



Supporting Operations for Finnish Companies to Chinese Market

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Abstract

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<p>This paper focuses on supporting Finnish companies in entering the Chinese market and sharing practical insights in international marketing. The study is based on the author's internship experience at FinnCham Shanghai, analyzing the chamber's operational model and service offerings.</p> <p>The literature review highlights the unique characteristics of Chinese culture and market dynamics. Using Hofstede's cultural dimensions theory, the thesis compares the Finnish and Chinese markets, helping readers understand the challenges and opportunities foreign companies may encounter in China. Key cultural differences, such as power distance, collectivism, and long-term orientation, are identified and linked to practical business strategies. Additionally, it explores trends such as rapid adoption of digital technologies, the significance of e-commerce platforms, and the impact of cultural symbols on consumer behavior.</p> <p>The research methodology includes qualitative interviews with FinnCham Shanghai's executive director, offering an insider perspective on the chamber's strategies for facilitating market entry and business development. Additionally, the author's internship experiences provide practical insights into the daily operations and challenges of supporting Finnish companies in a cross-cultural business environment. Key findings emphasize the importance of localized marketing strategies, building emotional connections with Chinese consumers, and adopting a flexible, customer-centric approach to meet the demands of this competitive market.</p> <p>This study provides actionable recommendations for Finnish companies, including leveraging digital tools, establishing local partnerships, and aligning with sustainability trends to achieve long-term success in the competitive Chinese market. The analysis integrates perspectives on cross-cultural communication, resource integration, digital promotion, and cultural adaptation, forming the foundation for specific market entry strategies. Furthermore, it offers valuable references for other international companies seeking to expand their operations in China. The findings emphasize the importance of understanding local cultural differences and adopting a flexible, customer-focused approach to achieve sustainable growth in China's highly competitive business environment.</p>
Key words Chinese Marketing; FinnCham Shanghai; International Marketing; Finnish Companies

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1 Introduction

This chapter introduces the research background, purpose, scope, and limitations of this thesis. The thesis, titled “Supporting Operations for Finnish Companies in Chinese Market,” combines internship experience at FinnCham Shanghai to explore how the Finnish Chamber of Commerce can assist Finnish companies in better integrating into the Chinese market. The research focuses on cultural communication, resource integration, digital promotion, and other aspects.

It is worth mentioning that during the period of this research, the president of Finland Alexander Stubb paid a state visit to China in October this year, highlighting the attractiveness of the Chinese market to Finnish companies. During the President's visit, the Team Finland group (will be further discussed in Chapter 2.4) and Finnish companies in China actively promoted cooperation and exchanges between Finnish and Chinese enterprises, paving the way for future development opportunities.

1.1 The Research Background

In October 2024, Finnish President Stubb visited China to strengthen cooperation between the two countries in areas such as trade, education and energy. This high-level political interaction has created new opportunities for cooperation between Finnish and Chinese companies. The visit has deepened China-Finland relations and opened broad prospects for cooperation in key areas such as green energy, digital technology and higher education. (Yle 2024)

Intercultural communication and international business co-operation have become particularly important in the context of accelerated global economic integration. Many Finnish enterprises are actively exploring overseas markets while taking root in Finland. President Stubb's visit to China further demonstrates that the Chinese market is becoming an important strategic partner for Finnish companies.

In 2023, China's GDP grew by 5.2% in real terms, reaching RMB 126.06 trillion (US\$17.5 trillion). This was in line with the Government's proposed target of “around 5%” set at the beginning of the year. (UNDP 2024,1-2) With the continued support of government policies, China's macroeconomic environment is stable, creating good business opportunities for the long-term development of international companies. (Fitch Solutions Group 2023)

As the world's second largest economic, China's huge consumption potential and rapidly developing business environment have attracted many multinational companies from around the world. However, China's cultural environment is unique, including the emphasis on interpersonal relationships,

collectivist values and respect for hierarchy. These factors have brought challenges to the market adaptation of foreign companies.

With this background, professional organizations and support platforms play a vital bridging role in cross-cultural adaptation and brand communication, providing cultural adaptation and local cooperation support for companies. The Finnish Chamber of Commerce in Shanghai (refers later: FinnCham Shanghai) as a non-profit international platform, actively supports the development of Finnish companies in the Chinese market through business exchanges, cross-cultural cooperation and resource integration. (Fitch Solutions Group 2023)

In the context of globalization, the importance of international internships for business school students is not limited to personal growth but can also help companies cultivate potential talents with global vision and cross-cultural management capabilities. In a cross-cultural environment, interns play a dual role in corporate operations: on one hand, they are the disseminators of corporate culture and values; on the other hand, they are the bridge of local market information and cultural insights.

From the perspective of personal development, through international internship programs, interns can gain in-depth understanding of the cultural norms, consumer behavior, and business operation models of the target market. International internships provide a valuable practical platform for business school students to help them improve their technical capabilities, cross-cultural communication skills, and understanding of global market dynamics through practical operations. These experiences not only lay a solid foundation for future career development, but also promote cultural exchanges and brand communication.

As the first intern at FinnCham Shanghai, I have the honor to participate in the daily operations and event planning of the Chamber of Commerce. This internship experience gave me a deeper understanding of the Chinese market. I found that cultural adaptation and cross-cultural communication are crucial in the process of a company's successful entry into the Chinese market. Based on the author own observations and practical experience, I hope to make suggestions for foreign companies that plan to enter the Chinese market in the future through this paper. These suggestions are not only applicable to companies exploring the Chinese market, but also have reference value for all companies that hope to develop in the international market. Through adequate preparation and adaptation, companies will be able to better integrate into the global business environment and achieve long-term development.

1.2 Research Purpose and limitations

The thesis focuses on how to support Finnish companies to enter the Chinese market and share experience for international marketing internship. Based on the my six-month internship at

FinnCham Shanghai, I have learnt the marketing principles and approaches in China and discussed how the Finnish Chamber of Commerce can help Finnish companies enter the Chinese market through cross-cultural communication, resource integration and digital promotion. The main research question is: How can Finnish companies be supported in establishing a presence in the Chinese market?

To answer this question in depth, this study focuses on the following sub-questions:

1. What are the core concepts of international marketing within the Chinese marketing, and how are these applied at FinnCham Shanghai?
2. What role do interns play in supporting FinnCham Shanghai to help Finnish companies adapt to the Chinese market? In what aspects do they contribute?

Since this study is based on personal internship experience and focuses on the supporting role of FinnCham Shanghai, there are some limitations in terms of data availability and applicability of the findings. The research data mainly comes from the experience and interview records during the internship, which may bring a certain degree of subjectivity. The research results are mainly targeted at the Chinese market and its cultural background, so it is difficult to apply to other markets. Due to limited access to external resources, the depth of analysis may be affected to a certain extent. Despite these challenges, the research offers valuable insights into how platforms such as FinnCham Shanghai facilitate cross-cultural collaboration and help businesses manage difficult market environments.

2 FinnCham Shanghai

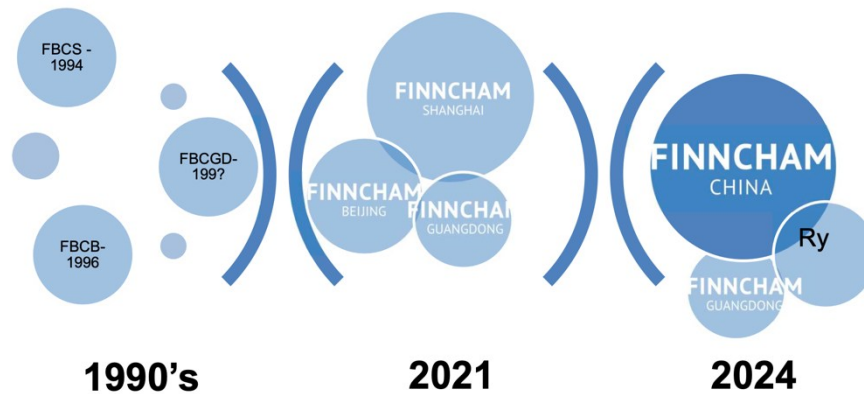
To provide the reader with a clear understanding, this chapter describes the development of the Finnish Chamber of Commerce and analyses the specific organizational overview, the Chamber's main services and the main marketing models currently used by the Chamber. The focus will be on the Finnish Chamber of Commerce in Shanghai (refer: FinnCham Shanghai).

2.1 FinnCham China

The Finnish Chamber of Commerce (refers: FinnCham) is an international business network that promotes the globalization of Finnish companies. It was initially set up to support Finnish companies in finding business opportunities abroad and to strengthen economic co-operation with the rest of the world. As the global market continues to grow, FinnCham has gradually expanded its coverage with branches on several continents, including markets such as China, Korea, Africa, Argentina and the United States. (Finland Chamber of Commerce 2018)

In China, Finnish Chamber of Commerce operates through four main regional offices: Shanghai, Beijing, Guangdong and Hong Kong. The Chamber's goal has always been to support the expansion and development of Finnish companies in the Chinese market and to provide a platform for business exchange, market insights and resource sharing for member companies and individuals. In May 2024, to optimize the allocation of resources and increase operational efficiency, the Finnish Chamber of Commerce has once again been restructured by merging the previously independently operated regional branches into a unified Finnish Chamber of Commerce in China (refers: FinnCham China). However, the regional offices will retain their autonomy, including the retention of independent local chapters, Annual General Meetings (AGMs), boards of directors and full-time staff. Sharing about the development of the Chamber, the former Executive Director of FinnCham provided Figure 1, which shows the evolution and large-scale restructuring of FinnCham. As an independent, non-profit and non-governmental organization (NGO), the FinnCham China is committed to providing in-depth support to its member companies and individuals, especially Finnish companies and professionals seeking to grow and find employment in the Chinese market. (Ville 2024)

The Evolution of FinnCham China 1994- 2024



FINNCHAM
CHINA

Figure 1. The Evolution of FinnCham China 1994-2024 (Ville.L 2024)

Although the FinnCham China has branches in several regions, the services they offer are generic and collaborative. The following is an example of the FinnCham China in Shanghai.

2.2 FinnCham Shanghai

The in Shanghai (FBCS) was established in 1994 as an independent non-profit organization. Its mission is to support Finnish businesses, and it also serves companies with close ties to the Yangtze River Delta region (including areas of Shanghai, southern Jiangsu, northern Zhejiang) of China to provide business contacts and professional support. FinnCham Shanghai is an important resource platform for Finnish companies that see Shanghai as a strategic hub for entering the Chinese market. It focuses on companies that want to expand their business in the Yangtze River Delta region. It helps Finnish companies to cope with and succeed in China's complex business environment, especially in terms of building business networks, offering market insights and practical support. (FinnCham Sh 2024)

2.3 Membership Structure and Services

FinnCham Shanghai promotes the business interests of their members in China on a membership basis. The main services provided are **business networking**, **information sharing**, **resource matching** and **policy support**. Becoming a member of the FinnCham Shanghai is the first step in using its services. The type of membership is closely related to the services enjoyed. There are seven types of membership, depending on the specific needs of a company or individual.

FinnCham Shanghai's membership structure includes corporate members, which consist of Finnish companies or businesses with strong connections to Finland. These members range from small start-ups to large, well-established corporations, spanning various industries such as technology, manufacturing, and consumer goods. Prominent corporate members include Wärtsilä, Kone, Valmet, and Marimekko, which represent Finland's diverse industrial expertise. As of 2024, FinnCham Shanghai has 120 corporate members.

The membership categories are different, and the services are also different. Finnish companies can choose the membership category that fits their needs, based on company development. For readers to have a better understanding of how the Finncham Shanghai, I have drawn Figure 2 based on information from the official website. After that I have explained the services. (FinnCham Shanghai 2024)

Membership Category	Company Logo Display	Post News on WeChat & LinkedIn	Networking & Info-sharing Access	Business Guidance & Support	Full Event Access (unlimited attendees)	Member Prices on Events	Online Member Directory Access	Company Promotion (Online & Offline)	Direct Communication with Team Finland	Free Entry to Working Groups
Premium Membership	✓	✓	✓	✓	✓	✓	✓	Maximum Visibility	✓	✓
Supporting Membership	✓	✓	✓	✓	✓	✓	✓	High Visibility	✓	✓
Corporate Membership	✓	✗	✓	✓	✓	✓	✓	Moderate Visibility	✓	✓
China Interest Membership	✗	✗	✓	✗	✗	✓	✗	✗	✓	✗
Start-up Membership	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Individual Membership	✗	✗	✓	✗	✗	✓	✗	✗	✓	✗
Finnish Young Professionals' Membership	✗	✗	✓	✗	✗	✓	✗	✗	✓	✗

Figure 2. FinnCham Membership category & Service

Premium Membership is reserved for business members who are looking for the highest level of possible activation and popularity. Members at this level have many opportunities to increase the company's visibility in China. Premium also receive comprehensive promotional support from the Finncham and guidance on business-related matters.

Supporting Membership offers many of the same benefits as Premium Membership, but with fewer promotional opportunities than Premium membership. However, it is an excellent option for companies that want access to the rich resources of the FinnCham but still want to maintain a more streamlined approach to participation.

Corporate Membership is the standard option for companies already operating in China. It provides essential tools and access to help businesses thrive in the Finnish-Chinese business community. Benefit like access to FinnCham's extensive business network and connections. Full participation in events, including member-exclusive opportunities. Promotional benefits to enhance company visibility. and member pricing on events and services.

China Interest Membership is designed for companies that are considering entering the Chinese market but do not yet have a local presence. It provides companies with an entry-level opportunity to explore and evaluate their opportunities and business development possibilities in China.

Start-Up Membership is specifically for young companies with 1-2 employees that were established in the past 12 months. The Chamber provides companies with tailored resources to help startups grow in the Chinese market.

Individual Membership is aimed for individuals who wish to join the FinnCham network but do not work for a Finnish company. They hope to access to the community, member events, and the communication network, but the focus is on individual personal rather than corporate support.

Finnish Young Professionals' Membership is aimed at Finnish citizens under 30, typically students or young professionals in China. It offers access to networking and event participation, providing young members with opportunities to connect and grow their professional network in China.

Membership with FinnCham Shanghai provides significant advantages, including access to a broad network of Finnish and international business contacts, as well as government institutions. Members benefit from regular business and social events organized by FinnCham, designed to foster interactions not only between members but also with the wider Finnish community and international organizations. These events serve as a platform for knowledge exchange, business collaboration, and social engagement, strengthening ties within the business community and enhancing the visibility of corporate members.

FinnCham China mainly provides the following benefits to their members, and I have collocated information basis on website and my experience.

Corporate members can get the opportunity to **display their company logo** in the bottom banner of WeChat (as shown in Figure 3) and on the official website.



Figure 3. The member companies' logo displayed in the FinnCham public account banner (FinnCham 2024).

Post News on Wechat and LinkedIn Member companies can publish company news and updates through FinnCham Shanghai's official WeChat and LinkedIn channels. This helps to increase brand awareness and expands the publicity effect of companies in their target markets. Through the promotion of these professional platforms, companies are able to reach out to potential customers and partners more effectively.

Networking Opportunities Members could meet other professionals, including other member companies, other business leaders and government representatives. Through regularly organized social and business events, companies are able to make key business contacts, facilitate potential collaborations and expand business opportunities.

FinnCham Shanghai provides **Market Knowledge** and industry analysis seminars for member companies. Through it can help companies gain a deeper understanding of the dynamics and development trends of the Chinese market. Through professional data support and strategic analysis, companies can make more informed decisions and reduce operating risks in the fierce market competition.

Business Guidance & Supports its member companies with specific business counselling and market guidance to assist them in their initial set-up and long-term development in the Chinese market. The services include market access counselling, interpretation of policies and regulations,

investment environment, company set-up, etc., to help companies effectively deal with market challenges.

FinnCham Shanghai publishes monthly events for members and non-members to attend. Event types include but are not limited to business seminars and social events, with the aim of enabling members to interact with key stakeholders and expand their professional networks. In addition, the Chamber also cooperates with Team Finland and other associations to provide members with potential cooperation opportunities to further enhance their competitiveness in the industry.

Member companies can improve their brand awareness through the Finnish Chamber's communication channels, including the official website, e-newsletters, brochures, as well as presentation and promotion opportunities at various offline events. In addition, companies can gain more exposure through event sponsorships and special co-operations to further expand their market presence in China. This continuous exposure will help enhance corporate image and expand market reach, thereby driving business growth.

Through these different supports and services, member companies of the FinnCham China can obtain corresponding services, and through the convenience and services provided by the platform, the value created promotes the success of their business in China.

2.4 Review of currently Marketing methods

To the best of my knowledge, I am the first student who have the opportunity to work as an intern at FinnCham Shanghai. During the internship, I noticed that the Chamber's core activities revolved around providing services to its corporate members, including cross-cultural communication, digital promotion, membership management, and event organization. One of the essential tools the FinnCham Shanghai relies on is Glue Up, an integrated customer relationship management (CRM) and event management platform. Glue Up supports the Chamber in membership administration, event coordination, and communication. By using this platform, the Chamber effectively manages member records, processes event registrations, sends updates, and facilitates business networking and knowledge sharing, enhancing both operational efficiency and member engagement (Glue Up 2024)

Member Relationship Management – Glue Up

Glue Up found in 2013 is a global cloud platform that provides an all-in-one solution for membership tracking, event organization, community building, and financial management. The platform's core features include powerful membership management tools, seamless event planning that supports both virtual and in-person formats, personalized email marketing, and interactive community

engagement options. It also integrates financial tools for invoicing, survey functions for collecting feedback, and smart insights for optimizing operations driven by AI. (Glue Up 2024)

During the internship, we made full use of the Glue Up platform to strengthen relationships with member companies. Through its customer relationship management (CRM) system, the Chamber of Commerce is able to efficiently publish events, manage member information, and maintain regular communication with corporate members and their local employees. The core of CRM is to drive member loyalty and engagement through regular updates, personalized support, and exclusive benefits.

Event Marketing

Event marketing is a main task when I was working in FinnCham Shanghai. The Chamber regularly organizes online and offline events, including seminars, forums and social gatherings, both professional and non-professional, and currently serves as a knowledge-sharing and relationship-building platform for member companies and partners. These events focus on the needs of Finnish companies in China and cover topics such as market trends, regulatory updates and industry innovations. Through these events, member companies can not only network with industry experts, but also explore potential business co-operation opportunities.

Cooperation with Other Chambers of Commerce

There are many organizations and associations like the FinnCham Shanghai. Their purpose and role are also to provide relevant services to businesses in China. During the author internship, Finncham establishes co-operation with other chambers of commerce and industry associations, e.g. for cultural exchange-type events, or information sharing. This cross-chamber co-operation not only helps to expand the Chamber's presence in China, but also brings additional resources and support to member companies. We often organize joint events and sharing resources, the Chamber ensures that member companies have access to comprehensive market information to facilitate their business development in China.

Cooperation with Team Finland Group

FinnCham Shanghai is a part of the Team Finland network in China. Team Finland aims to enhance Finland's visibility and support cooperation between Finnish and Chinese organizations. Through close collaboration with the Embassy of Finland in Shanghai, Business Finland, Study in Finland, Visit Finland, and other partners, FinnCham Shanghai helps member companies navigate the Chinese market. Their joint efforts focus on promoting business opportunities, supporting trade fairs,

and providing policy advocacy, ensuring Finnish businesses remain competitive and well-connected (Team Finland Network in China 2024)

Social Media Channel

In China, social media platforms are important for building connections with member companies and the wider business community. Chambers of Commerce actively use platforms such as WeChat and LinkedIn to share updates, promote events and engage with their audiences.

WeChat is a multi-functional social and mobile payment application launched by Chinese technology company Tencent in 2011. It has become one of the most important digital ecosystems in China. It is an instant messaging tool, and also a super application platform that plays multiple roles in Chinese people's lives and business activities.

The Chamber also created private WeChat groups for member companies and their employees. These groups allowed real-time updates on policy changes, business opportunities, and event reminders. Members could ask questions, share experiences, and network informally through this platform. (Wechat 2024)

Through exploring the WeChat website and summarizing its main services, the key tasks of **WeChat public accounts** include sharing industry news, event announcements, and business tips tailored for companies in China. They also promote upcoming events by providing detailed information and registration links, followed by post-event summaries and photo highlights. Additionally, these accounts publish articles on market trends, policy updates, and cross-cultural management to keep businesses well-informed and engaged.

Access to LinkedIn is restricted in mainland China. However, LinkedIn remains an important professional social and business networking platform worldwide. For those living outside mainland China who want to learn about mainland China's business dynamics and market LinkedIn provides an effective channel for international information acquisition, and its function in career development and business cooperation is like that of WeChat in China. For local Chinese, WeChat channels are used more for promotion.

3 Literature Overview

This chapter reviews the research system of cross-cultural communication in international marketing, focusing on Hofstede's cultural dimension theory, 4Ps and 4Cs theory, and highlighting the uniqueness of the Chinese market. First, the basic concepts are defined, and then the application of Hofstede's theory in Sino-Finnish business relations is analyzed. Combined with cultural dimension scores and practical experience, the challenges and opportunities for Finnish companies to enter the Chinese market are discussed. In the end, this chapter covers digital marketing in China, analyzing the development of China's digital marketing, the impact of social media and e-commerce ecology on international companies, and exploring their role in cross-cultural marketing, providing reference for market entry.

3.1 International Marketing

The concept of market is not limited to a specific geographical location, but more broadly refers to an economic place or platform where supply and demand meet to exchange goods or services. This platform can be physical or virtual, and its core lies in the interaction between supply and demand and the exchange of value. Markets operate by satisfying various needs and desires, which can be explicit or implicit. An important feature of modern markets is that the price mechanism is formed through the interaction of supply and demand, and resources are efficiently allocated with the help of currency or other means of exchange. Even without physical trading venues, the application of technology and digital tools can still make markets operate efficiently. (Francis 2009, 144-149)

Kotler (1988) defines marketing as understanding human needs, wants and demands, and satisfying them by providing products or services of value. Marketing is a dynamic process that requires constant adjustment of strategies by paying close attention to changes in consumer behavior. Marketing is a dynamic process that requires constant adjustment of strategies by paying close attention to changes in consumer behavior.

With the continuous advancement of globalization, the marketing activities of enterprises are no longer limited to the local market but gradually expanded to the broader international stage. This expansion requires enterprises to not only have a deep understanding of the needs and dynamics of the domestic market, but also to cope with the complexity of different national and regional markets. In the process of crossing geographical boundaries, cultural differences, economic conditions, political environment and the diversity of laws and regulations have put forward higher requirements for the marketing of enterprises. Therefore, international marketing came into being and became an important strategic tool for enterprises to find growth opportunities around the world.

International marketing is like market in definition, but it is more complex because it involves markets in different regions, when a company enters the international market, it needs to understand the changing trends of the global market while also conducting in-depth research on the culture, economic conditions, political environment, and laws and regulations of each region. (Baack 2013, 9-13)

International marketing is a comprehensive strategy that includes market research, product customization, global branding, pricing policies, international distribution, and promotional activities for specific international markets to promote the export of its products. The purpose of international marketing is to narrow the gap between the company's products and global consumer needs. In this process, companies are required not only to design and implement various marketing, but also to adapt to the cultural, legal and economic environment of different countries and regions. (Francis 2009, 129-133)

Due to the unique cultural, legal, political and economic environment, international marketing in China is significantly different from that in other countries. This difference is reflected in the design and implementation of marketing strategies and also affects how companies build connections and trust with consumers in the Chinese market. (Zou 2011,11-12;283-291).

3.2 The Particularity of the Chinese Market

Because of its prominent position in the global economy and its growing business potential, I chose the Chinese market as the core research area for this thesis. In order to better introduce the focus of this paper, I introduce the Chinese business environment and its differences from the Finnish market in this chapter.

With a population of over 1.4 billion and a rapidly growing middle class and according to the World Bank (2024)

” Despite multiple headwinds, China’s economy grew at a robust rate of 5.0 percent in the first half of 2024, supported by consumer spending on services, exports, and investment in manufacturing and public infrastructure.”

China’s growing middle class has driven rapid growth in its consumer market. The advanced digital ecosystem has brought unprecedented development opportunities to multinational companies through innovations in e-commerce, social media and mobile payments. At the same time, China is one of the world's largest consumer markets, but due to differences in economic development, cultural background and consumption levels between urban areas, it will affect the market strategies and business layout of international companies in different regions. At the same time, China is one of the world's largest consumer markets, but due to differences in economic development, cultural

background and consumption levels between urban areas, it will affect the market strategies and business layout of international companies in different regions.

China's policy and regulatory environment is changing. In recent years, the Chinese government has continuously adjusted and optimized foreign investment policies to promote high-quality economic development. In November 2024, China relaxed the regulations on foreign investors' participation in listed companies, lowered the asset threshold for non-controlling investors, and added tender offers as an approved investment method. The "Compilation of China's Major Legal Policies on Foreign Investment" released in December 2021 systematically sorted out the laws and regulations related to foreign investment, reflecting China's efforts to improve the foreign investment legal system. These changes show that China's policy and regulatory environment is moving towards a more open and standardized direction.

Unfortunately, I could not find the latest data on Finnish investments in China from Statistics Finland. According to Statistics Finland's statistics on Finnish branches abroad, in 2020, 250 Finnish companies had subsidiaries or branches in China, which accounted for about 5% of all Finnish branches abroad (Tilastokeskus 2023). At the same time, according to the news reports on Minister Rydman's visit to China. (Finnish Government 2024)

" The total value of trade between the countries (goods and services) was nearly EUR 13 billion in 2023. There are 250 subsidiaries of around 100 Finnish parent companies operating in China, whose turnover in China reached nearly EUR 16 billion in 2022."

The parent company mentioned here refers to the company headquartered in Finland and directly or indirectly holds more than 50% of the shares of the parent company. The subsidiary is the branch of the Finnish parent company in China.

In fact, when Finnish companies enter the Chinese market, in addition to setting up subsidiaries, they also conduct market research and business contacts by setting up representative offices, cooperate with Chinese companies to set up joint ventures to quickly integrate into the local market, acquire the market resources and customer networks of existing companies through mergers and acquisitions, or adopt a franchise model to authorize local companies to use brands and business models. In addition, foreign-funded enterprises can also use cross-border e-commerce platforms to directly reach Chinese consumers, export intellectual property rights through technology licensing, or cooperate with local manufacturers to outsource production. These models have their own advantages and disadvantages. Companies need to choose the appropriate path based on their own strategies and market characteristics to better achieve business goals and adapt to China's diverse market environment. (Francis 2009, 152-170)

The Chinese market is full of opportunities and challenges for Finnish companies. As the world's second largest economy, China has a rapidly growing middle class and a younger generation of consumers whose consumption behavior is increasingly globalized. In addition, the Chinese government emphasizes innovation-driven growth, low-carbon development and coping with an aging population in its 14th Five-Year Plan, which provides new cooperation opportunities for Finnish companies in the fields of information and communication technology, clean technology, bio- and circular economy, health and well-being. (Business Finland China 2024)

3.3 Intercultural Communication

After gaining an in-depth understanding of the Chinese market environment and business opportunities, I found that China has significant regional differences in economic development levels and consumption habits, and the profound cultural background also brings unique challenges to the market strategies and business operations of foreign-funded enterprises. It is particularly important to master intercultural communication skills in China, which can help companies achieve efficient communication and collaboration under a complex cultural background. Based on this, this chapter will focus on the intercultural communication theory to provide theoretical support for formulating strategies that meet the needs of the Chinese market.

Ron (2012) defines that intercultural communication as the process of information exchange and interaction between people from different cultural backgrounds. This communication involves not only the use of language, but also differences in cultural values, behavioral norms, and social expectations. Language itself is ambiguous, and people from different cultural backgrounds may have different understandings of the same expression. (Ron 2012, 10-17; Erdman 2017, 8-13)

Hofstede's (1980) theory of cultural dimensions provides an important analytical framework for explaining this difference. The theory stems from his large-scale investigation of the differences in values among employees in different departments within IBM, a multinational computer manufacturing company, in the 1960s and 1970s. The study covered three regions and 50 countries, involving more than 100,000 employees. Through factor analysis, Hofstede first identified four core cultural dimensions: individualism vs. collectivism, power distance, uncertainty avoidance, and masculinity vs. femininity. (Erdman 2017, 14-15; 47-49) Later, Hofstede added two more dimensions as long-term vs. short-term orientation and the sixth dimension, indulgence vs. restraint (Hofstede & Minkov 2010, 252-280). Hofstede's cultural dimension theory shows that cultural differences have a profound impact on the operation of multinational companies and organizations.

According to an analysis report by Charlotte Nickerson (2023) and explains that Hofstede's theory highlights cultural value differences between countries based on a global survey of employees from

various cultural backgrounds, summarizing these differences into six key cultural dimensions. It is an important basis for understanding cultural differences and developing internationalization strategies. As Charlotte points out, Hofstede's theory of cultural dimensions provides a framework for understanding etiquette and facilitating communication in cross-cultural communication, with applications in everything from business to diplomacy. (Charlotte 2023 & Hofstede & Minkov 2010, 53-240; 252-280)

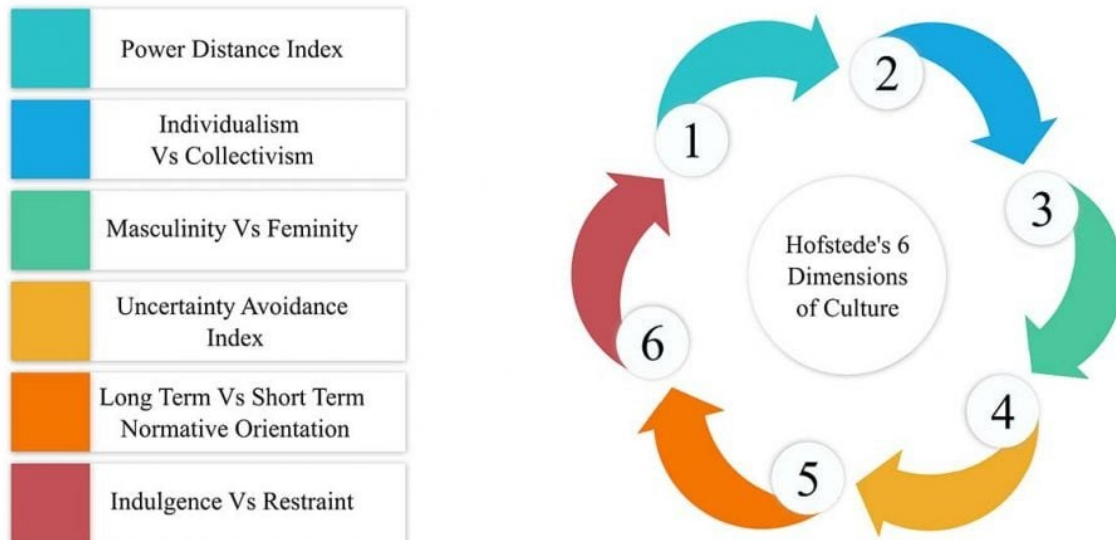


Figure 4: Hofstede's cultural dimensions theory & examples (2023) Charlotte Nickerson 2023

From Hofstede's theory of cultural dimensions, cultural differences have a profound impact on the operation of multinational companies and organizations. For example, in a high-power distance culture, employees may be more inclined to accept centralized management, while in a low power distance culture, employees may be more expected to participate in the decision-making process. In addition, employees in individualistic cultures may focus more on personal achievement and independence, while employees in collectivist cultures may emphasize teamwork and collective interests. Therefore, when multinational companies operate in different cultural backgrounds, they need to adjust their management and communication strategies according to local cultural characteristics to improve organizational efficiency and employee satisfaction.

When companies consider globalizing their business, they often face many challenges, such as adapting to local consumer needs and coping with cultural differences. Therefore, companies understand the characteristics of different cultures is important for business developing. In my internship experience at the FinnCham Shanghai Hofstede's cultural dimension theory is particularly

important in the context of Sino-Finnish cultural differences and has a profound impact on the adaptation and operation strategies of enterprises in the Chinese market.

In this thesis, I use the country comparison tool to obtain comparative data of China and Finland under this theoretical framework (as shown in Figure 5), comparing the cultural characteristics of China and Finland, highlighting the key differences, and enabling companies to gain a deeper understanding of the unique characteristics of the Chinese market. In Figure 5, orange represents China and gray represents Finland. The data is automatically generated.

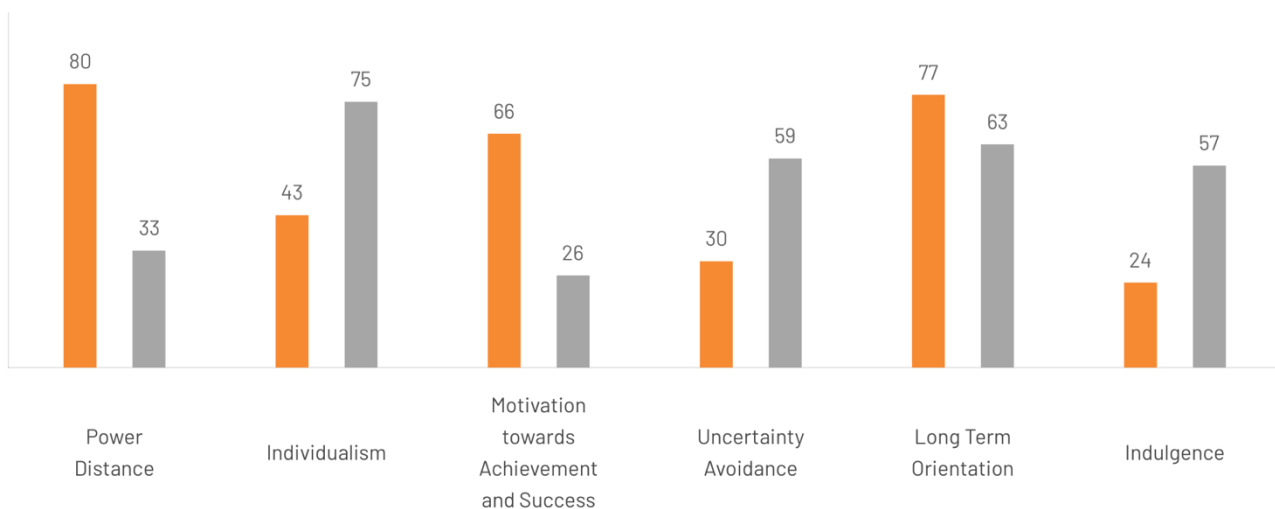


Figure 5. Hofstede Insights(2021). Country comparison China & Finland

Power Distance people accept authority or privilege in different ways in different cultures. In cultures with high power distance, consumers tend to rely on authoritative sources for decision-making. The chart shows that China scores 80 on the power distance dimension, while Finland scores only 33. Chinese society places a strong emphasis on hierarchy and authority, valuing respect and obedience to those in charge. Finland's low power distance means people value equality and prefer decentralized decision-making, and workplaces focus on open communication.

When we organize Sino-Finnish business events, Finnish representatives prefer equal communication and directly connections with Chinese partners. However, Chinese participants focus on respecting senior decision makers, and many key issues need to be approved by top-level approval.

At important events, Chinese representatives usually ask about guests' positions to arrange appropriate contacts. Finnish companies can improve communication by better understanding the hierarchy in Chinese businesses.

Individualism vs. Collectivism The relationship between individuals and groups in society. Individualism focus on personal right and freedom. Collectivism on the other hand, focus on team harmony and emphasize that collective interests take precedence over individual interests. In collectivist cultures, social relationships are very important in brand communication. Comparing from the scores, China is a higher collectivist society compared to Finland. People's behavior usually prioritizes collective interest and individual decisions are often influenced by the group.

Chinese company representatives tend to showcase team projects or collective achievements, reflecting their emphasis on long-term partnerships.

On the other hand, Finnish company representatives usually emphasize individual achievements and independence and highlight personalized innovative ideas. Although this expression is seen as positive and transparent in Finnish culture, it may be misunderstood as ignoring teamwork or even considered a lack of "humility" or "disharmony" in the Chinese cultural context. Therefore, it is necessary to find a balance in cross-cultural communication, respecting China's collectivist culture while demonstrating individual values.

Masculinity vs. Femininity also explained in Chart Motivation towards Achievement and Success. The focus on competition versus co-operation in societal values. In China, success depends on achievement. Working long hours, working away from home for higher pay and promotion, and highest scores are all important to the Chinese because pay and grades are measures of success. The Chinese want to be the best at what they do.

China scored 66 in this dimension, showing a masculine culture that values competition and success. Things like salary, status, and job performance are seen as key measures of success, and people often work long hours to climb the career ladder. On the other hand, Finland scored 26, reflecting a more feminine culture that focuses on collaboration and quality of life. Collaboration and well-being take precedence over competition.

During the internship, I found that Chinese marketing and management often appeal to ideals and competitive values in the form of storytelling, but in Finland, messages such as sustainability, equality and well-being are more resonant.

Uncertainty Avoidance Society's response to uncertainty and ambiguous situations is usually characterized by the degree of avoidance of those situations. China scored 30 points, which means that the probability of uncertainty avoidance tendency is low, which also reflects the high adaptability to flexible changes. In business activities, Chinese partners are usually more tolerant of agenda changes or plan adjustments. This pragmatic attitude facilitates quick decision-making in a dynamic environment.

Finland scored 59 in uncertainty avoidance, showing a high reliance on rules and plans. In Finnish culture, people tend to clarify every detail in advance and strictly adhere to established plans. This difference is particularly evident in cross-cultural activities, such as meeting arrangements and agenda management.

Long-term vs. Short-term Normative Orientation Focus on future planning versus traditional values. China's strong long-term orientation, with a score of 77, emphasizes perseverance, strategic planning, and future rewards, with relationships and business strategies often taking a long-term perspective. Finland, scoring 63, also values long-term orientation but takes a more balanced approach, considering both short-term and long-term goals. In China, building lasting relationships and showing commitment are important. In Finland, businesses should focus on achieving immediate results alongside sustainable growth. During the internship, I also found that China is more interested in brands that convey the idea of sustainability, which is very much in line with the pragmatism of Chinese consumers.

Indulgence vs. Restraint Different orientations towards hedonistic versus temperate attitudes towards life. China is a restrained society, China scored 24 on the indulgence and restraint dimension, which is a highly restrained culture. Consumer behavior is rational and value-oriented, especially when the economic environment is uncertain. In recent years, although hedonism has gradually emerged in Chinese consumer culture, it is still centered on practicality and traditional values.

Finland scored 57, showing a higher tendency to indulge. Finnish consumers are more inclined to pursue personal enjoyment and happiness. Therefore, China's brand communication information needs to highlight practicality and return on investment, while in Finland, companies can focus more on conveying lifestyle and personal satisfaction. (Hofstede Insights 2021)

3.4 Localized Marketing

Chapter 3.3 compares the cultural differences between China and Finland through Hofstede's theory. These differences involve dimensions such as individualism and collectivism, power distance, etc., which may have an impact on consumer behavior, market preferences and corporate operations and directly determine the opportunities and challenges faced by companies when entering the Chinese market. If Finnish companies want to succeed in the Chinese market, relying solely on standardized global marketing strategies is no longer enough to cope with the diverse cultural environment. Companies need to apply the research results of cross-cultural communication to market practice.

In the process of literature review, I found that it is difficult to directly systematic research on localized marketing in the Asian market. The existing literature is more focused on marketing cases or strategy analysis in the European and American markets. However, the essence of international marketing

is to connect with consumer needs through cultural adaptation and establish market competitiveness (Kotler 2022 47-48). This shows that localized marketing is not an isolated strategy, but a refinement of the globalization strategy, and its core lies in meeting the cultural needs and social norms of specific markets.

Kotler (2022) mentioned the concepts of marketing concept and market-value concept in his book *Marketing Management*. Marketing concept first shown in the mid-1950s and is all about focusing on the customer. This approach shifts the focus from finding the right customers for a product to designing and developing products that address customer needs (Kotler 2022, 42-43). The purpose of marketing is to meet customer needs and create long-term value through products and services

The market value concept emphasizes a holistic, customer-centric approach where all organizational functions collaborate to create value for customers, the company, and its partners.

The market value concept further expands the scope of the marketing concept. Traditionally, the marketing team acts as an intermediary, connecting customer needs with internal company functions. However, the market value concept suggests that all functional areas within the organization should actively collaborate to create value for customers, the company and its partners. This comprehensive perspective is particularly important for successful localized marketing. (Kotler 2023, 38-44).

Localization is defined as a company's adaptation of its products, services and marketing strategies to the business environment of its target market. (Dunne 2006, 223-230) Kotler (1931) pointed out that the shift from production-oriented to consumer-oriented marketing is the key to global market adaptation. For multinational companies, successful localized marketing means being able to effectively connect consumer needs in the target market and corporate strategic goals through cultural adaptation. (Kotler 2024, 86-89)

Companies can achieve product or service localization goals by understanding the cultural characteristics, social norms and consumer behavior patterns and then adjusting brand positioning, marketing strategies and customer communication methods. Localization involves rebranding, adjusting product features and appearance, cultural adaptation of advertising content, and optimization of sales channels and customer service. (Dunne 2006, 235-230)

Chinese market is a multicultural and localized marketing is particularly important. Localized marketing is not only a concrete practice of the theoretical framework, but also a necessary path for multinational companies to establish brand influence in the target market.

3.5 4Ps and 4Cs

In the process of studying the development of marketing concepts, I found that the early market was production-oriented, and the focus of enterprises was to improve production efficiency and reduce costs. It is generally believed that "as long as it is produced, consumers will buy it" (Kotler 2024, 154-161). The core of marketing activities at this stage is the selling concept, with the purpose of selling products. In the 1910s, Harvard Business School opened the first marketing course, marking the birth of marketing as a systematic academic research field. Peter (2002) reviewed in detail the evolution of marketing from production orientation to market orientation, pointing out that the changes in each stage reflect the important changes in market environment, consumer behavior and technological development.

McCarthy proposed the 4P theory in the mid-1960s. product, place, promotion and price are the core of the 4Ps theory. By designing products that meet customer needs, setting competitive prices, choosing suitable distribution channels and implementing effective promotion strategies, enterprises can not only enhance brand awareness, but also enhance market competitiveness. The 4P theory is widely used in the marketing practice of enterprises. (Mccarthy 1960, 208-276)

Venkatesh (2012, 9-20) also pointed out that the essence of marketing strategy is that enterprises gain competitive advantage by offering superior value to attract and retain customers. An effective marketing strategy can combine enterprise resources with market opportunities so that each action contributes to the overall goal.

In the 1970s, marketing gradually shifted from enterprise-centered "product orientation" to consumer-centered "demand orientation". Mccarthy (1960) proposed the 4Cs theory, which redefined the four key dimensions of the marketing mix based on consumer demand, including consumer demand, comprehensive cost, convenience and communication. The 4Cs model places more emphasis on starting from the consumer's perspective and achieving marketing goals by optimizing user experience, improving interactivity and reducing purchase barriers.

In general, 4Ps model provides a systematic strategy management tool, and 4Cs model focuses more on consumer experience and interaction. In the Chinese market, companies need to flexibly apply these two theories and develop marketing strategies that meet market demand and enhance brand competitiveness by combining product design, pricing strategy, channel optimization and consumer communication.

3.6 Digital Marketing in China

In recent years, China's digitalization and social media have developed rapidly, completely reshaping the marketing landscape. Digital marketing, content creation and social media activities have become the core means to build brand awareness, attract target audiences and drive business growth. According to the China E-Commerce Report (2022), China's e-commerce transaction volume reached 43.83 trillion yuan in 2022, a year-on-year increase of 3.5%. Such a huge transaction scale reflects the vitality of China's e-commerce market and its important position in the global economy. In addition, as of December 2022, the scale of online shopping users in China reached 845 million, accounting for 79.2% of the total number of Internet users in the country, indicating that e-commerce has been deeply integrated into the daily lives of Chinese consumers and has become an important way of shopping. With the advancement of technology and the change of consumer habits, China's digital marketing ecosystem is highly dynamic and diverse. This chapter will take a deep dive into the main digital marketing platforms and their functions, while analyzing the latest industry trends.

WeChat is one of the most popular platforms in China, boasting over 1.3 billion monthly active users as of 2024, according to Tencent's official reports (Tencent 2024). Far more than a communication tool, WeChat has evolved into a comprehensive ecosystem that integrates social, e-commerce, and payment functionalities, making it a critical platform for businesses targeting Chinese consumers

One of WeChat's core features is its **Official Accounts**, which enable brands to establish direct communication channels with users. Through these accounts, businesses can share updates, deliver tailored content, and nurture long-term relationships. Acting as a central hub for content marketing, customer service, and audience engagement, Official Accounts offer tools such as custom menus, automated responses, and customer segmentation to help brands build deeper connections with their target audiences. (Weixin Official Accounts Platform 2024)

Complementing Official Accounts, **WeChat's Mini Programs** have revolutionized the way brands interact with consumers by providing a lightweight app framework within the platform. Mini Programs empower brands to create personalized e-commerce solutions, offering seamless browsing, purchasing, and payment experiences without requiring users to leave the WeChat environment. By 2024, over 1.2 million active Mini Programs were utilized monthly, ranging from online stores to booking systems and interactive services. This versatility makes Mini Programs a powerful tool for businesses to enhance customer engagement and streamline operations (Weixin Official Accounts Platform 2024)

In addition to fostering consumer interactions, WeChat offers advanced solutions for internal and external collaboration through **WeChat Work (refers: WeCom)**. This feature supports precise and

personalized communication, integrating customer relationship management (CRM) tools to better understand consumer preferences and optimize service delivery. Moreover, WeChat Work facilitates seamless coordination among teams, enhancing operational efficiency and enabling businesses to respond quickly to market demands. (Weixin Official Accounts Platform 2024)

To complete the consumer journey, **WeChat Pay** plays a pivotal role by supporting both online and offline transactions. Its integration with other WeChat functionalities allows for a unified and frictionless shopping experience, from browsing to payment. (Wechat Pay 2024)

For businesses looking to penetrate the Chinese market, leveraging WeChat's ecosystem is a strategy to increase visibility while also building strong relationships with consumers. In addition to WeChat's multi-functional ecosystem, short-video platform **Douyin** also plays a pivotal role in China's digital marketing landscape.

There is another version available outside of China called TikTok, Douyin is a video-sharing app available only in Chinese market. It is leading short video platform in China with over 800 million daily active users, primarily attracts younger. It is renowned for its highly engaging and entertaining content, making it a powerful tool for brand promotion. The platform allows brands to showcase products creatively through short videos, while livestreaming offers real-time interaction with consumers. This feature enables brands to demonstrate products, answer consumer questions, and offer special promotions, resulting in higher purchase rates. (Digitaling 2022)

Douyin supports multiple advertising formats, such as in-feed ads and branded filters, allowing for precise targeting based on user preferences. Its integrated e-commerce capabilities allow brands to link their stores directly to videos or livestreams, creating a seamless shopping experience. (Douyin Developer Open 2024) Companies can collaborate with influencers and KOL (Key Opinion Leader) in Douyin platform, brands can amplify their reach and credibility, significantly enhancing their market presence. KOLs engage in live-streaming events, product reviews, and brand collaborations, creating highly interactive and personalized brand experiences. In China, the market size of this field has reached approximately 100 billion yuan in 2023 and is expected to grow to nearly 7 trillion yuan by 2025. Influencer marketing in China has flourished with the shift from graphic content to live broadcasts, social e-commerce, and short videos. (Statista 2024) Live-streaming has become particularly effective in driving consumer purchases, as it allows brands to showcase products, answer questions in real-time, and build trust through authentic communication.

Xiaohongshu focuses on lifestyle sharing and shopping recommendations, attracting a predominantly female audience aged 20 to 35. It is widely regarded as a leading platform in beauty, fashion, and home decor sectors. The platform thrives on authentic content created by its users, who share

genuine reviews and product experiences. This grassroots approach has a strong influence on consumer decision-making. The platform also supports professional content collaboration, enabling brands to work with influencers to produce high-quality reviews and recommendations. Xiaohongshu's community-driven nature fosters interaction through likes, comments, and shares, further amplifying brand visibility. Its integrated e-commerce feature allows users to transition from discovery to purchase seamlessly, shortening the decision-making process and boosting sales. (Wang 2022)

New Retail, launched by Alibaba in 2016, focuses on integrating **O2O (online to offline)** channels through technological innovation to provide a seamless shopping experience that combines the convenience of e-commerce with the tangible interactions of physical stores. Customers can explore products in-store and complete their purchases online, creating a unified journey driven by big data and artificial intelligence. O2O on the other hand, emphasizes the use of online platforms to drive offline engagement, linking digital marketing efforts with face-to-face transactions. While O2O aims to connect online visibility with offline purchases, New Retail goes a step further by creating a fully integrated ecosystem to enhance consumer experience and operational efficiency. (Alibaba Group 2024).

In general, these above applications have been widely used among Chinese companies and individuals. To be widely adopted in Chinese market, a company has to be familiar with these applications and platforms to gain more chances to selling their products and improve their influences.

4 Methodology Research

4.1 Research Methods

There are two main types of research methods: Quantitative and Qualitative.

Quantitative research is based on objective factors and uses standardized research procedures to present results. Results are usually presented in the form of data analysis, statistics, and chart analysis. The source of data is through questionnaires, test results, etc. Quantitative research focuses on standardization and repeatability, and the design will be more structured, usually using probability sampling to ensure that the research results have wide applicability. (Saunders 2016,166-167)

Qualitative research helps you understand people better by exploring their thoughts, feelings, and cultural backgrounds. Instead of crunching numbers, it focuses on stories, experiences, and the deeper meaning behind what people say and do. The data here isn't about numbers. It comes from interviews, observations, pictures, and videos. Researchers gather detailed info by listening, watching, and reading what people share. (Saunders 2016,168-169)

4.2 Research Design

After learning and comparing the advantages and disadvantages of the two research methods, the author decided to adopt a qualitative approach for this study. This approach is more suitable for understanding this research and later to achieve the research objectives.

The research is based on my internship experience at the FinnCham Shanghai with additional data collected through interviews for analysis. To better understand the research, the author conducted a 40-minute interview with Kari, who is now Executive Director of the FinnCham Shanghai. During the research process, ethical considerations were prioritized. All participants received clear research instructions and signed informed consent forms before participating in interviews. The interview was completed via Teams on 22.10.2024 in Finnish. The interview recordings were transcribed and questions were coded to identify themes and responses. These findings were cross-referenced with the theoretical framework established through the literature review.

Through the interviews, FinnCham China provided new information on marketing in the Chinese market and their service content. The author started this research after returning to Finland after completing the internship. During the internship, the author gained more understanding and experience in marketing methods in the Chinese market. The theoretical writing process began in October 2024.

4.3 Reliability and Validity

Validity and reliability are important criteria to ensure the scientific and credibility of research results. According to Kirk and Miller (1986), validity refers to the authenticity of the research results and the degree of fit between the explanation and the phenomenon to which it refers. At the same time, it is also pointed out that reliability refers to the consistency of the results when different observers or the same observer assign instances to the same category on different occasions. Therefore, to ensure that the results of this study have high validity and reliability, an interview research design and data collection were adopted.

The data sources for this study include semi-structured interviews with the Executive Director of the Finnish Chamber of Commerce, my own internship experience at the Finnish Chamber of Commerce, and analysis of authoritative literature and reports. This diverse data source ensures the breadth of the research perspective and the authenticity of the data. In addition, during the data analysis process, the author attempted to account for potential biases in the interview responses and provided explanations where possible, which enhanced the depth and credibility of the research results.

To improve the reliability of the research process, a standardized data collection and analysis process was adopted. All interviews were conducted according to the preset interview framework to ensure that the interviewees received the question set before the interview. Although the research design strives to be comprehensive and rigorous, there is still some room for improvement. Some terms in the interview question design are not fully defined, which may lead to differences in understanding among the interviewees. Future research should clarify the definitions of these terms or use more understandable expressions. In addition, differences in the size, experience and historical background of the interviewed organizations may also affect the applicability of the research results. In the future, cross-organizational comparative studies should be considered to increase the representativeness of the sample. At the same time, my internship experience is also subjective. Due to the particularity of the Chinese market language, many data sources are mainly presented in Chinese, which may bring certain challenges to readers' understanding.

5 Interview Findings

This chapter will present the research results. The interview results will be reflected in the research questions. The background of all the interviewers will be introduced to be able to compare the collected data. Finally, the interview findings and my personal experience will be combined to give suggestions for companies that want to enter the Chinese market in the future. All detailed interview questions have been compiled in Appendix 1: Interview Questions for reference.

5.1 Core Goals and Functions of FinnCham Shanghai

Main mission of the FinnCham Shanghai is to provide support for cooperation between Chinese and Finnish companies, and to help Finnish companies better integrate into the Chinese market by organizing events, providing consulting and resource sharing. With limited resources, the Chamber of Commerce enhances its influence in the market through close interaction with member companies and cross-cultural bridges.

5.2 Support for Finnish Companies Entering the Chinese Marketing

FinnCham Shanghai focuses on attracting more member companies through a combination of online and offline activities, and to strengthen brand promotion on platforms such as WeChat and LinkedIn. FinnCham plans to launch more systematic digital tools to optimize member services. In the future, the focus will be on developing new digital platforms and diversified promotional content to more accurately meet the needs of small and medium-sized enterprises. Digital tools they plan to choose Douyin. Xiaohongshu is too personal and life-oriented, so it will not be their first choice.

5.3 Membership benefits and promotion opportunities

Members of FinnCham China - Shanghai will have access to all the events that we organize. As a member they will also have the opportunity to be promoted with our social media channel as well as have time to time access to official delegation pavilions.

5.4 Use of Social Media and Digital Tools

All the members are included to our website membership directory, each new company joining will be introduced with a monthly newsletter so the members who are in the same industry are aware and facilitate cooperation between the companies.

5.5 Cross-Cultural Adaptation Support

Cultural differences are often the main obstacle for Finnish companies entering the Chinese market for the first time. For example, many Finnish companies are accustomed to relying on decisions made by the headquarters and ignore the rapid changes in the local market. To this end, the Chamber of Commerce plans to launch a series of activities to help companies better understand China's business culture and operating rhythm.

5.6 The Effectiveness of Cross-Cultural Support

The Chamber is designing an "Easy Access to China" project, including online and offline training, legal and policy interpretation, recruitment guidance, and market strategy formulation, aiming to provide comprehensive support for companies that are new to the Chinese market.

5.7 Business Networking and Forums

The interview mentioned that member companies of different sizes have different service needs. For example, large companies are more concerned about legal updates, policy interpretation and industry trends, while small and medium-sized enterprises and start-ups need more market access guidance, cross-cultural training and industry resource docking. The Chamber of Commerce plans to provide more targeted support to different types of member companies by holding roundtable meetings, expert lectures and cross-cultural exchange activities.

5.8 Challenges in Operating in the Chinese Market

FinnCham China provides more possibilities for future development. Through unified rules and stronger internal coordination, the Chamber of Commerce can better serve companies operating in different regions of China. The current challenge is how to make the new brand name and operating model fully understood and accepted by all members. In addition, with limited resources, how to balance the work coordination between branches in different regions is also a problem that needs to be solved.

5.9 Plans for Future Market Changes

FinnCham Shanghai has no new strategic plans specifically for future market changes have been publicly announced. However, surveys are conducted regularly to assess the business environment and gather insights from members. For example, the Team Finland China Business Confidence Survey provides valuable data on investment trends and market sentiment for Finnish companies operating in China. While no new strategic plans have been specifically mentioned, the ongoing activities and surveys of the FinnCham Shanghai demonstrate that the organization takes a proactive

approach to understanding and adapting to market dynamics. Members are encouraged to participate in these initiatives to stay informed and contribute to the organization's efforts to respond to future market changes.

5.10 Conclusion of Findings

Through the interview, I have a clearer understanding that the FinnCham Shanghai is an important platform for Finnish companies to connect with the Chinese market, providing all-round support through event planning, resource sharing, consulting services, etc. It helps member companies cope with the challenges brought by cultural differences, regulatory complexity and China's dynamic market environment.

Looking back on my internship experience, I have achieved significant growth in digital marketing, event planning and cross-cultural communication. As Kari said, the Finncham Shanghai is an important platform for Finnish companies in the Chinese market. For Finnish companies who want to enter the Chinese market, the Finncham Shanghai is a trusted partner and important channel to understand local Chinese culture to establish business connections.

During my internship, I had the opportunity to participate in several important events. These events provide Finnish companies with valuable opportunities to showcase their company culture and corporate products and services, while also helping them to establish close connections with potential customers.

The FinnCham Shanghai helps Finnish companies adapt to and develop in the Chinese market by organizing events, sharing resources and providing consulting services. However, due to limited resources, they do focus more to close interaction with member companies. Throughout the internship, I was mainly responsible for event information release, process management, speaker invitations and promotional material design, post event information etc. Through these practical experiences, I understand the importance of refined management and teamwork in event planning.

In terms of digital marketing, the FinnCham Shanghai used on WeChat public accounts and LinkedIn platforms. WeChat is one of the most important information dissemination channels in China, and almost everyone living in China cannot live without it. The Finncham Shanghai uses these two platforms to publish event information, promote member companies, and publish relevant communication content every month through the customer management system. Due to limited resources and clear target user groups, the Chamber of Commerce focuses on these two most effective platforms. However, in the future, it may consider exploring more digital marketing channels, such as promoting brands on other platforms, producing video content, and showcasing success stories.

The interview also mentioned that the complex Chinese market environment and changing policies and regulations are ongoing challenges. I have a deep understanding of this, especially for foreign companies that want to enter the Chinese market. Timely and accurate grasp of policy dynamics will greatly help market layout. In this regard, Kari mentioned that the Chamber of Commerce plans to actively adapt to market changes by strengthening internal coordination, guiding member companies more effectively, and conducting industry surveys and policy research.

This internship gave me a deep understanding of the importance of cross-cultural communication and cultural adaptation. Through interaction with Finnish companies and local Chinese partners, I learned how to adjust communication strategies in different cultural contexts, avoid cultural misunderstandings, and thus improve cooperation efficiency.

6 Reflection

This internship and thesis research was a very valuable experience for me. The internship gave me a deep understanding of the characteristics of the Chinese market, the complexity of cross-cultural management, and the application of marketing strategies, and provided me with rich practical experience. At the same time, this process also prompted me to constantly reflect on my own growth and career development direction.

6.1 Advice for Companies Entering the Chinese Market in the Future

This chapter discusses the research results and proposes marketing recommendations for Finnish companies entering the Chinese market. And further research ideas and reflections on the writing process are proposed based on the internship experience.

Entering the Chinese market begins with thorough market research and data analysis. Leveraging models like the 4Ps and 4Cs allows companies to analyze consumer behavior, cultural habits, values, and regional differences effectively. Data analysis helps identify the genuine needs of target audiences, enabling the customization of products and services to meet market expectations. As the Chinese market is changing rapidly, companies need to establish fast decision-making mechanisms and flexibly adjust strategies to adapt to market dynamics and customer needs.

Brand localization and cultural adaptation are the key to a brand's success in the Chinese market. It is necessary to organically combine global values with Chinese cultural characteristics to form a deep emotional resonance with consumers. Localizing products and services involve optimizing functionality, tailoring them to local tastes, and designing packaging that aligns with Chinese aesthetic preferences. Additionally, weaving localized brand stories into the Chinese cultural context can foster greater cultural affinity and brand recognition. From my project experiences, I have seen how adapting product features and packaging to fit the habits and preferences of Chinese consumers significantly enhances market acceptance and competitiveness.

China has the most developed digital ecosystem in the world, including widely used social media platforms such as WeChat, Douyin, and Xiaohongshu as pointed out 3.6. These platforms are not only important ways for consumers to obtain information and shop but also core channels for companies to interact with target customers. For Finnish companies, how to choose the right platform and develop an effective digital marketing strategy is the key to success in the Chinese market. Different digital platforms serve different user groups.

Sustainability is also a significant driver of consumer preferences in China. According to the “2023 *China Sustainable Consumption Report*” demand for eco-friendly materials and products that reflect

corporate social responsibility (CSR) is growing. Government initiatives promoting carbon neutrality further amplify this trend. To thrive in this environment, companies must adapt their product designs and marketing strategies to align with consumer expectations for sustainability and social responsibility.

Building long-term partnerships with local collaborators is another essential strategy for navigating the Chinese market. Collaborating with local businesses helps foreign companies integrate more quickly, accelerate market entry, and expand their service coverage. Choosing the right distribution channels and local agents not only streamlines supply chain management but also enhances customer service quality, strengthening overall market competitiveness. Local partners with a deep understanding of consumer behavior and industry norms can provide valuable insights and help align business operations with market needs.

The FinnCham China can be a valuable resource. They can connect businesses with local distributors, agents, and industry contacts, as well as facilitate participation in trade shows and events. This support enables companies to expand their networks, increase visibility, and access essential market insights.

Through these Chinese marketing approaches, combined with product content, localized branding, and effective use of digital tools, companies are able to build deep connections with Chinese consumers. In addition, by building long-term partnerships and conducting continuous market research, companies can remain flexible and respond to changing market demands.

6.2 Own Learning Process

At the beginning of the thesis, I originally planned to write the thesis in the form of a work diary. However, due to the high repetitiveness of the work content during the internship, this form could not fully present the diversity and depth of the research topic. Therefore, the work diary form of the thesis was abandoned, and a research method with field interviews and literature analysis as the core was adopted.

In addition, during the internship, the progress of the thesis writing was affected to a certain extent due to the busy daily work. Nevertheless, after the internship, my understanding of the Chinese market has been significantly deepened, which provides strong support for the reconstruction of the thesis content and the redesign of the research method. Based on this change, I re-formulated the thesis framework and clarified the focus of data collection and analysis.

In the process of the thesis, the data collection process faced certain difficulties due to the small number of staff. I tried to schedule interviews with senior executives of member companies on China

marketing, but this goal could not be fully achieved due to various practical limitations. This challenge resulted in limited information in the database. To make up for this shortcoming, I further deepened the depth of the literature analysis and combined the work experience during the internship and the limited information collected in the interviews to strive to ensure the representativeness and credibility of the research results.

In this process, I deeply realized the importance of systematic research and learned how to supplement the deficiencies of research through literature expansion and multi-angle analysis under limited resources. This kind of learning not only allowed me to master the basic knowledge of cross-cultural marketing and enhanced my ability to analyze complex market environments.

In the future, as the process of global economic integration accelerates, cross-cultural communication and market adaptability will become the core competitiveness of international market competition. Enterprises need to respond to market changes in a flexible and innovative way, continuously optimize business models, and enhance cultural sensitivity to build a sustainable global business system. These suggestions are not only applicable to Finnish companies but also provide important references and inspirations for other international companies that hope to find growth opportunities in the Chinese market.

Through this research and internship experience, I have a deeper understanding of the complexity and challenges of cross-cultural marketing. This not only makes me realize the importance of cultural adaptation to the success of international marketing but also inspires me to continue to explore this field in the future, especially to conduct more in-depth research and practice in data collection, market analysis and cultural insights. This learning experience has significantly improved my professional ability and has given me a clearer idea of how to find solutions in uncertainty.

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Appendices

Appendix 1. Interview Questions

Q1. As the head of the FinnCham Shanghai, how would you describe the core goals and functions of the FinnCham Shanghai? How are these goals reflected in the Chinese market?

Q2. What is the main work of the FinnCham Shanghai in helping Finnish companies enter the Chinese market? How does it help companies overcome cultural, legal and market differences?

Q3. What marketing and promotion strategies does the Chamber of Commerce mainly use to promote the brands of its member companies and help them enter the Chinese market?

Q4. How does the Chamber of Commerce use social media and digital tools to promote member companies?

Q5. What training or support does the FinnCham Shanghai provide to its member companies in terms of cross-cultural adaptation?

Q6. How effective is this support on the cross-cultural communication of its member companies?

Q7. What key activities and forums does the FinnCham Shanghai organize to help members build business networks? How do these activities help companies expand into the Chinese market?

Q8. What are the biggest challenges you face when operating a chamber of commerce in the Chinese market? How does the chamber of commerce deal with these challenges?

Q9. Does the FinnCham have a new strategic plan to cope with future market changes?

Appendix 2. Interview Consent

Tutkittavan suostumus

Tutkimuksen nimi: Supporting Operations for Finnish Companies to Chinese Market

Tutkimuksen toteuttaja: Sunshuqi Gong Haaga-Helia ammattikorkeakoulu, puhelinro ja sähköposti.

Allekirjoituksellani vahvistan, että olen tutustunut tutkimustiedotteen sisältöön sekä annan suostumukseni tutkimukseen osallistumisesta.

Suostumuksen antajan nimi

Päiväys

Allekirjoitus