having experience in exporting to the USA, Canada and Singapore, the European market continues to be a new field. The advantage of working with an agent is that they will assist ARYI with understanding and adapting to various EU regulations and Dutch laws, which somewhat vary from North America and South Asia. Even so, disadvantages are posed, for example ARYI must spend time and money selecting an agent, who must be familiar with the Dutch TCM market and possess knowledge of Chinese medicine.

Assessment:

Combining E-commerce and cooperation with an agent will be the most effective method for ARYI. Due to ARYI having an online shop through which E-commerce can be easily engaged in, ARYI will be able to become closer to customers. Furthermore, the agent can assist ARYI with averting challenges associated with obtaining CE marking and licenses. The agent can rapidly strengthen ARYI's comprehension of the Dutch market. Through a combination of E-commerce and the agent, customers may opt to order products via ARYI's official website or an agent, while accruing feedback from customers directly via ARYI's official website.

Opportunities	Threats
<ol style="list-style-type: none">1. high acceptancy and popularity of TCM therapy in the Netherlands (many TCM communities)2. well-developed infrastructures, especially in terms of transportation3. open export environment4. positive relationships between China and the Netherlands5. various developed distribution channels, especially in terms of E-commerce and agent	<ol style="list-style-type: none">1. strong competition from substitutes2. bargaining power of customers3. strict EU exporting and importing regulations4. transportation cost5. lack of industry benchmark

8. Which entry mode is likely to be most effective, based on the juxtaposition of influences from external and internal factors?

SWOT analysis is derived from both internal and external analysis, providing an ability to clarify what ARYI has done more effectively than its customers, and what dynamics ARYI must strengthen. Moreover, it summarises the threats posed to ARYI in the Dutch market, alongside the opportunities to be gained. SWOT analysis is beneficial due to assisting ARYI with identifying their strategic position and marketing management upon future entry into the Dutch market. The table below illuminates the major issues arising through ARYI's capabilities and the Dutch TCM market's business environment.

External Analysis	Weaknesses:
<ul style="list-style-type: none"> - S1: unique characteristics, high-quality and smoke-free products - S2: tight customer relationship and high rate of returned customers - S3: after-sale services, R&D, keeping innovating and developing the products - S4: professional brand image and good reputation - S5: online marketing (official website, official WeChat account and 24/7 online service) - S6: export experiences 	<ul style="list-style-type: none"> - W1: inbound logistics, lack of production ability - W2: not familiar with European market - W3: lack of Chinese government support on TCM market - W4: few product ranges
Opportunities:	Threats:
<ul style="list-style-type: none"> - O1: high acceptancy and popularity of TCM therapy in the Netherlands (many TCM communities) - O2: well-developed infrastructures, especially in terms of transportation - O3: open export environment - O4: positive relationships between China and the Netherlands - O5: various developed distribution channels, especially in terms of E-commerce and agent 	<ul style="list-style-type: none"> - T1: strong competition from substitutes - T2: bargaining power of customers - T3: strict EU exporting and importing regulations - T4: transportation cost - T5: lack of industry benchmark

Table 10

Confrontation matrix

The confrontation matrix is derived from the SWOT analysis. It reveals various issues associated with the domestic market and the challenges that ARYI may encounter within the Dutch market. Table 11 illustrates the correlation between opportunities, strengths, threats and weaknesses. In the table, the cells highlighted in blue indicate that each variable has a strong connection and affects each other positively, while the cells coloured red indicate that each variable has a strong connection yet a negative effect on each other.

Confrontation matrix		Opportunities					Threats				
		O1	O2	O3	O4	O5	T1	T2	T3	T4	T5
Strengths	S1	++	+	+	+	+	++	++	0	-	0
	S2	+	0	+	0	0	+	+	0	0	0
	S3	+	0	+	0	+	+	+	0	0	+
	S4	+	0	++	+	+	+	0	+	0	+
	S5	+	0	+	+	+	+	+	0	0	0
	S6	0	+	+	+	++	++	+	++	+	0
Weaknesses	W1	0	0	0	0	0	-	-	0	0	0
	W2	+	0	+	+	++	-	-	--	-	0
	W3	++	+	+	+	+	0	0	-	0	0
	W4	0	0	0	0	0	-	-	0	--	0

Table 11

- ++ A strong positive correlation between both variables; they significantly affect each other
 + A positive correlation between both variables, they affect each other positively
 0 There is no correlation between both variables, they do not affect each other
 - A negative correlation between both variables, they affect each other negatively
 -- A strong negative correlation between both variables, they significantly affect each other

Table 12, where the combinations are clearly stated, demonstrates how each elements impact on each other

		External Analysis	
		Opportunities	Threats
Internal Analysis	Strengths	<ul style="list-style-type: none"> - product+ high acceptance: Utilising the competitive advantages within the Dutch market, in order to introduce unique characteristics and distinguish ARYI from its competitors. - brand image+ environment: Professional brand image appeals to more potential customers. - export experiences+ various distributions: Export experiences with other countries will assist ARYI with quicker adaptation to the European business environment. - Online tools+ various distributions: Developing an official website and Dutch export distribution channels can create significant advantage when a company enters the market. <p>→ Differentiation strategy, Social media marketing</p>	<ul style="list-style-type: none"> - product+ competitors: Using the unique product characteristics to overcome rivals. - product+ customers: The 24/7 online services establish a tight connection with customers, enabling trust to be gained from customers. - export experiences+ competitors: ARYI has greater export experience in contrast with its competitors. - export experiences+ strict EU export regulations: ARYI can react to strict regulation more rapidly due to export experiences. <p>→ Differentiation strategy, Word-of-mouth strategy</p>
	Weaknesses	<ul style="list-style-type: none"> - unacquaintance with EU market+ various distributions: Although ARYI is unfamiliar with the EU market, the latter is open with a well-developed export industry, with various distribution and promotional channels assisting ARYI with formulating a marketing strategy for Dutch TCM market entry. - lacking Chinese government support+ high acceptance: High acceptance and Dutch attention on TCM will promote its development in both the Chinese and Dutch markets. 	<ul style="list-style-type: none"> - strict regulations+ unacquaintance with EU market: ARYI faces strict regulations for EU market export/ import, alongside significant competition from the local competitors and substitutes. → ARYI can cooperate with an agent possessing trade experience prior to Dutch market entry, to understand the context. - few product ranges+ high transportation cost: It is difficult to create an economy of scope and scale with a restricted product range, while transportation costs will be increased. → can expand the product ranges.

Table 12

9. Different strategy options

There are several marketing strategies for ARYI to choose when entering the Dutch TCM market, and ARYI needs to select them carefully. Based on the confrontation matrix, the product itself and ARYI's developed online marketing tools, and the openness of Dutch market and various developed distribution channels provide ARYI with many possibilities to make the entry strategies. The differentiation strategy, online marketing strategy and traditional marketing strategy are the considered potential strategies.

Differentiation strategy: products + high acceptancy, brand image + environment

Concerning the combination of products and high acceptancy, as well as the combination of professional brand image and open business environment, ARYI may utilised a differentiation strategy to establish unique distinctions among competitors. The differentiation strategy is founded on products' high-quality and distinctive characteristics. These advantages can assist ARYI with overcoming its rivals and substitutes within the Dutch TCM market. ARYI may acquire differentiation via strengthening product quality, special technology innovation and enhancing brand image, as well as maintaining contact with clients. These distinctions can be considered as competitive advantages of ARYI's products. Such differentiation is founded on products' adequacy when associated with ARYI. Given the products' high-quality and smoke-free features, ARYI has become very popular and distinctive within the market. Moreover, ARYI's after-sale service has enhanced their brand image and provided customers with added value. Therefore, differentiation should be a potential strategy for ARYI.

Online marketing strategy: online marketing tools + various distribution channels

Online marketing is one marketing tool that companies may utilise to promote their brand and products, due to the Internet being accessible and time-sensitive. ARYI may combine this strategy with its already established online marketing tools and the formulation of diverse distribution channels in the Netherlands. Social media will provide a powerful mechanism for ARYI upon entering the Dutch TCM market. ARYI's official website and WeChat accounts may offer consumers a platform for brand familiarisation and for consuming goods. Furthermore, after-sale service may be offered via ARYI's official website. Through joining the WeChat group chats of Dutch TCM clinics and Dutch TCM communities, advertising may also be undertaken via social media. This offers both time and money savings, given that ARYI has a comprehensive official website and mature social media marketing strategy. Consequently, new media may be applied as one of ARYI's entry strategies.

Traditional marketing strategy: products + customers

Through amalgamating product and customer elements, the word-of-mouth strategy can be adopted as an alternative strategy. This is premised on securing the allegiance and trust of consumers. This strategy's advantage is that the brand can become reliable, because customers may recommend products to other consumers. ARYI's products are medical equipment, therefore, word-of-mouth strategy can become more useful and powerful in contrast with other strategies. Customers may not trust advertisements, although they will trust hospitals that make recommendations. ARYI sells products to hospitals and has received positive feedback. Subsequently, hospitals advise clinics to try ARYI's products, resulting in ARYI's professional and high-quality brand image being strengthened through hospitals' recommendations. The situation will be the same as in China upon ARYI's entry into the Dutch market. First and foremost, the company should promote products that are popular at Dutch TCM clinics. Following customers' greater acceptance of products, it will be simpler for ARYI to acquire market share.

10. What is the most desirable marketing plan for the selected entry mode?

The following table has been developed on the basis of the customer analysis, which will assist ARYI with understanding average customers. The table shows that ARYI can develop a more precise marketing mix, drawing on the devised table itself, with the results drawing on seven in-depth interviews with Dutch clinics.

ARYI's customers in the Netherlands	
Category	Characteristics
Targeted group:	Dutch TCM clinics
Location:	The Netherlands
Product: customers' needs:	Eastern approaches (Equipment that is high-quality and safe, product efficacy, after-sale services, brand reputation)
Place: buying habits:	Offline: Own China-based purchasing department, or other large TCM clinics, online, or colleague recommendations
Price range customers are willing to pay:	Medium to high-level price. (EUR50- 200)
Channel for receiving information on the TCM industry:	Chinese social media (WeChat Group), annual academic meetings in China, Chinese medial magazines, as well as Dutch TCM associations

Table 13

Product:

If goods are considered as marketing mechanisms, they must accord with anticipated customer needs. ARYI's products have the capacity to resolve existing difficulties or to add value for customers. Three product decision levels must be considered: core product; actual product, as well as the augmented product (Veldman, 2010). Firstly, according to the customer analysis, results indicate that Dutch TCM clinics would actually like to utilise moxibustion apparatus that is high-quality, smoke-free, flexible and safe. Secondly, concerning the internal analysis, ARYI's products' competitive advantages are high-quality, smoke-free and innovation, with these advantages making the ARYI's brand particularly distinctive and in accordance with ARYI's niche strategy. These characteristics are precisely what ARYI fulfils through its products. ARYI's product range includes the family version moxibustion apparatus, smoke-free moxibustion apparatus and the complementary smoke-free moxa-stick, which are the most appropriate products that ARYI could provide in the Dutch TCM market. Furthermore, ARYI's recognition value is also crucial. Once ARYI or the agent presents the products to consumers, ARYI should maintain the brand's name and packaging, given that the design is in accordance with moxa in its Chinese name—AI. Although ARYI's Dutch market customers are TCM clinics, with the majority of clinic owners being Chinese, it will be more appropriate to provide Dutch language packaging labels. Finally, in terms of extended products, ARYI adds value to the products and brands via strong after-sales services. One way it

does this is through collecting customer feedback as a means of pursuing equipment innovation, with their after-sales division providing 24/7 online tutorials for product usage. Furthermore, traditional Chinese medical knowledge guidebooks are available via the ARYI's official website. Consequently, customers can independently learn how to use products anywhere and at any time.

Price:

Price is decisive for turnover realisation. ARYI's product costs are marginally pricier than other brands' goods, due to ARYI's product positioning being middle to high-level goods. Furthermore, product costs will be increased due to certain extra yet unavoidable costs. For this reason, ARYI must compete with existing products in the Dutch market, considering ARYI products' net price plus the logistics fee, EU certification costs, VAT and custom duties (Reverse-charging VAT, 2018). Therefore, logistics becomes particularly influential on product price because it also affects product weight and destination distance. If demand is sufficiently high to create an economy of scale, the logistics impact will diminish. Nevertheless, in ARYI's case, this will be particularly challenging, due to ARYI's products not being consumables, while Dutch market demand is significantly lower than within the Chinese market. On this basis, compensating with other tools to tackle this value problem seems particularly essential. ARYI could implement certain subsidiary decisions, for example discount promotions, or provide one complementary product for free if one apparatus is purchased.

Place/Distribution:

Placement is also crucial to ARYI, because the firm must distribute products in locations that are accessible for customers. Two distribution channels may be selected by ARYI, which are non-store retailing and agents. Firstly, China-based direct distribution channels will be accomplished through non-store retailing via ARYI's online shop. Based on the customer analysis, certain Dutch clinics retain a China-based purchasing department, which chooses products and sends them to the Netherlands. Therefore, it is simpler for ARYI to distribute their products. Secondly, ARYI could utilise agents when clients lack a China-based purchase department, with the agent being positioned to assist ARYI with acquiring Dutch market familiarity and resolving legal disputes. ARYI must carefully select their agent; they must be familiar with the TCM sector and the Dutch TCM market, while also being familiar with advertising methods. Furthermore, the agent should possess financial scope and sales experience within the Dutch market. ARYI must sign a contract that specifies the rights and duties, alongside the agreement in restraint of trade and any potential secrecy issues (Veldman, Indirect export, 2010).

Physical distribution:

The Dutch ports of Amsterdam and Rotterdam provide a well-developed infrastructure, allowing both sea and air transportation to be achieved. Sea transportation takes greater time, however it is cheaper than air transport.

Promotion:

Three approaches may be taken by ARYI with regard to promotional channels, which are trade fairs, social media and Dutch TCM communities. Initially, as mentioned in the customer analysis, Dutch TCM clinics are linked to Chinese TCM communities. Customers receive TCM industry-related information via their Chinese social media groups and trade fairs. Certain customers return to China annually to participate in academic summits and trade fairs, while bringing the equipment they require directly from China to the Netherlands. Therefore, summits and trade fairs provide the most appropriate platforms for ARYI to promote their products. For instance, ARYI can participate TCM trade fairs which the Dutch customers participate in, such as GuangZhou exportation trade motioned in the interview with ShenZhou, and GuangZhou Expo. Moreover, certain potential clients retain China-based purchasing departments, with promotion potentially completed within the domestic market context. This results in ARYI's promotion channel being particularly dynamic and flexible. Secondly, ARYI can promote its products through advertising via social media that is popular with Dutch customers. For example, WeChat is social networking software that is used daily by many Chinese people. The customer analysis indicated that customers enjoy exchanging TCM information through their WeChat groups. Consequently, ARYI's WeChat public account may prove particularly advantageous for engaging in brand promotion activities. Finally, ARYI must participate in the Dutch TCM community, as it has legitimacy and credibility among Dutch TCM clinics. Once ARYI joins the community, the firm may advertise via the academic Dutch TCM summit. By actively participating in the Dutch TCM community, the "words-of-mouth" strategy will also be effective.

Problem solving:

In this section, all dynamics that may contribute to value creation must be considered. These are the legal field, customs, finance and logistics. ARYI is eager to enter the Dutch market, thus the firm must adapt to the EU's import/export regulations. These regulations are particularly strict. Standardised conditions must be adhered to; ARYI should obtain CE Marking prior to Dutch market entry, while the company should focus on whether a translation providing content explanation should be made available. Obtaining the license is costly, although it would not be challenging to obtain the CE Marking, given that AYRI's products have existed in the Chinese market for several years, receiving various Chinese professional and authoritative certifications. Regarding the field of customs and finance, ARYI must take care of the requisite import documents, VAT and financial

documents. ARYI must also be serious about logistics because it is connected with the incoterms and exportation expenditure. If ARYI arranges transport and insurance for customers via incoterms, this can facilitate value creation.

11. What payment and delivery conditions should ARYI enforce?

ARYI utilises an advanced payment system in the domestic market. Advanced payment is the most pervasively adopted method of international payment (Veldman, 2010). 100% prepayment offers the greatest security to ARYI. ARYI should include a contractual condition of 100% prepayment during negotiation with customers, while the agent should also adopt this payment term.

Currency is a further issue that ARYI must consider. ARYI is located in China and uses the Chinese currency RMB, whereas Dutch customers use the Euro. The RMB to Euro exchange rate is constantly altering given these two regions' economic development. Nevertheless, owing to ARYI having alternative distribution channels, the distinction between different currency values may be diminished. For instance, ARYI could open an international account in which they can save various currencies. Furthermore, when customers remain in China, they can order equipment and pay using RMB. The agent may also assist ARYI in dealing with currency-related issues.

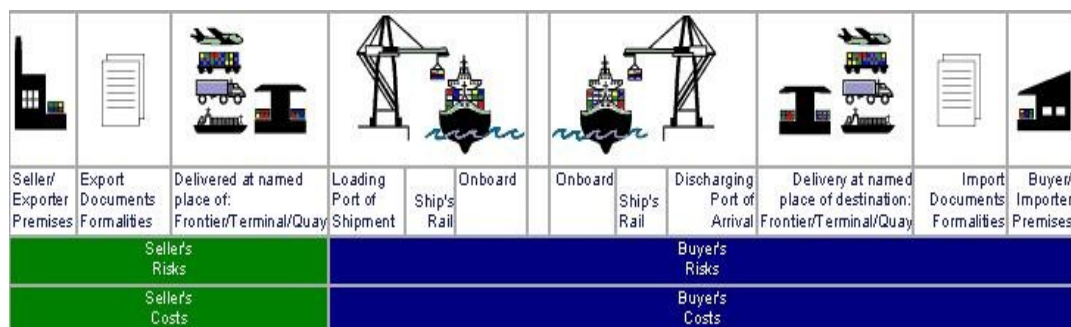


Figure 8

Delivery conditions are associated with the incoterms. ARYI can select FAC (Free Carrier) as the delivery term upon entering the Dutch market. Using this incoterm, ARYI is responsible for the process prior to products being loaded at the port for shipment. The company is responsible for transporting the products to the agreed place at the correct time (Veldman, Incoterms, 2010). Additionally, ARYI is not accountable for the custom costs, rather the buyers are liable for that aspect. ARYI is familiar with this approach, because the company has adopted this method for their export activities to the USA. The Dutch ports of Amsterdam and Rotterdam provide a well-developed infrastructure, allowing both sea and air transportation to be achieved. Sea transportation takes greater time, however it is cheaper than air transport.

11. Conclusion and Recommendations

The central question of this report *How can ARYI successfully enter the Dutch Market?* has been answered: the research proves the attractiveness of Dutch TCM market, and ARYI has many competitive advantages and can thus be predicted to enter the Dutch market successfully.

ARYI is a traditional Chinese medical equipment manufacturer. The company sells high-quality, smoke-free moxibustion devices. These product characteristics have caused ARYI to become a unique and competitive company. Moreover, ARYI has a well-developed official website, which offers a useful platform for communicating with customers. Thus, ARYI has developed a good brand image and company reputation. This is why the rate of returning customers for ARYI is higher than that of its competitors. Its experiences of exporting to other countries is also likely to assist ARYI in adapting to the European economic environment quickly. Nevertheless, ARYI also faces some drawbacks. ARYI's own factory is only in charge of product installation rather than the production of its products, and thus instability and uncertainty among suppliers could be a problem when combined with a lack of expertise in inbound logistics. In addition, ARYI's standing moxibustion equipment takes up more space than other moxibustion equipment, such as electronic apparatus and moxa-lights. Fortunately, the Dutch TCM market provides many possibilities for the company.

The high acceptance rates of Chinese therapies in the Netherlands also offers opportunities to all TCM clinics and thus supports TCM companies such as ARYI entering this market. Additionally, there are specific demands for moxa-therapies and the required moxibustion equipment in the Netherlands. Customers, particularly in Europe, prefer to buy safe and high-quality goods from a company with a good reputation, and thus, although the prices of ARYI's products can be higher than those of other brands, customers are willing to pay due to the products' efficacy and the company's professional brand image. As the sounds of the fire alarms and smoke from burning moxa-sticks can negatively influence consumer experience, the smoke-free moxibustion devices are likely to be the most popular products with Dutch customers.

Though the opportunities in the Dutch TCM market are plentiful, the threats that accompany them cannot be ignored, and ARYI should address these seriously. There are considerable number of substitutes competing with ARYI in this market, and customers can easily switch to another product. Moreover, the exporting and importing regulations of the European Union are very strict, and the cost of the transportation is very high. Luckily, ARYI is well placed to cooperate with a local agent to overcome the difficulties of obtaining exporting documents and to help the firm adapt more rapidly to the Dutch market.

This report has highlighted the prospects and potential available to ARYI when it accesses the Dutch market. However, as starting sales in the Netherlands offers an opportunity for ARYI to access the Dutch, and potentially the European, TCM market, it is recommended that ARYI pay close attention to the EU regulations, distribution channels, marketing entry strategies, and the delivery conditions. The following recommendations are thus based on the outcomes of this report.

ARYI is advised to pay close attention to EU export and import regulations. It is vital for all businesses who would like to enter the European Market to obtain the appropriate CE Marks and customs documents for their products. However, it can be difficult and costly to gain appropriate certifications. Thus, ARYI is advised to cooperate with an export agent with a thorough knowledge of EU regulations who knows the European economic environment intimately.

Moreover, the researcher suggests that ARYI should use a combination of e-commerce and agents as distribution channels. This is because some Dutch TCM clinic owners take trips to China, or may even have purchase departments in China. Thus, ARYI can promote its products appropriately in both the domestic market and the Netherlands for such customers by selling the products directly through the company's official website and by using an agent in Europe.

A differentiation strategy and online marketing strategy are recommended to ARYI for marketing purposes. ARYI should take advantages of its products' unique qualities to distinguish itself from its competitors and the substitutes. However, appropriate use of online marketing tools, such as the website and an official WeChat account, are also key to an effective entry strategy. These two strategies in combination will be very helpful for the firm to promote its brand through establishing direct connections with Dutch customers to gain their trust. As these new customers live in the Netherlands, after-sales services in terms of repairs may be difficult, and thus, ARYI should collect feedback on this situation regularly through the official website to try to address issues arising.

It is further recommended that ARYI take product transportation into consideration when performing the initial planning stages. While ARYI is advised to choose FAC (Free Carrier) as its incoterms, where the buyers pay the customs and taxes, good delivery services provided by a company can also contribute value to products. ARYI should therefore pay attention to its use of packaging, because of the uncertainties during transport.

ARYI should proceed with its intentions to export to the Netherlands, not only because ARYI is a competitive traditional Chinese medical technology company in the Chinese TCM market but also because the Netherlands offers an attractive TCM market to all TCM businesses. On current evidence,

ARYI is also likely to be able to adapt the new business environment quickly, thus entering the Dutch market successfully.

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Appendix

Appendix 1 – Interview Questions

1. How many patients come to your clinics per week or per month?
2. Are they Chinese or Dutch people?
3. How many of them come here for moxibustion?
4. Do you order medicines and facilities from outside the EU?
5. What standards do you have when you choose the materials or instrument? (quality, demand, certification, policies)
6. What difficulties did you meet when you establish your clinics? (medicine resources, government policies, insurance, etc.)
7. Do the doctors in your clinic use traditional moxibustion method or moxibustion instruments? (traditional way or use electricity)
 - 7.1 (If the interviewee use moxibustion instrument,) Do you know standing moxibustion apparatus?
8. If you are interested in moxibustion equipment, would you like to try standing moxibustion apparatus?
9. If yes, which brand do you choose for your clinic? Do you think it is difficult for you to use?
10. If you are interested in machinery, what price range you are willing to pay?
11. What aspects influence on you choosing the brands when it comes to price?
12. How would you buy your medicines and medical machines? (online, the local suppliers, etc.)
13. Which channel do you receive the TCM industry information from? (from the representatives from patients? Or from the cooperating companies? Or medical journals?)
14. How high are the acceptability of TCM in the Netherlands?
15. How do you think of the trend of TCM in the Netherlands?
16. Do you think the Dutch government support TCM? How do they support?

Appendix 2 – Interview Script

Interview 1: Tong Ren Tang The Hague

T: Ok, now we will start the interview. My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: A lot. Let me think, we have at least 20 people every day, on the average. And we open every day.

T: ok, so are there more Chinese people or Dutch people?

I: More Dutch people. the proportion of the number of Dutch people and Chinese people is 8: 2.

T: so, how many of them come here for moxa-therapy?

I: They do not know moxa-therapy before. But we suggest them to use both massage and moxa-therapy, moxa has better efficacy. But the flavour of the moxa is not good. Some Dutch people walk into our clinic and say “someone is smoking,” hahahaha, so we explain to them that it is moxa. They do not know what moxa is.

T: There are many kinds of moxibustion apparatus, such and traditional moxibustion apparatus, electric moxibustion light. So which one do you have in your clinic?

I: We have a lot of apparatus for moxa. We have moxa herb, we also have moxa-stick. We used thick moxa-stick, thin moxa-stick and smoke-free moxa-stick. But we do not think moxa-stick have good efficacy. For the thin moxa-stick, we put three sticks together, because they do not have efficacy. Then we changed it, and we use thick moxa-stick. The thick one does have efficacy, but it also produces a lot of smoke. We also have moxibustion apparatus. But the moxibustion apparatus is electric, because the airvent only works with electricity. We also have moxibustion tank.

T: ok. May I ask you that where do you buy those products, I mean from outside the EU or in the EU?

I: From China.

T: So do you meet any obstacles when you buy the products from China?

I: Rarely, because we use ocean shipping, it takes longer time than by air plane but it is cheaper as well.

T: Are there any regulations about the Chinese medicine entering the Netherlands, or the EU?

I: Actually, they did not have very strict regulations on the Chinese herb, in particular the moxa herb, because it is not in the scope of importing and exporting restriction items.

T: What about the medical apparatus?

I: For the medical apparatus, there would not be a problem unless you have obtained the CE marking. it is a “passport” for goods entering the European Union. If you do not have CE marking, there will be problems when passing the custom.

T: Ok, I got it. Did you meet any problems when establish the clinic? Such as regulations or Dutch policies? Or is it difficult to find the sources?

I: Sources? What kind of sources?

T: Like human resources, or the sources of products? like the supply chain?

I: For the herbs, we do not import from China. We buy it through the distributors in the Netherlands. The distributors have the certifications of the medicines, so if we buy from them, it will be safer. Moreover, it is also fast. If I order today, I can receive the products next day.

T: Okay, could you please tell me the name of the distributor?

I: ShenZhou.

T: Is the ShenZhou the Chinese medicine school?

I: yes, it is also a clinic. They have school and clinic. The school aims to train the students. We also have the TCM school named MaiDi. So we will not have problems in recruiting employees. We hire people from MaiDi TCM training school, there are a lot of students from MaiDi come to our clinics to do their internship every year. Moreover, we are franchising clinic, we are going to expand the number of stores to 50 in 5 years, so we will have more and more students and employees, and the demand of the products will be increased. Till then, we will establish purchase departments in China, we will directly import products from China instead of from ShenZhou.

T: Okay, I got it. Actually, I prepared many questions, but you answered them during the conversation. So now we will move to the questions regarding with price. If you are interested in the standing moxibustion apparatus, what the price you are willing to pay?

I: the price? Uhm, to be honest, if we import from China, we have to think about the transportation fee, right? And also, the quality. But products with high-quality are more expensive, we cannot expect a cheap product with high-quality right? Moreover, if there were quality problem, the repairing would be another problem to us. So, if the product is high-quality, I can accept the price between EUR 100 to EUR 200.

T: ok. Now you purchase from the distributor?

I: uhm, not yet. We purchase individually. Because we do not have a high demand in moxa-therapy. So we do not need to buy a large amount of the products.

T: so from which channel you know the TCM information? For instance, from magazine or newspaper?

I: on the internet.

T: are there many TCM communities?

I: yes,

T: so they also organize the regular summits to communicate and exchange the TCM information?

I: uhm, yeah, but actually, the TCM information in the Netherlands is very out-dated. We still receive the latest TCM news from China. Our boss joins the Chinese TCM WeChat group to see what is going on, yeah, something like that. And our boss is in China to purchase some apparatus now.

T: How do you think of the acceptancy of TCM in the Netherlands?

I: Many foreigners accept Chinese therapy. Actually not only Chinese therapy, but also the eastern medicines and eastern therapies. The eastern therapies will be more and more popular in the world.

T: okay, I got it. Thank you so much.

I: You are welcome.

Interview 2: Beijing Ton Ren Tang

T: so now I am going to record the interview.

I: ok.

T: the first question is My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: uhm, how to say, according to the location and the size of our clinic, there are no more than 20 people come to our clinic, uhm, aoroud 15 people come to our store every day. Yean, from 15 to 20.

T: does the clinc open every day?

I: yeah, every day.

T: Ok, what is the proportion of the nationality of the patients? Are they more Dutch people or Chinese people?

I: uhm about 70% of the patients are Dutch people, no, are foreigners.

T: foreigners?

I: yeah, not just Dutch people, but also people from other countries. They are all very interested in Chinese therapies. Only 30% of the total are Chinese.

T: How many of them come here for moxa-therapy?

I: uhm, almost none of them come here for moxa. Because the demand is really low, and we do not have the smoke-free technology in terms of moxibustion.

T: So it means the smoke can be an aspect that influences on choosing the moxa-therapy.

I: that is true.

T: Uhm, where do you buy TCM products, I mean from outside the EU or in the EU?

I: We are Beijing Tong Ren Tang, you know the most famous and the largest TCM clinic in China, we have self-sufficiency in terms of medicines, I mean the herbs. We have our own distributor, which is also one of our branches, but for some apparatus, we need to purchase from Dutch distributors. It is hard to buy all the products in one channel.

T: what criteria you have when you buy the products?

I: The first thing is the Dutch regulation. The products and the services have to be in line with the Dutch law. Though Chinese medicine and Chinese therapy come from China, and they present the Chinese culture, it is also very important to consider the regulations, because it is not only about one aspect, it is about food, health, plants and animals.

T: So do you meet any obstacles when establishing this clinics? Such as employment, purchasing?

I: yeah, definitely. The logistics is the biggest problem, in particular the logistics of the apparatus. For others, like medicine, or the therapy, or services, it becomes more complicated. Because it is all about the medical system, or even the insurance.

T: is the Chinese therapy included in the Dutch insurance?

I: only for acupuncture.

T: What about massage?

I: massage is not included, only acupuncture.

T: And moxa-therapy?

I: no.

T:Ok, uhm, do you provide moxa-therapy?

I: yes we do, but the demand is lower than massage and acupuncture. Because of the smoke, it is not as easy for foreigners to accept the moxa-therapy.

T:what kind of the moxa-therapy do you provide to your customers? the traditional one or the electric one?

I: the traditional one. We use moxa stick instead of the machine.

T: Do you know moxibustion apparatus before I introduce ARYI to you?

I: Yes I know. Moxibustion apparatus is very popular in China in recent years. Like smoke-free apparatus, moxa-bed.

T: Moxa-bed?

I: yeah. But it is very large and takes a lot of place.

T: so are you interested in the moxibustion apparatus?

I: I am interested in this kind of machine if it can be smoke-free. Because it has efficacy.

T: does this mean that the smoke-free is one of the criteria when you choose the moxibustion apparatus?

I:yeah.

T: what price range will you accept for a moxibustion apparatus?

I: it is hard to say.

T: ARYI has several price range for different kinds of apparatus, family version apparatus, and profession version. Like from RMB 500-RMB 1500.

I: it is a normal price in China, they are not expensive if we exchange the currency into euro. But we need to think about the transportation fee and the customs and tax, right?

T: true. What aspects influence on you choosing the brands when it comes to price?

I: we also need to think about the accessories. If there are quality problem, is it easy to buy the spare parts? Or can we repair by ourselves? So after-service and transportation fee are the aspects we need to consider.

T: actually I got the data from ARYI's manager. They sell the products to hospitals, clinics, beauty salons and to individuals. 20% goes to hospital, 70% goes to clinics and beauty salons and only 10% goes to individual. This means the products are very professional, and the failure rate is 0.03%. The quality is also very good.

I: ok, I know.

T:yeah. How would you buy your medicines and medical machines?

I: normally online. From Taobao and Alibaba. Sometimes, we also buy products from ShenZhou.

T: ShenZhou?

I: yeah.

T: Which channel do you receive the TCM industry information from?

I: from our own company. Our company has the ability to provides us the latest TCM information.

T: do you also join the Dutch TCM communities?

I: no.

T: ok, thank you. Now I am going to summarize the interview. Quality and after-service and the logistics are the important aspects you will consider when you purchasing the products right?

I: yeah, for the product itself, it needs to be easy to use and easy to repair.

T: How do you think of the acceptancy of TCM in the Netherlands?

I: uhm, it is hard to say. Because it is about how do the Dutch people think of the Dtuch TCM industry. The Dutch TCM market lacks the industry benchmark. Though there are more than 3000 clinics in this country, but some of them are more like beauty salons, they are not as professional as us. The acceptancy also depends on the environment of the industry.

T: ok, I got it, thank you.

I: you are welcome.

Interview script 3: Yeahcome

T: Ok, now we will start the interview. My first question is general question. For instance, how many patients come to your clinic?

I: uhm, not many of the customers come here for moxa-therapy.

T: are there more Chinese people or Dutch people?

I: half of them are Chinese people and half of them are Dutch people. not

T:where do you buy the medicines and apparatus? Do you order medicines and facilities from outside the EU?

I: we do not sale the medicines, we only provide the services of massage and acupuncture, something like that.

T: I mean, for example, you provide moxa-therapy, so where do you purchase the moxa-stick?

I: we do not use moxa-stick, we use the medical lights, which does not need the moxa herb or moxa-stick.

T: ok, so where do you buy the moxa-lights?

I: from China.

T: did you meet any obstacles when you import the moxa-light?

I: we bought the products in China and bring them here.

T: did you meet some problem regarding with the regulations, or custom or logistics?

I: no, because it is not the large amount. So we transport through the ocean shipping.

T: What criteria do you have when you choosing the products?

I: we buy the products from China, and we buy the products from big companies. We have the purchase department in China, they will select the companies with good brand image.

T: did you meet any obstacles when you establish your clinics? Like medicine resources, government policies, insurance, etc.?

I: no, the Dutch government supports us.

T: how do they support?

I: no strict regulations and also the insurance. The acupuncture is included in the insurance.

T:ok. You said you use the moxa-light? Would you like to try the moxibustion apparatus?

I: acutally we used moxa-stick and moxibustion apparatus. But they produced smoke, and the clients do not like the flavour of the moxa.

T: would you like to try standing moxibustion apparatus after I introduced ARYI to you?

I: yeah, I am interested in it and I would like to try.

T: if you are interested in machinery, what price range are you willing to pay? If we use euro, the price will be from EUR50 to EUR200.

I: price, uhm, EUR200 is a little bit expensive. Because we need to add tax and custom.

T: what price range are you willing to pay?

I:if the products are useful unless EUR200 is an acceptable price.

T:what aspects influence on you choosing the brands when it comes to price?

I: definiftly the efficacy.

T: are there any other aspects?

I: uhm, still the efficacy. If the products have the efficacy, the expensive products can also be accepted.

T: ok. How would you buy your medicines and medical machines?

I: from our purchase department. We just provide the list of the needed products, they will buy the products for us.

T: ok, so how do they send the products to you?

I: through the sea shipping. Because we do not order a large amount of the products.

T: how long does it take?

I: about two months, we order the products two months in advance.

T: which channel do you receive the TCM industry information from?

I:we have the training courses for the doctors, we also receive the information on the internet.

T: I found out that there are many TCM communities, do you also join them?

I: yeah,

T:are there any TCM journals or newspaper?

I: yeah, but not much. They have some TCM news on the Dutch newspaper, but the information is a little bit our-dated. So we prefer TCM WeChat group and Chinese TCM website in China.

T: How do you think of the acceptancy of TCM in the Netherlands?

I: I believe there will be more and more people choose the Chinese therapy. Because the Chinese therapy have the efficacy, and Dutch people are interested in the Chinese culture.

T: ok. Thank you so much.

I: you are welcome.

Interview script 4: YiHeTang

T: My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: we have about 60 people come to our clinic every week, and 90% of the total are foreigners.

T: so, how many of them come here for moxa-therapy?

I: none of them come only for moxa-therapy. Usually we give the moxa-sticks to them and tell them how to use it, so they can use the moxa-sticks at home, because the demand is not as much as the massage and acupuncture.

T: Do you order medicines and facilities from outside the EU?

I: we buy the products here.

T: is it convenient for you to tell me the name of the stores?

I: Shenzhou.

T: What standards do you have when you choose the materials or instrument?

I: uhm, there are not many companies to choose. So I will put the Chinese companies as the priority. I will also order from Alibaba.

T: what about CE marking? Because in the previous interviews, I noticed that many interviewees mentioned CE marking.

I: yeah, of course. CE marking is very important.

T: What difficulties did you meet when you establish your clinics?

I: uhm, I do not know, because I am not the boss,

T: no problem. It is ok. Is there any obstacle in the cultural differences? I know it is hard to explain the Chinese therapies to foreigners.

I: yeah, but we use easy language to explain. You need to tell them the efficacy and the method you use. You also need to tell them the theories of the Chinese therapies.

T: Do the doctors in your clinic use traditional moxibustion method or moxibustion instruments?

I: we have the moxa-light, and the normal moxa-sticks and smoke-free sticks.

T: ok. Do you know standing moxibustion apparatus?

I: yeah, I know.

T: Are you interested in moxibustion equipment?

I: yeah, unless the products can eliminate the smoke.

T: ok.

I: yeah, if the apparatus can remove the smoke and the apparatus do not take many space, I would like to try. Because the moxa is good for the body, especially for Dutch people. The climate in the Netherlands is humid, the moxa can keep the balance of the body.

T: which brand do you choose for your clinic? Do you think it is difficult for you to use?

I: no, I also have one moxibustion at home. I would like to choose the product which is safe and can move easily. The one I have at home is a little bit heavy. If the product has the rollers, it would be more convenient.

T: if you are interested in machinery, what price range you are willing to pay?

I: about EUR100. Because the moxa-lights are EUR150. If we are in China, the price can be more expensive, but we are in the Netherlands, we have to think about the transportation fee and tax and duty fee.

T: What aspects influence on you choosing the brands when it comes to price?

I: the first is whether it is easy to move. For the moxa-stick, the degree of the purity is the higher the better.

T: How would you buy your medicines and medical machines?

I: I buy from China and bring them here.

T: Which channel do you receive the TCM industry information from? (from the representatives from patients?)

I: on the internet, from my friends in China, the website and WeChat group.

T: which website?

I: it is called Chinese TCM ZhiKu.

T: thank you. What about the Dutch TCM summit?

I: uhm, I rarely receive the information from the Dutch TCM summit, because the information fall behind Chinese TCM industry.

T: How high are the acceptability of TCM in the Netherlands?

I: there are high acceptance in large city.

T: How do you think of the trend of TCM in the Netherlands?

I: uhm, I think it would be better in the Netherlands and in the UK. Because the climates of these two counties are humid, and the demand of moxa and Chinese therapies are high.

T: ok, thank you.

I: you are welcome.

Interview script 5: ShenZhou

T: now we will start the interview. My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: one doctor has about 15 patients daily, and we have two to three doctors every day.

T: are there more Chinese people or Dutch people?

I: more Dutch people, about 80% are Dutch people.

T: so, how many of them come here for moxa-therapy?

I: most of them come here for acupuncture. We use acupuncture and moxa together. We also have the medical lights, but the lights use infrared ray instead of the moxa.

T: Do you order medicines and facilities from outside the EU?

I: we order the products from China.

T: What standards do you have when you choose the materials or instrument?

I: the first is CE marking. The second is the quality and price.

T: ok, are there special regulations in the Netherlands?

I: no, if the products obtain the CE marking of the European Union, there would not be the problems. The Netherlands is the member states of the European Union, so the country obeys the EU regulations.

T: What difficulties did you meet when you establish your clinics?

I: yeah, of course. There are some prejudices about the Chinese medicines. Because sometimes we use the natural resources of rare and endangered medicinal herbs.

T: so it is about the culture differences?

I: yeah, the culture and the interests. They do not like the thing they do not understand. It is very normal.

T: Do the doctors in your clinic use traditional moxibustion method or moxibustion instruments?

I: traditional moxibustion.

T: do you know standing moxibustion apparatus before?

I: I do not know. We just use the moxa-stick and the moxa-lights.

T: are you interested in moxibustion equipment?

I: no, I am not interested in this apparatus.

T: hahahahahahah. (laugh)

I: hahahahahah. (laugh) we prefer the moxa-light, because it is convenient and safe. Because you need you tell me what are the competitive advantages of your products when comparing with the moxa-lights?

T: the first is that it is traditional method. The second is that the brand image is professional. The third advantages is the smoke-free.

I: ok. It is interesting.

T: moreover, the moxa-stick takes the human resources. The doctors need to hold the moxa-sticks.

I: ok, I got it.

T: ok, now let us move to the next question. If you are interested in machinery, what price range you are willing to pay?

I: within the EUR100.

T: including the transportation fee?

I: yeah, the retail price is no more than EUR100.

T: Ok. What aspects influence on you choosing the brands when it comes to price?

I: the quality. Because the after-sales services is hard to achieved in the Netherlands, right? So the quality is an essential part. The second it the efficacy. The third is safety.

T: if the products meet all these criteria, would you like to buy with a more expensive price?

I: uhm, it would be a little bit difficult. Because the lights is this price. If I will choose this kind of product, the price should be no more expensive than the moxa-light I bought. I do not need to think about the complementary products, like moxa-sticks, when I use the moxa-lights.

T: How would you buy your medicines and medical machines?

I: we buy from China, we have purchase department in China.

T: which channel do you receive the TCM industry information from?

I: GuangZhou trade summit. This summit is organised annually, and the summit covers a lot of secotrs, such as Chinese medical products, cloths, and food.

T: How do you think of the accpectancy of TCM in the Netherlands?

I: very high. You can see from the data I gave you about the patients. there are a lot of Dutch people come to our clinic.

T: ok, thank you so much.

Interview script 6: YiJiu

T: Ok, now we will start the interview. My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: Uhm, every day?

T: yeah, every day or every week.

I: I did not calculate that, it is around ten people come to our clinic and half of them are Dutch people, also some of them are foreigner and few of them are Chinese.

T: How many of them come here for moxa-therapy?

I: Not much, but they do know the moxa-therapy. When they come here for acupuncture, we tell them that the efficacy will be better if they choose both acupuncture and moxa. You know, acupuncture and moxa are always used together.

T: Yeah, I know. There are many kinds of moxibustion apparatus, such and traditional moxibustion apparatus, electric moxibustion light. So which one do you have in your clinic?

I: we only have the traditional moxibustion apparatus, we do not use the modern one. Because 'no smoke no moxa'. Moxa means to burn the moxa-stick and use the smoke and the heat to cure the body, so, yeah, we do not use the lights and the electric apparatus.

T: May I ask you that where do you buy those products, I mean from outside the EU or in the EU?

I: For the moxibustion apparatus, we purchase them from China, because we do not need many machines in the clinic, just three or four can meet the demand of our clinic. For the medicines, we buy them here in the Netherlands.

T: Could you please tell me where do you buy the medicines?

I: Uhm, sorry, I cannot tell you that.

T: It is ok. Now, let us move to the next question. I introduced ARYI and the products do you, are you interested in their products?

I: yeah, of course. Because you said it is smoke-free machine.

T: yeah, it is smoke-free.

I: you know it is very important to be the smoke-free, because the fire alarm is very sensitive, and our customers do not like the flavour of the moxa.

T: Do you have standing moxibustion apparatus in your clinic?

I: Yes, we do.

T: Could you please tell me which brand do you choose for your clinic? Do you think it is difficult for you to use?

I: sorry, I cannot show you the apparatus, because someone is using it now. But it is not difficult to use. But it is heavy and large.

T: What standards do you have when you choose the materials or instrument? Like quality, demand, certification, policies?

I: the first is CE marking. It has to be certificated by the EU, and the second standard is quality and the product efficacy.

T: ok, I got it, thank you. Could you please tell me what price range are you willing to pay?

I: How much is your product?

T: In RMB500-RMB1600, in EUR50-EUR200.

I: The price is ok, if the products have good quality, I would like to pay with this price. But we need to think about the transportation fee.

T: true. What aspects influence on you choosing the brands when it comes to price?

I: That is what I mentioned before, smoke-free, quality, efficacy, and easy to move, not too heavy.

T: Ok, thank you. How would you buy your medicines and medical machines?

I: Online, like Taobao. When I go back to China, I also buy the products there and bring the machines here.

T: Which channel do you receive the TCM industry information from?

I: Through the Dutch TCM communities, the internet, also from the WeChat group.

T: ok, that is all my questions, thank you.

I: You are welcome.

Interview script 7: ZhongYiGuan

T: My first question is general question. For instance, how many patients come to your clinic daily and weekly?

I: Uhm, about 15 people come to our clinic every day.

T: Are they Chinese or Dutch people?

I: You cannot say only Chinese people or Dutch people, because there are many foreigners living in the Netherlands, they also come to our clinics. Most of them are foreigners.

T: How many of them come here for moxibustion?

I: Not much, but we do provide the moxa-therapy to them.

T: What difficulties did you meet when you establish your clinics? Like medicine resources, government policies, insurance?

I: Yeah, I met some obstacles. When I establish the clinics, I need to find the doctors, and I need to think of where I can buy the medicines in the Netherlands. We use medicines very fast, we cannot import the medicine from China, because it would be very complex for the certification and the regulations are very strict. We searched for the stores in Amsterdam and we buy the medicines from them. For the medical devices, we buy from China through sea shipping, it is cheaper and more convenient. And for the insurance, now, the acupuncture is included in the Dutch insurance, so, it is not a problem, and more and more Chinese people who live in the Netherlands choose acupuncture because of the insurance.

T: What kind of products do you use for moxibustion? Do you use the traditional method, or do you use the light?

I: We have both. We introduce both moxa-stick and moxa-light to patients, but most of them choose the moxa-light because of the smoke and the flavor of the moxa-stick. But as a professional clinic, we still suggest them to use the moxa-stick, because it has better efficacy than the light.

T: ok, now let us move to the next question. If you are interested in moxibustion equipment, would you like to try standing moxibustion apparatus?

I: the one you told me before the interview? Yes, I would like to try, why not? It is smoke-free.

T: what price range are you willing to pay?

I: Uhm, between EUR130-EUR200, that is the price I am willing to pay, plus the transportation fee.

T: What aspects influence on you choosing the brands when it comes to price?

I: Efficacy and smoke-free and safety.

T: What standards do you have when you choose the materials or instrument?

I: Uhm, EU certification.

T: ok, how would you buy your medicines and medical machines?

I: I buy the medicines through my suppliers in the Netherlands, and I purchase the medical devices on Taobao.

T: Which channel do you receive the TCM industry information from?

I: From Chinese TCM forum, or from the internet.

T: Do you join the Dutch TCM communities?

I: yeah, I joint the one hold by Shenzhou, but that one is just for the Dutch TCM clinics, I need the latest information, so I have the WeChat group of Chinese TCM.

T: ok, thank you, that is all.

I: That is it?

T: Yeah, thank you.

I: You are welcome.

Interview script—ARYI

T: Ok, now we will start the interview. Could you please briefly introduce your company? Like what department do you have, and what the ARYI's operation mode is?

I: We have several departements, we have department of human resources, department of finance, department of production and support, department of marketing, department of sales, and warehouse. The financial department manages financing and accounting. The department of production and support has the social resources, and it is responsible for selecting the business partner and product innovation and collecting the feedback from customers. The warehouse oversees the storing and logistics. As for the operation mode, we use the same operation mode as DELL, the computer company. We have our own factory, or department to install the components of the moxibustion apparatus, but we do not produce the raw material. We design the model and the sample, and we find the suppliers and factories who can produce the components, and we cooperate with them. But this mode also has disadvantages. Because it is hard to control the quality of the components from different factories. So, we need to set a standard of the products and select the partners very carefully. For example, the best metal industry locates in Guangdong and the Shandong, we select the partners locates there.

T: Ok, I got it. Could you please tell me how does each department cooperate with each other?

I: Yeah, sure. To begin with, human resource departmetn is in charge of the human recourse management, such as hiring and dismissing the employees. They are also responsible for analysing the data of the sales. We have the sales department; this department is in charge of selling the products and after-sale services. Actually, we have our advantages in after-sales services. We have

24/7 after services online. The sales department sales the goods and collects the feedbacks from the customers. Meanwhile, the feedbacks will be presented to the HR and the department of production and support. The department of production and support analyses the feedbacks, then the department of production and technology support will do the R&D to improve the products. The failure rate of ARYI's standing moxibustion apparatus is less than 0.3%, because we collect feedbacks from customers regularly and each department connects with each other tightly. Like HR collects data of TCM market, sales department collects the feedbacks from the customers and the department of production and technology support innovates and improves the products.

T: Ok. What about the marketing department?

I: The marketing department analyses the TCM market, and it is in charge of communicating with other partners, or competitors. We participate in many academic summits every year. The marketing department needs to tell me when and where the summits are and how can we promote the products to the customers. Moreover, we use many media operations to do the marketing. That is called new media operation. We have our own official website, we have official WeChart account, we have the distribution channel on TaoBao and Tmall and Alibaba. Yeah, those departments are all we have. The human resource department responses for the recruitment, and the data analysis is about analysing the feedbacks, data, and finance. As for the marketing and promoting, we use internet and the new media operation. The sales department is also very important, because it is about selling and the after-sale services. The department of technology is in charge of the R&D. the warehouse responses for the logistics, like sending products and receiving the components and installation and packaging. Yeah, that is all.

T:Ok.

I: For the logistics, we cooperate with the logistics companies to send products with large amount, and we cooperate with express companies to send the smaller amount of the products to the retailers. Acutally we have competitive advantages in after-sale services. Because the failure rate of the product is 0.3%, this means the products have high quality. So the after-sale service is mainly about enhancing the brand image and social benefits. Because we do not want to be a company just selling the moxibustion apparatus, we want to let people know the moxa and the traditional Chinese medicines. So we also teach them how to use the products, we tell them the benefits of moxa-therapy and we want to propaganda this beautiful Chinese culture.

T: That sounds really nice.

I: True. Do you have more questions?

T: Uhm, no, thank you.

I: You are welcome.

Appendix 3 Student Ethnic form

Student Ethics Form

European Studies
Student Ethics Form

Your name: Tiantian Zhang

Supervisor: Ms.A.Szabo

Instructions/checklist

Before completing this form you should read the APA Ethics Code (<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- a. ☐ Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- b. ☐ Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
- c. ☐ Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
- d. ☐ Append this signed form as an appendix to your dissertation.

Section 1. Project Outline (to be completed by student)

(i) Title of Project: How ARYI can successfully enter the Dutch Market?

(ii) Aims of project: The purpose of this project is to figure out the possibility for ARYI to enter the Dutch TCM market.

(iii) Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer 'NO' to this question.)

YES/ NO

If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.

This project is not designed to include research with human subjects. I understand that I do not have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student's signature _____ - date _____

If yes: you should complete the rest of this form.

Section 2 Complete this section only if you answered YES to question (iii) above.

(i) What will the participants have to do? (v. brief outline of procedure):

For the interviews, the participants should be able to answer the questions either by Skype, or face-to-face. The answer should be provided based on their points of view, or professional knowledge.

(ii) What sort of people will the participants be and how will they be recruited?

For the interview, the participants were reached via personal network of the author, or they were recruited by the company size, the brand reputation and the returned rate of the customers. All of them have their professional career regarding traditional Chinese medicines and traditional Chinese therapies.

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires[]; Pictures[X]; Sounds [X]; Words[X]; Other[].

(iv) Consent: Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data? Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant's data.

There are eight interviews were arranged for the project. All interviewees were informed that the content of interview will only be used by academic research. One of my interviewee is not in the Netherlands, thus the interview was taken via Skype and was not been recorded. Other interviews are recorded under the permission of the interviewees. All the interviewees signed the informed consent form before the interview.

Student's signature: _____ date: 20/02/2018

Supervisor's signature (if satisfied with the proposed procedures): _____ date: 20/02/2018

Appendix 4 Informed Consent Form**Informed Consent Form****Informed Consent Form**

1) Research Project Title:

"How can ARYI successfully enter the Dutch market?"

2) Project Description (1 paragraph)

The project is regarding with the business strategy of ARYI entering the Dutch market. ARYI is a moxibustion apparatus manufacturer in China and is looking for a potential market in the Netherlands. This interview would assist the researcher to understand the customer behavior and Dutch TCM market better.

If you agree to take part in this study please read the following statement and sign this form.

I am 16 years of age or older.

I can confirm that I have read and understood the description and aims of this research. The researcher has answered all the questions that I had to my satisfaction.

I agree to the audio recording of my interview with the researcher.

I understand that the researcher offers me the following guarantees:

All information will be treated in the strictest confidence. My name will not be used in the study unless I give permission for it.

Recordings will be accessible only by the researcher. Unless otherwise agreed, anonymity will be ensured at all times. Pseudonyms will be used in the transcriptions.

I can ask for the recording to be stopped at any time and anything to be deleted from it.

I consent to take part in the research on the basis of the guarantees outlined above.

Signed:  Date: 2018.4.03

Informed Consent Form

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I agree to the audio recording of my interview with the researcher.

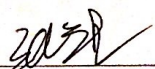
I understand that the researcher offers me the following guarantees:

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I can ask for the recording to be stopped at any time and anything to be deleted from it.

I consent to take part in the research on the basis of the guarantees outlined above.

Signed:  Date: 2022.12.5

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I can confirm that I have read and understood the description and aims of this research. The researcher has answered all the questions that I had to my satisfaction.

I agree to the audio recording of my interview with the researcher.

I understand that the researcher offers me the following guarantees:

All information will be treated in the strictest confidence. My name will not be used in the study unless I give permission for it.

Recordings will be accessible only by the researcher. Unless otherwise agreed, anonymity will be ensured at all times. Pseudonyms will be used in the transcriptions.

I can ask for the recording to be stopped at any time and anything to be deleted from it.

I consent to take part in the research on the basis of the guarantees outlined above.

Signed: _____

Date: _____

Informed Consent Form

Informed Consent Form

1) Research Project Title:

"How can ARYI successfully enter the Dutch market?"

2) Project Description (1 paragraph)

The project is regarding with the business strategy of ARYI entering the Dutch market. ARYI is a moxibustion apparatus manufacturer in China and is looking for a potential market in the Netherlands. This interview would assist the researcher to understand the customer behavior and Dutch TCM market better.

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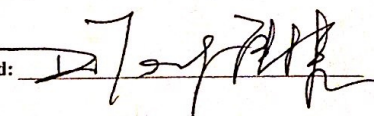
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Signed:  Date: 29-11-2017

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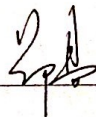
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Signed: _____



Date: _____

2018.01.04

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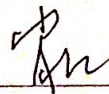
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Signed: _____



Date: _____

08/12/2017

Informed Consent Form

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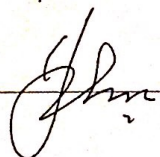
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Signed: _____



Date: _____

14/12/2017