

# **New company survival and development in landscape engineering market in China**

Case: Nanjing Yijinyuan Landscape Engineering Co.Ltd.

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<p><b>Abstract</b> Nanjing Yijinyuan Landscape Engineering Co. Ltd is a new company. It was established on 1st August 2013. The company focuses on designing and producing landscape materials, and it also contracts to do projects of landscape engineering.</p> <p>The objective of the thesis process was to design a new marketing strategy for Nanjing Yijinyuan Landscape Engineering Co. Ltd. The researcher studied the external environment. The foreground of landscape engineering industry is very good, but it also has many strong competitors. It is a big challenge to a new company to survive in landscape engineering industry. About the internal environment, the researcher introduced detailed information about the products and departments of the company, and the cooperation between each department.</p> <p>There were two research methods used: qualitative research and quantitative research. The interview for Yijinyuan's managers was a qualitative research by the video conference. The questionnaire for Yijinyuan's employees was based on quantitative research.</p> <p>The questionnaire survey for the employees focused to collect the information of the employees' opinions towards Yijinyuan. The strengths and weaknesses were found in the research. The interviews of Yijinyuan's managers were analyzed in order to collect the information on the manager's corporate planning. It's better that the new business strategy was designed combined with the corporate planning.</p> <p>The new marketing strategy for Nanjing Yijinyuan Landscape Engineering Co. Ltd is a circuitous strategy. It means that the company didn't directly fight with their competitors; the attention of Yijinyuan company will gradually change from real estate gardens and municipal gardens to apartments for the elderly because the society will be aging more and more in China.</p>			
<b>Keywords</b> Business strategy, external environment, competitors, landscape engineering industry, SWOT analysis, target group, marketing strategy, Action Plan.			

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## **1 INTRODUCTION**

### **1.1 Nanjing Yijinyuan Landscape Engineering Co.Ltd**

Nanjing Yijinyuan Landscape Engineering Co.Ltd was established on 1<sup>st</sup> August 2013. It focuses on designing and producing landscape material, and it also contracts to do landscape engineering. The total registered capital is one million RMB and there are 21 staff members in Yijinyuan company. Yijinyuan company is located in Nanjing city which is called one of “Chinese four ancient capitals”, it is also near famous international airport –Lukou. Its theme is “customer-oriented, efficient innovation”. Yijinyuan is mainly engaged in wood, stone-products, including landscape fence, wall, revetment piles, flower, hallway ceiling, gazebo, and a variety of landscape sketches such as rest stool, trash cans, flower boxes, sighs and other stone-wood products, at present, they have more than one hundred kinds of product categories. They cooperated with several municipal, Bureau of Parks, landscape architecture companies, and have finished thousands of projects successfully. They aim to be the No.1 in landscape engineering industry in China. (Yijinyuan official website 2012.)

### **1.2 Objectives of the research**

China has a rapid speed of development, therefore, it makes many industries prosper, the landscape engineering industry as well. As living standards improve, people are no longer confined to the pursuit of material enjoyment, but the pursuit of spiritual enjoyment. The needs of people changed from basic physiological needs, like having house, to having good living environment and social environment. People desire fresh air, green trees and flowers, they also hope that their children have a peaceful place to play, their parents have a place to do exercises, to themselves, they want have a comfortable place to relax after high-pressure work day, especially in recently years, along with the housing system reform Marketization of Housing. The living environment becomes an important factor to affect people when they buy house. Therefore, designing living environment in a landscape engineering company is a vital subject. Another challenge thing is that there are thousands landscape engineering companies in China because of China is a big market, it has 1.3 billion people, thus the industry of landscape engineering has fierce competition, everyone wants to share a cake in this market.

According to this situation, there is the objective why this research has been done: designing a marketing strategy and an Action Plan for Yijinyuan to let it have good development and expand its market share. The main research problem of this research is how to make Yijinyuan survive and develop in landscape engineering industry.

### **1.3 Implementation of the research**

Firstly, the information about landscape engineering was collected through Internet, and at the same time, the theoretical part of thesis was compiled. Then questionnaire was prepared, there was 15 questions in questionnaire. The questionnaire was prepared for the employees of Yijinyuan company, and it sent on 5<sup>th</sup> December 2015. The teleconference was organised, there was 10 questions for interviewees, and the interviewees were the three managers who works in Yijinyuan company. It was done on 8<sup>th</sup> December 2015. After information collection, the market situation was defined the challenges and advantages of Yijinyuan were analysed. Then cooperation with the company's management was continued in order to design a business strategy and an Action Plan. These research approaches were used in the research: qualitative analysis and quantitative analysis, and these methods: interviews and teleconference were used in qualitative analysis; survey with questionnaire was used in quantitative analysis.

After finishing the systematic theoretical research, there was the research based on empirical data collection. The next work was to combine all these parts and analyse them together, and then plan the strategy and make action plan, final work is that give conclusions.

## 2 EXTERNAL ENVIRONMENT ANALYSIS

All outside factors that may have an effect to an organization make up the external environment. The external environment can be divided into two parts:

**Directly interactive:** This environment has an immediate first-hand impact upon the organisation. A new competitor entering the market is an example. Directly interactive forces include owners, customers, suppliers, competitors, employees, and employee union.

**Indirectly interactive:** This environment has a secondary and more distant effect upon the organisation. New legislation taking effect may have a great impact. For example, complying with the Americans with Disabilities Act requires employers to update their facilities to accommodate those with disabilities. Indirectly interactive forces include sociocultural, political and legal, technological, economic, and global influences. (CliffsNotes. External environment 2014.)

### 2.1 The prospect of the industry

Landscape engineering

Landscape engineering, as the term suggests is an environment that is rearranged. Landscape engineers use engineering techniques and artistic practices in order to develop the terrain within the scope of transformation, and with growing plants, roads and arrangement of buildings designed. Landscape engineers want to create an atmosphere of mutual coordination between nature and people's living environment. As the environment has been design which use art's angles, making the environment have a certain aesthetic appreciation of the value, but also can promote environmental sustainability. To some extent, landscape engineering reflects the orientation of the development of human civilization and values, as well as individual engineers design concepts.

Emergence of landscape engineering

Nowadays, people pay great attention on social problem of environmental pollution and destruction in China, especially in large cities. As urbanization accelerated, and the city manager pursue the process of urbanization, they ignoring the ecological



damage to the environment and pollution. When urbanization develops to a certain level, the environmental problem will hinder the development of urbanization, so the question of coordinating urban and environmental issues was raised. And with the development of economic, people already enjoy from the material into the spirit of enjoyment, so then landscape engineering naturally born.

#### Landscape engineering industry conditions

Landscape engineering is currently a popular industry in China. As living standards improve, people are no longer confined to the pursuit of material enjoyment, but the pursuit of spiritual enjoyment. And by reason of urban construction and environmental construction have a rapid development, it set off a wave of landscape engineering. Landscape engineering is already an essential part in environmental construction.

#### Landscape engineering industry needs

The demand of landscape engineer is expanding because of the uncoordinated development between urban construction and environmental construction. There are many landscapes engineering companies' recruitment landscape engineer in the talent market. According to a survey which from a professional organisation, in the coming decades, landscape engineering industry will be a hot career. (Zhongshang 2014)

## **2.2 Competition pattern in landscape engineering**

Landscape engineering industry has a wider market space, and also has distinct regional characteristics. Therefore, many practitioners have been involved in this industry and the competition is more free and full. Divided by investors, the market of landscape engineering can be subdivided into the real estate of landscape gardens and municipal public gardens two areas, each characterized as follows:

1) In the real estate of landscape garden areas, it has a higher degree of marketization, and almost projects have realized open invite tenders. Cost control, service awareness, and stable quality, these factors are very important in market competition.

Since 1998, the legal of marketization reform of urban residents' housing have passed the real estate market booming, urban residents living conditions gradually improved. In recent years, some cities housing sales price rose faster, the state has introduced a number of real estate macro control policies to stabilize prices, the fight

against speculation, ensure that it meets the rigid demand of residential housing, and also in order to promote sustainable and healthy development of the real estate industry. The real estate industry has gradually become one of the city's major economies industries and revenue sources.

With the material living conditions of urban residents gradually improved, it impacts the improvement of Habitat ecology and the requirements of art environment accordingly. Real estate developers increased the landscape engineering investment in the housing and real estate project to achieve differentiation and enhance profit margins, but also improve the brand image. Driven by the rapid development of the real estate industry, the landscape engineering market also has rapid development.

Whereas, in the real estate, the mainly investments are from society. The major purposes of investment are to achieve the cost-effectiveness of landscape engineering, so the economy efficiency and actively service awareness become to the important part what buyers take care of. However, in terms of supplier qualification certificates, it always doesn't have high requirements, so it shows a feature of high degree of marketization.

The land agent in order to select a qualified supplier who can supply landscape engineering service always use strict examination and selection, it is also very favorable to establish long-term cooperation relationship. The most popular method is invite tender, the winner can have the project. Generally, the landscape engineering company has a strong continuity of market share after they become a qualified supplier.

2) Municipal public gardens, the state use open tender to select qualified company because of the marketization gradually increase, which company have better goodwill, enough money and rich project experience.

Since 2003, the provinces, autonomous regions and municipalities were designed their own law of the municipal public landscaping project tender management, and then each local states use market-oriented public tender competition mechanism, private companies began to participate in municipal public garden market, the marketization degree has gradually increased.

Along with "About strengthen urban greening notice", "Green Line Management Measures" and the "National Garden City standards" etc. policies were passed, the state have clear standards of urban greening, and the local state in order to improve

city image, so they are put great attention on their own construction of municipal public gardens, also increase the investment in this side.

Municipal public garden projects tend to have a single large-scale, long construction period features affected the efficiency of government auditing, billing and payment cycle is relatively long. In recent years, all levels of government should deal with the problem of fund shortage due to large infrastructure investments, so it is always happened, the project have been finished, but the company don't get money immediately. It led to the company have strong financial strength when they do business with the government.

In short, with the landscaping industry gradually developed and standardized, the company has advantages of good goodwill, actively service awareness, effectively cost control, high construction quality, technical capabilities and abundant fund, these advantages will help them have more market share. (Zhongshang 2014)

### **2.3 Main landscape engineering companies in the market**

The investment of real estate and municipal engineering is quite different in various regions because of they have different levels of economic development, so it also leads to the fact that the landscape engineering companies have strong regional features. Such as the south-eastern coast of the South China, East China, these areas have high level of economic development, therefore the municipal infrastructure investment have big scale, and the quantity of landscape engineering company are more the other areas, and its quality is also better than others.

Up to March 31, 2014, there were six landscape engineering companies listed in the Chinese domestic A-share, namely SHENZHEN TECHAND ECOLOGY&ENVIRONMENT Co.,Ltd (Stock Code: 300197.SZ), Inner Mongolia Hexinyuan Co. Ltd (Stock Code: 300355.SZ), Beijing Orient Landscape Engineering Co. Ltd (Stock Code: 002310.SZ), Beijing Landscape Engineering Co. Ltd (Stock Code: 002431.SZ), Guangzhou Pubang Landscape Co. Ltd (Stock Code: 002663.SZ) and Southern Landscape Co. Ltd (Stock Code: 002717.SZ), four companies registered in Guangdong Province, one registered in Beijing, one in Inner Mongolia. (Zhongshang 2014)

TABLE 1. Income and market share of main landscape engineering companies in China (Zhongshang 2014)

Stock Code	2010		2011		2012		2013	
	In-come	Mar-ket share	In-come	Mar-ket share	In-come	Mar-ket share	Income	Mar-ket share
300197.S Z	4.16	0.18%	8.25	0.30%	12.04	0.37%	14.9	0.38%
300355.S Z	3.67	0.16%	4.99	0.18%	6.28	0.19%	7.47	0.19%
002310.S Z	14.54	0.63%	29.10	1.05%	39.38	1.22%	49.73	1.275
002431.S Z	12.90	0.56%	24.93	0.90%	31.93	0.99%	42.97	1.10%
002663.S Z	8.61	0.37%	13.09	0.47%	18.51	0.57%	23.93	0.61%
002717.S Z	4.92	0.21%	6.38	0.23%	7.03	0.22%	8.05	0.21%
Total	2320.3	100%	2782.1	100%	3234.8	100%	3290.8 %	100%
Mean value	8.13	0.35%	14.45	0.52%	19.20	0.59%	24.51	0.63%

Up to December 31, 2013, according to information from the Ministry of Housing, with the first grade qualification companies reached 794, and Zhejiang province has 121, it is more than other provinces, Guangdong Province 100, Jiangsu Province, 95, 66 in Beijing, Fujian Province 47.

TABLE 2. Number of companies in different provinces in China in 2013 (Zhongshang 2014)

Province	Number of companies	Province	Number of companies
Zhejiang	121	Anhui	12
Guangdong	100	Liaoning	11
Jiangsu	95	Guizhou	11
Beijing	66	Hebei	10

Fujian	47	Yunnan	9
Shanghai	38	Neimenggu	7
Hubei	32	Heilongjiang	7
Henan	32	Shanxi	5
Sichuan	31	Jilin	5
Shandong	31	Guangxi	5
Jiangxi	26	Xinjiang	3
Chongqing	23	Hainan	3
Tianjin	21	Gansu	2
Shanxi	20	Qinghai	1
Hunan	19	Ningxia	1
Total	794		

## 2.4 Market segmentation of landscape engineering industry

There are many classifications of gardens, for example, they can be divided into nature-style gardens and formal gardens according to design style. Professor Zhou Wei-quan, in the study of Chinese classical gardens, thought that the gardens can be divided into three main types: royal gardens, private gardens, temples according to the affiliation relation. However, from regional angle, the garden can also be divided into southern gardens and northern gardens. The 1988 edition of the "Encyclopaedia of China" clarifies that landscape architecture includes traditional gardens, urban green space system planning, experts earth landscape planning; there also have some researchers have different classifications by garden industry chain, the industry is divided into areas of the seedlings, design, construction, maintenance, management, etc.. These divisions have different functions and study values. Therefore, in market, it still does not have a clearly unified definition.

In economic practice, market segmentation model as the guiding ideology, according to the landscaping industry professionals universal habit, there are eight categories of gardens on the basis of investors and purpose of use: municipal garden, real estate garden, enterprises garden, ecological restoration gardens, private gardens, garden nursery and conservation and other gardens, because seedlings and conservation issues belong to the traditional concept category, therefore, in this thesis is mainly described another six categories:

## Municipal Garden

Municipal garden refers to the investment by the government to improve the urban environment, improve the urban planting level and quality of life as the purpose to carried out many public landscaping construction with public nature, including parks, streets, squares, water, forest, scenic gardens and other public green construction and green infrastructure; it is conducive to attract investors and tourist, also can promote the development of local economic. The projects have these characters: large investment, high gross margins, receivables risk and others, representative of enterprise is Beijing Oriental Garden Company.

Development of municipal gardens is mainly due to the rapid urbanization process in China, the urban area is expanding. And the State Department and Department of Housing have compulsory requirement that the urban construction must have certain greening level. So local government established many project, like "Garden City", "Ecological City", Liveable city" and "Forest City", these project also promote the development of landscape engineering industry.

## Real Estate Garden

Real estate garden is mainly invested by real estate developers in order to improve the property value and improve the living of work environment, and also can enhance the quality of life. It can divide into two parts: residential area (high-grade residential, villas, hotels, etc.) and holiday resort (leisure garden). The characters: small investment, easy to win the bidding, low risk of receivables. The representative enterprises are Guangdong Palmitic Gardens Ltd. and Guangzhou Pubang Garden Ltd.

One reason for the development of real estate garden is that people's living standard has improved and people pay more attention on it, the government support is another important reason, the government issued a series of policies, such as "Urban Greening Regulations" and "Indicators of Urban Greening Planning and Construction". In these regulations, the government require that greening area of new residential is at least 30% compared to the total area. The third reason is that real estate developers want to improve the property value and take differentiation strategy to their competitors.

However, this kind of garden be easily affected by state macro control strategies because of real estate industry is basic traditional industry in the national economy, it

play significant role. These factors can affect housing price: rate of economic growth, income growth rate and rate of credit growth, and so on. The high development of real estate is helpful to enhance the development of landscape engineering industry; on the contrary, the low development will hinder the development of landscape engineering industry.

#### Enterprises Garden

The investors are mainly enterprises and institutions in the interest of to ameliorate the work environment and improve enterprises image or for some special purposes. Enterprises gardens have high requirement in design and build, and with the different enterprises can be used different methods, like schools, hospitals, petrochemicals steel and other industrial, mining enterprises, pharmaceutical companies and other organizations. Of course, in reality, some landscape engineering companies think that enterprises garden is one part of municipal garden.

#### Ecological Restoration Garden

Ecological restoration garden means that the garden will restore and rebuild ecosystem using ecosystem's self-regulation and self-organization abilities without human activities. It restores and rebuilds nature ecosystem, like mining mountains, roads, which destroyed by nature disaster and human activities. Construction difficulty is great, the demand is high and the engineering cost is high are its characters. The representative enterprise is Shenzhen Hud Ecological Corporation.

With the rapid development of China's economy, environmental pollution and destruction followed, seriously affecting people's lives. The government and people realized the importance of Protecting the Environment, so the ecological restoration garden will have a rapid development in China.

#### Private Gardens

This kind of garden is built for individuals who want to have higher living environment and life quality. The design requirement is relatively easy construction and small investment, but high requirement in design.

## Other Garden

Other types of garden refers to that its investment from diversified sources in order to meet some special uses or purposes, such as golf courses, cemeteries, temples, etc., it maybe belong to private property or public interest according to its investor.



### 3 PRESENTATION OF PRODUCTS AND ORGANIZATION

Business analysis is a research discipline of identifying needs and determining solutions to business problems. Solutions often include a software-systems development component, but may also consist of process improvement, organizational change or strategic planning and policy development. The person who carries out this task is called a business analyst or BA. (Wikipedia. Business analysis 2014.)

#### 3.1 Products

Range of products

The main research object in this thesis, Yijinyuan company, has the products as follows: wood fence, wood pieces, imitation stakes, and stone-fence, wood flower boxes, wood flower, masonry materials, and so on. These products are divided mainly into three parts: wood-like product, stone-like product, and landscape sketch.

The features of wood-like product series are:

- ✚ The wood products are superior in material and excellent in workmanship, and the products are realistic. The appearance is entirely wood products, used in outdoor with nature, people can feel a sense of affinity, every details of wood-like product, like: rings, the surface colour is completely fake wood, in order to close the nature and let people feeling realistic.
- ✚ High strength: the base materials of wood-like products are concrete iron and concrete, therefore, the wood-like product have high rupture strength and high flexural strength, there are totally resistant to high temperatures and freezing cold weather (-25 °). It is the best choice for outdoor building materials.
- ✚ Anti-aging: the surface of wood-like product coats are UV-resistant and high corrosion resistance surface treatment materials, it makes the products to have high resistance to aging.
- ✚ Long life, the wood-like products do not need any maintenance and repair within six years.

### The features of stone-like product series

- ✚ The base materials of stone-like products are concrete iron and concrete, and they are based on the use of pipeline laminated melding, after steam curing, and then they are already to customers. Its strength and hardness exceed industry standard.
- ✚ Anti-collision, anti-bending strength is higher than the industry average, the life length of stone-like product is over 30 years.
- ✚ Compared with the stone, the stone-like products are more durable and easier to maintain, the production cycle is faster and easier installation and the price advantage are more obvious.
- ✚ Compared with the traditional cement products, the level of wood-like product is outstanding.

### The features of landscape sketch series

- ✚ Landscape sketch is usually small, and it plays an important role to embellish space. Landscape sketch has function of use, it also has function of ornament. It includes: seats, chairs, flower boxes, racks, bins and other road infrastructure pieces (like: stop signs, fences, road signs). (Yijinyuan official website 2014.)

## 3.2 Departments of Yijinyuan company

Internal analysis means a review of an organization's strengths and weaknesses that focuses on those factors within its domain. A detailed internal analysis will typically give a business a good sense of its basic competencies and the desirable improvements that it can make to help meet the requirements of potential customers within its intended market. (BusinessDictionary. Internal analysis 2014.)

There are five departments in Yijinyuan company: sales department, field investigation department, customer department, design department, engineering department and financial department. Every department have their own duty and responsibility, so these departments play different roles in Yijinyuan company. Although these departments are different, they often work together and cooperate with each other on order to finish one project. (Yijinyuan official website 2014)

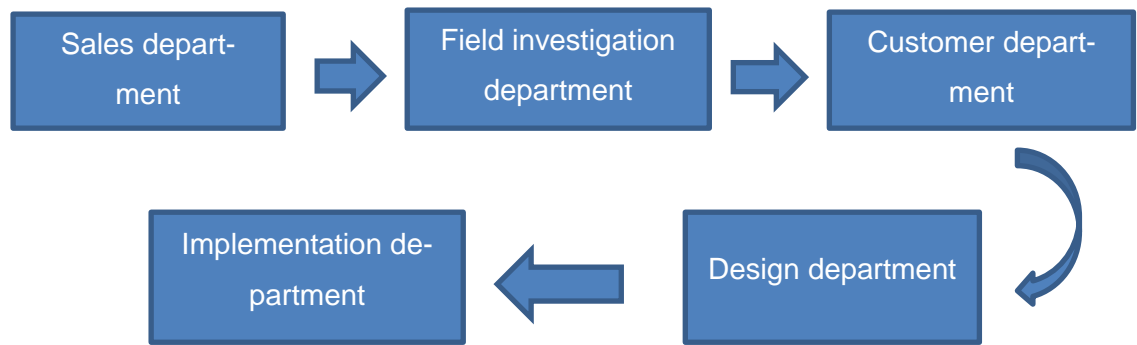


FIGURE 1. Operating procedures of project in Yijinyuan company

### Sales department

Sales department is an important department, if they don't get any orders, the company will bankrupt. Its main duties and responsibilities are: shows the products and finished projects to customers and then attract customers purchase the products and services, it also should meet and negotiate with customers. The most useful method to find customers is personal selling.

### Field investigation department

After sales department contracted with customers, the field investigation department should do the first stage work; their main responsibilities are as below:

- 1) Analysis of place status: the specific location, topography, geomorphology; and investigate the landscape engineering status and neighbouring buildings, etc.
- 2) Analysis of existing landscape resources: existing nature landscape, planets and trees in that place, and its specific location, etc.
- 3) Analysis of transportation and area: existing road, gateway, public square, etc.
- 4) Investigation of local history and human landscape: geography, climate, hydrological data, custom and folk tales, customs and habits.
- 5) Analysis of building's design theory: style, overall layout. Landscape engineering industry of buildings must have its unique feature, like building in Qingdao city, and south China buildings.

## Customer department

Communicating with customers is the main responsibility of customer department. They should know the customer's expectation and some specific requirements, like: plant species, requirements of functional facilities, get the data and information from customers, like: topographic map, aerial map, the surrounding environment, the specie and quantity of original plant, etc. They also have an important responsibility, transferring the information that they collected from customers to design department.

## Design department

After information transferred from field investigation department and customer department, design department should arrange the information, and then start to design. However, the design is divided into four stages: design analysis and organization stage, concept design stage, project design stage and re-design stage.

- 1) Design analysis and organization stage, there the detailed processes of design analysis:
  - a. specific location of the project, near buildings and the situation of parking; the main population, the number of residential and transport situation, the existing road and square, the direction, elevation, width, pavement material of road or square.
  - b. Local accumulated meteorological data, the lowest and highest air temperature in one month, and the average air temperature; water temperature, humidity; rainfall and annual maximum rainfall amount, cloudy day per month, wind direction and wind power; etc.
  - c. The circumambient environment of the object building, and analysis it.
  - d. Analysis the existing plants, trees, old trees, and its species and quantity. Analysis these plants' growth and ornamental value.
  - e. The facade form of existing buildings, planar shape, height, area and use conditions, architectural style.
  - f. The existing underground pipelines, and its types, direction and buried depth,; pole position and its height.

- g. The scope of the water system, and the normal water level, the highest and lowest water level, and the quality of underwater.
- h. Existing terrain, slope shape, position, height and debris condition. Assessment and analysis of landform, geological and soil condition, the bearing capacity of the foundation, the natural stability angle, internal friction angle, sliding coefficient, etc.

Determination of landscape design style combined with the building and the surrounding environment or design style according to customer's requirement, such as European style, Chinese style, Japanese style, etc. Then, confirm the guiding ideology and principles of design. Collecting all information and filter it, and then unsure the design theme according to decision by the design team.

2) Concept design stage, this stage has the following steps:

- a. Design conception
- b. Draw the sketchpad of landscape concept
- c. Spots painted (hand perspective, and find some pictures as the main attractions' schematic view
- d. Text of design concept
- e. Make the analysis chart according to the general layout diagram
- f. Make the second meeting with customer, shows the conceptual plan
- g. Confirm the final plan

3) Project design stage includes:

- a. Amend the shortcomings of the plan
- b. Make the colour general view according to the sketchpad
- c. Make the colour aerial view
- d. Make the spots' view with caption
- e. Make the sectional elevation of main spots.
- f. Design description (base profile, design content, design principle, analysis of landscape).
- g. Communicate with customers again, determine the cooperation

4) Re-design stage, this stage amends and details the plan

- a. Specific general view (names of main spots, function area, name of recreational and sports facilities, etc.).
- b. Plant configuration diagram, planting chart, statistical chart of plant species and quantity of trees.

- c. Topographic map (contour, road slope, elevation, etc.
- d. Planar view, elevation and sectional view of main buildings (waterscape, flower beds, pavilion frame gallery, etc.).
- e. Use charts or pictures to show the materials of landscape products which will use in the project

Engineering department, this department finishes the project according to the design plan and follows the timetable.

Financial department, it has two main responsibilities: construction budget and staff payroll. Financial department should make the construction budget according the project plan, and it also pays the salaries monthly.

TABLE 3. Number of staff members in different departments in Yijinyuan company (Yijinyuan official website 2014)

Department	Number of staff members
Sales department	3
Field investigation department	3
Customer department	2
Design department	4
Engineering department	8
Financial department	1

TABLE 4. Three-people decision group of Yijinyuan company(Yijinyuan official website 2014)

Name	Position	Shares of company
Liu Yanbin	General manager	75%
Wang Kong	Sale manager	10%
Chen Bin	Design manager	15%

## 4 RESEARCH IMPLEMENTATION AND SURVERY OF RESULTS

This chapter is divided into three parts, analysing the results of the questionnaire which collected from Yijinyuan company, and the entire respondents are employees; and then analysing the results of the interview which also collected from the Yijinyuan company, but the respondents are the three managers of Yijinyuan company; last part, the SWOT analysis of Yijinyuan company is given.

There were 15 questions in the questionnaire that was sent to Yijinyuan company's employees, this questionnaire is attached as appendices in English and in Chinese. This questionnaire was sent on 5<sup>th</sup> December 2014 and got feedback on 7<sup>th</sup> December 2014.

There were 19 questionnaires which were finished by the employees who work in Yijinyuan company, the purpose of the questionnaire is to know the employees' opinions and attitudes towards aspects about working in Yijinyuan company. 3 managers were interviewed, the interview was done in order to find some strengths or weaknesses of Yijinyuan company, and also to know if the managers of Yijinyuan company have any plan for the future or not, and how these plans will be arranged.

### 4.1 Results from the questionnaire

There are 21 staff members in Yijinyuan company, and 19 questionnaires were sent back, so the feedback rate of the questionnaire is 90.48 %. The answers and analysis of questions are given below.

1. What is your gender?



FIGURE 2. Gender of the respondents (n = 19)

From the Figure 2, it's easy to find that there are 78.95 % male respondents and 21.05 % female respondents, the male employees are much more than the female employees in Yijinyuan company because of most positions are suitable for the male employees, like filed investigation department and engineering department.

## 2. What is your educational background?

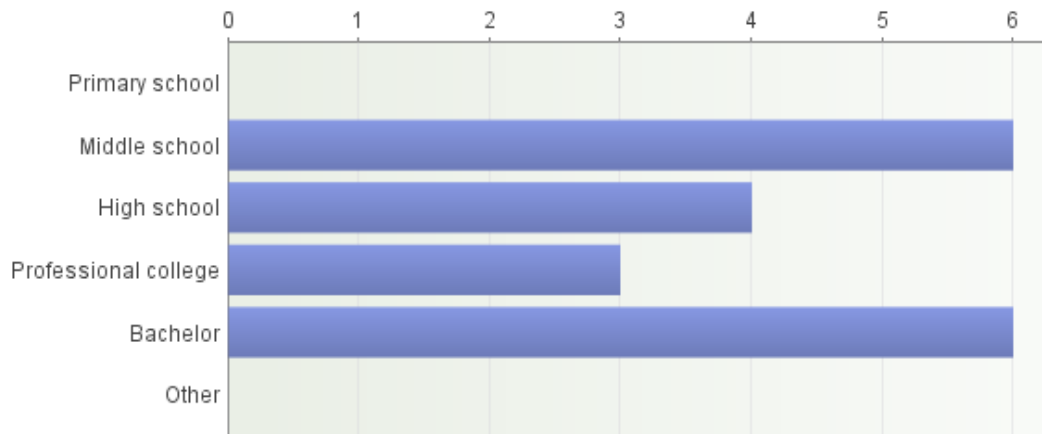


FIGURE 3. Educational background of the respondents (n = 19)

According to Figure 3, it can be found that more than half of the respondents don't have high education background, and they never have chance to go to university. Generally speaking, the level of education background of Yijinyuan company is not very high, although 6 respondents have bachelor degree by the reason of Yijinyuan company is an engineering company, most of the workers don't have high educational background, like engineering department and customer department and Yijinyuan company don't have enough funds to hire many staff with high education background.

## 3. How long time have you been working in Yijinyuan company?

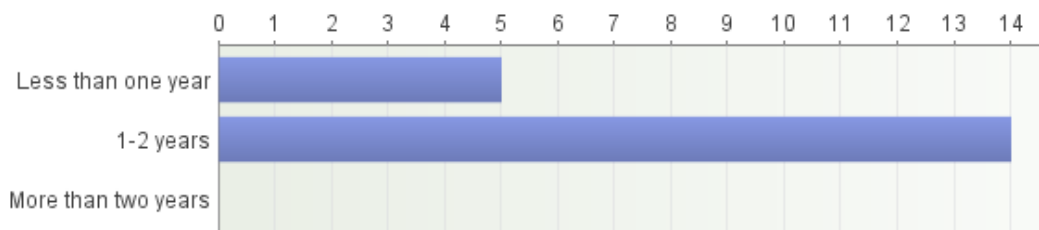


FIGURE 4. Years of working in Yijinyuan company (n = 19)



Yijinyuan Landscape Engineering Co.Ltd was established on 1<sup>st</sup> August 2013, 78.95 % respondents are working 1-2 years in Yijinyuan company, it means that the employee turnover is very low, to some extent, Yijinyuan company is attractive to the employees. There are also new 5 employees entering into company, it means that the company is in a developing stage.

#### 4. How much pressure do you feel at your work?

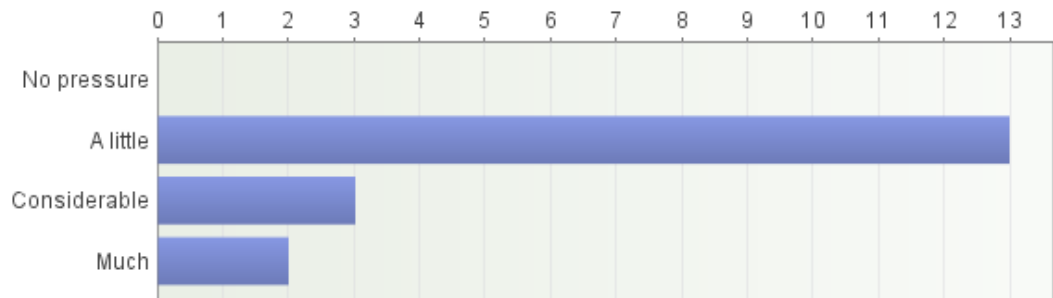


FIGURE 5. Working pressure to Yijinyuan company's employees (n = 19)

From Figure 5, it shows that most employees who work in Yijinyuan company just have a little pressure, it is not a good news to company's manager because of no pressure means that they doesn't have high competition and active. It's disadvantageous to company development. The Yijinyuan company's manager should take some competition system to inspire their employees.

#### 5. What is your feeling when you work here?

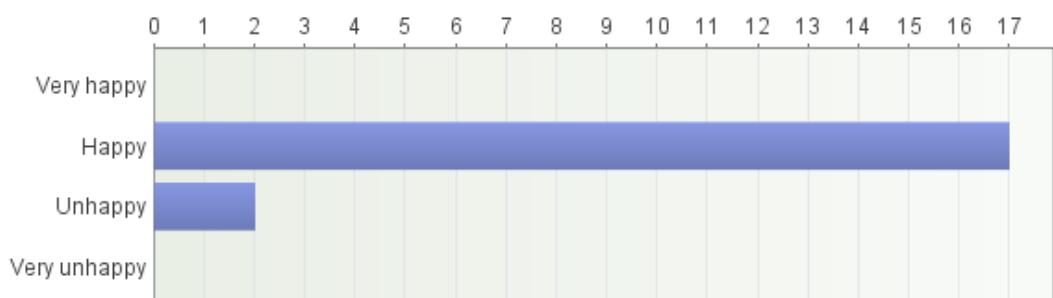


FIGURE 6. Employees' feeling when they work in Yijinyuan company (n = 19)

Figure 6 shows that most employees feel happy when they work in Yijinyuan company, on the one hand, it may have some connections with that employees feel only a

little pressure when they work. If that's the case, it can be a crisis to Yijinyuan company; on the other hand, if employees feel happy because of good employee relationship or comfortable working environment, it means that Yijinyuan company has its own happy culture. However, there are also 2 employees who feel unhappy, the managers should pay more attention to find out what factor caused these employees feel unhappy.

#### 6. Are you satisfied with your salary?

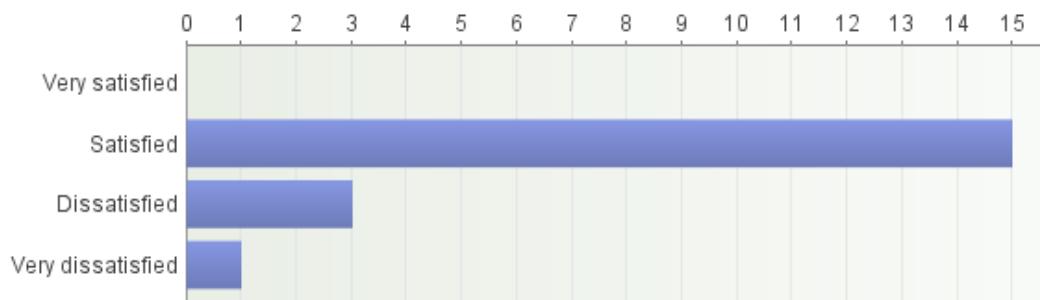


FIGURE 7. Employee feeling on their salaries (n = 19)

From Figure 7, it shows that 15 employees are satisfied with the present salary, and there are also 4 employees who are dissatisfied with the present salary. What kind of reason leads to the fact that majority of staff members is satisfied with their salary, it's not that the employees have higher salary compared to market standard, but the most employees come from countryside. These staff members who come from countryside doesn't have high expectation on their salary and this salary standard can make them survive and also can have some money left to save. The phenomenon could be observed because of the researcher was working in Yijinyuan company as a trainee.

#### 7. How is the relationship between employees in the company?

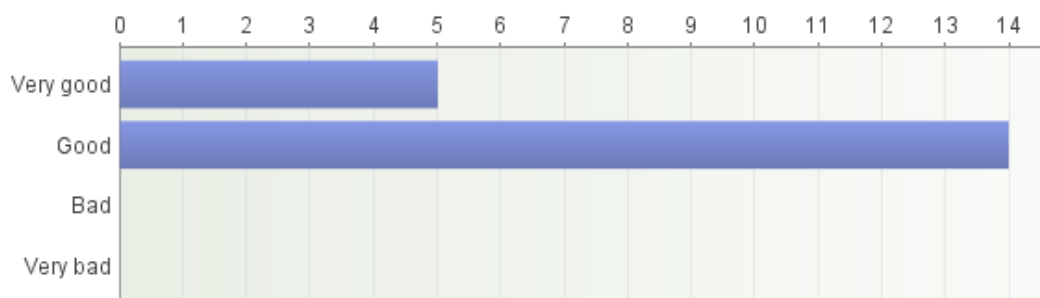


FIGURE 8. Relationship between employees in Yijinyuan company (n = 19)

It can be seen that all of the respondents have good relationship between each other, it's an unique phenomenon in present companies because of high competition and pressure in existing work. Yijinyuan company also has competition, but it's not too strong, and according to question 4 the majority of staff feels only a little pressure when they are working. One other important reason is that Yijinyuan company has many group activities, like basketball campaign and singing contest. These activities deeply improve the relationship between employees. Last reason is that there is just 21 staff members in the company, and everyone deeply knows each other, and can have good communication with each other.

8. How about your working environment in Yijinyuan company?

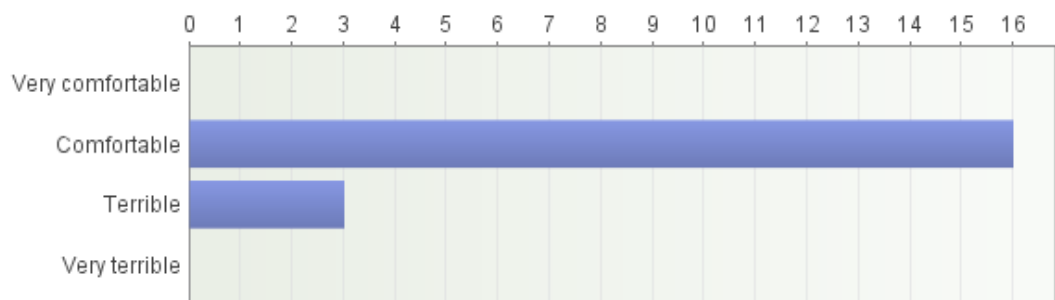


FIGURE 9. Working environment in Yijinyuan company (n = 19)

It can be seen from Figure 9 that most of employees thought that Yijinyuan company's working environment is comfortable, although there are two employees which thought that the working environment is terrible. The reason could be that the employees feel happy when they work in Yijinyuan company and every employee has a good relationship with each other.

9. What is the biggest reason that you still work in Yijinyuan company? (multiple choice)

The Figure 10 shows that four main reasons that employees still work in Yijinyuan company are good employee relationship (68.42 %), manager's personal charisma (42.11 %), comfortable working environment (36.84 %) and hard to find another job (31.58 %), but it's weird that the employees still work in Yijinyuan company have nothing to do with the salary, to some extent, it indicates that the staff of Yijinyuan company doesn't have high salary, but it means that Yijinyuan company has strong cohesion.

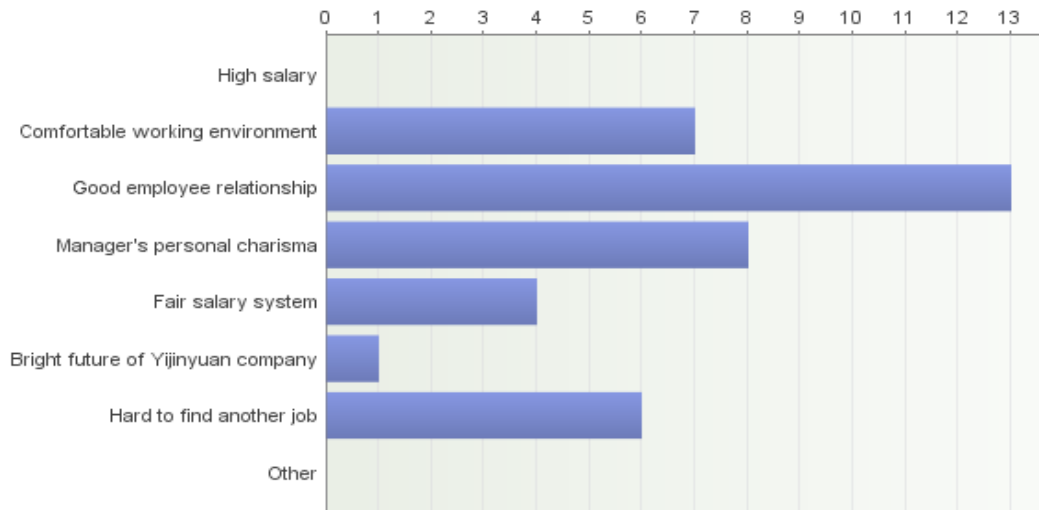


FIGURE 10. The reason why staff still work in Yijinyuan company (n = 19)

10. How good is your communication with manager?

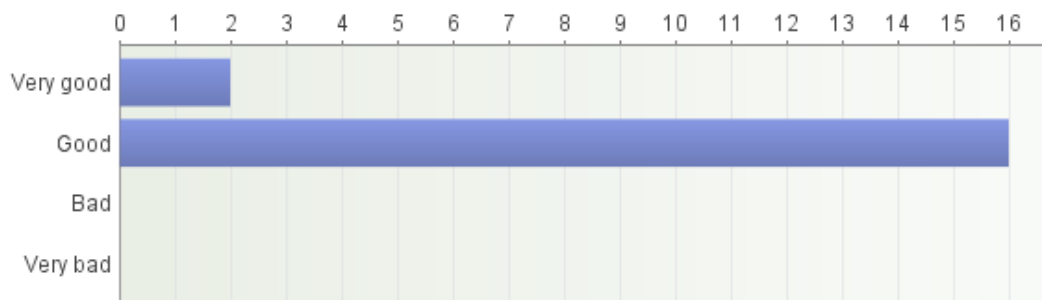


FIGURE 11. Communication with manager (n = 19)

In Figure 11, it shows that all of staff members have good communication with manager, to a small company, it's not a difficult thing, and it was mentioned before that Yijinyuan company has many group activities, it can improve the communication between employee and manager.

11. How about the competitiveness of Yijinyuan company?

It can be seen from Figure 12 that more than half of the respondents thought Yijinyuan company has a strong competitiveness, but there are also many employees which thought that the competitiveness of Yijinyuan is weak, even very weak, therefore, in some extent, it indicated that some employees don't have confidence in Yijinyuan company.

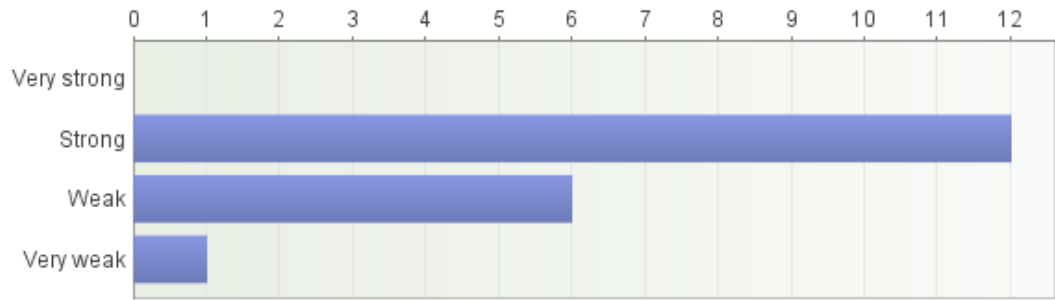


FIGURE 12. Competitiveness of Yijinyuan company (n = 19)

12. Which one is the best method to promote Yijinyuan company's products or services?

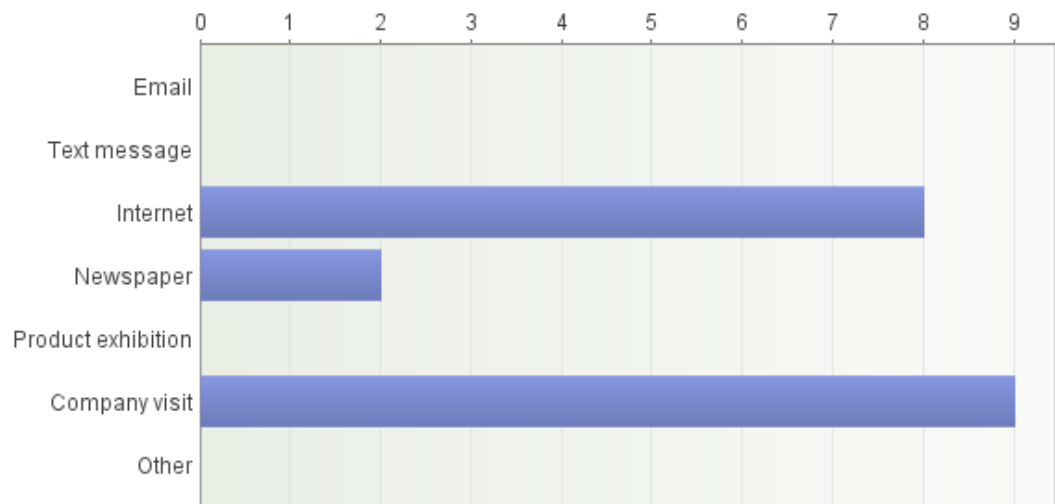


FIGURE 13. Best method to promote the products or services of Yijinyuan company (n=19)

From Figure 13, it can be seen that almost employees thought internet and company visit are the best method to promote Yijinyuan company's products or services. To a manufacturing company, the most useful traditional method to promote company's products or services in China is company visit because of the company visit can give visual feeling and experience to visitors; it's easy to gain visitor's trust. However, today it's an internet time, to do promotion in internet is very convenient and cheaper than company visit.

13. Do you think Yijinyuan company's products are suitable to meet market demand?

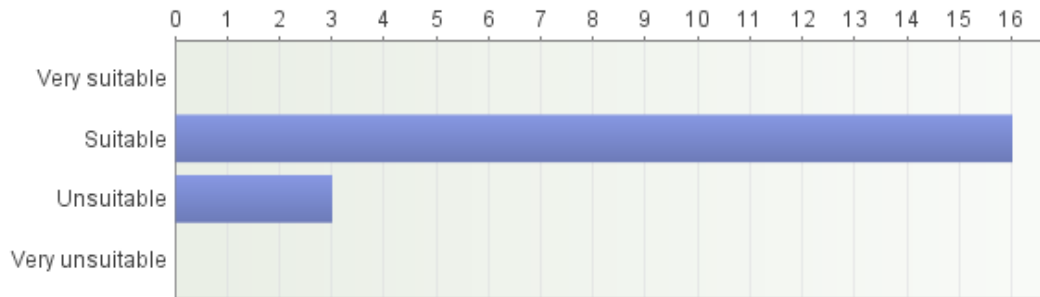


FIGURE 14. Market suitability of the products (n = 19)

It shows in Figure 14 that 16 employees thought Yijinyuan company's products are suitable to meet market demand, and 3 employees thought the products are unsuitable. The reason is that main stream products in market are very similar, it's hard to find unique products, and the main stream products are enough to meet present market demand.

14. How do you think about the Yijinyuan company's future?

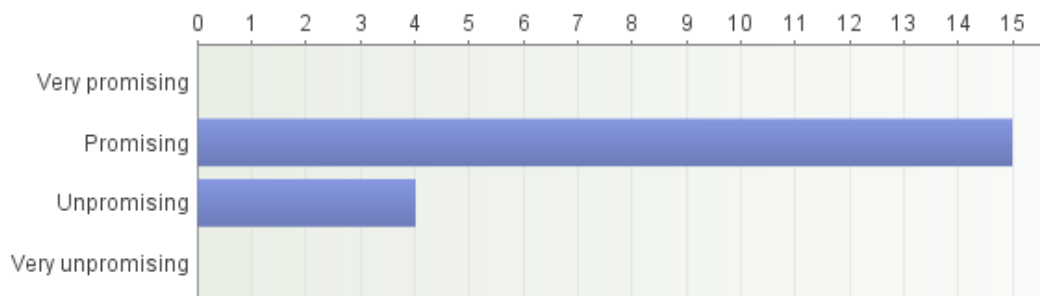


FIGURE 15. Respondents opinion about the future of Yijinyuan company (n = 19)

It can be seen from Figure 15 that 15 employees thought Yijinyuan company has promising future, and 4 employees thought the company don't have promising future. As a new company, the key to drive the company's development is the general manager, it must have a powerful leader. It can get the reason why so many employees believe Yijinyuan company has promising future from the question 9, 42.11 % of employees stay in Yijinyuan company because of the manager's personal charisma.

15. Do you have any suggestion for the Yijinyuan company?

Two respondents answered in this question, one said that: have specific target group; another said that: although the Yijinyuan company's products can meet the market demand, but it don't have unique feature. In conclusion, these respondents suggested that Yijinyuan should have their own segmented target group, and also should have its own unique products.

Although Yijinyuan is a new company and it don't have very strong competitiveness on the basis of questionnaire research, it has good working environment, employees doesn't feel pressured when they work in Yijinyuan. In addition, most of employees have confidence to the outlook of Yijinyuan company. Employees and managers have good communication with each other, and it also has good relationship between employees. In summary, it's a good time to do the adjustment of strategy.

## **4.2 Results from the interview**

This interview had 10 questions for the managers of Yijinyuan company, there were three interviewees: general manager (Liu Yanbin), sales manager (Wang Kong), design manager (Chen Bin). This interview started on 08<sup>th</sup> December 2014 and finished in the same day.

1. Do you think Yijinyuan company's products are suitable to meet the market needs? Why?

Three managers all thought that Yijinyuan company's products are similar to the other products on the market, for they just follow the main stream of products. Therefore, at present stage, they thought it would be beneficial to meet the market needs. However, these products will be out-of-date with the development of their company. As for the product innovation, three managers have different opinions. The general manager thought they should pay more attention on how to supply cheap and fine products to their customers, cheap and fine products can be their company's strength. Yijinyuan company is new company, so they don't have enough funds to support product innovation, it will take their energy and disperse their attention. It's not a good time to do product innovation at present time, their main problem is how to make themselves survive. However, the sales manager thought they should innovate new products in order to lead the future trend, although it's a big challenge to the company.

2. What are the strengths of Yijinyuan company to beat the company's competitors?

They thought there are two types of reason to help them to beat their competitors: internal reasons and external reasons. First of all, they have an outstanding sales manager; he took many orders by his hard-working and his excellent working ability, then their staff work very hard in order to achieved their common goal, another important internal reason is that their products are cheap and fine. As for the external reason to beat their competitors is that they are well-connected in Nanjing city, they have many friends in Nanjing city who cooperated with them in business.

3. What are Yijinyuan company's weaknesses compared to the competitors?

The biggest weakness is that they don't have enough funds, therefore, if they want to have a contract with some big projects, funding will become a big problem for hem. Another disadvantage to them is that their company brand is new and not famous, it's hard to get people to trust that their products and services are also good compared with some famous landscape engineering company. The engineering qualification is a weakness too, in China, the landscape engineering company is divided into three levels, Yijinyuan company is second level company. Last weakness is the staff's educational background, it's possible to become a problem when they need to learn some new technologies or knowledge.

4. As the manager, how do you manage corporate culture?

Although Yijinyuan company is a small company, they still thought they should have their own corporate culture. In the work, they advocated relaxing working environment, and they also encourage work-hard and working innovation, like their slogan: Work hard, Work happy. The sales manager said that all staff members live together, so it is very convenient to organize group activities. We can deeply know each other through these activities. It also shows their "Happy" culture. They thought corporate culture is very necessary to a company which wants to have a good development in the future, it also can improve brand image.

5. What kind of marketing tools do you use to expand Yijinyuan company's market share?

Company visit is a good method to attract customers, and it has proved it's usefulness. But company visit is a traditional method, they thought they should use Internet to do promotion to follow the Internet flow.



6. How will the demand of Yijinyuan company's products develop in the future?

According to the sales records, the demand of product has increased steadily year by year. In the future, they also are confident with their sales.

7. How do you handle the change of market demand?

Landscape engineering industry has benefited from urbanization, the urbanization has led to the expansion of built-area and the scale of real estate and it has laid the foundations of "quantity" for landscape engineering industry. The upgrading of consumption results in the premium of landscape engineering, the development of real estate led to the revolution of the idea of urban management, it caused "quality" change of landscape engineering industry. The detailed expression is that the garden city and real estate enterprises increase investment in landscape engineering.

From 2000 to 2011, China's urbanization rate increased from 36.2 % to 51.3 %, an influx of people into city. On the one hand, the scale of built-up area has expanded more than 75 %; on the other hand, the construction area of real estate increased from 280 million square meters to 890 million square meters, and sale area of real estate increased from 190 million square meters to 1.1 billion square meters.

According to the historical experience of global urbanization, China is in the process of urbanization, some organizations estimated that China's urbanization rate will reach 59 % in 2020, and will reach 65 % in 2030. It indicates that the landscape engineering industry has a bright future. They thought they should build a famous brand image, and expand the scale of company.

8. How will the competition of Yijinyuan company develop in the future?

They will change their direction of development to avoid brutal competition

9. What is your strategy in the future competition situation?

Differentiation strategy

10. What is the development direction of Yijinyuan company in the future?

They thought they should take differentiation strategy, find a segmented market, and then focus on it. After their manager group discussion, they thought old people housing is a bright industry in next decade. So they will pay great attention on old people housing, have their own style on this segment market.

The three managers realized that Yijinyuan has to do adjustment if they want to have a good development, but they have different opinions that which part they should pay more attention to do the adjustment. Then they talked about Yijinyuan strengths and weaknesses. Although Yijinyuan is a small company at present time, the managers still thought they should have their own corporate culture. And the managers predicated that landscape engineering industry has a good outlook in next decades, they will adjust their target group to elder apartment

### 4.3 SWOT analysis of Yijinyuan company

A SWOT analysis (alternatively SWOT matrix) is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective. (Wikipedia. SWOT analysis 2014)

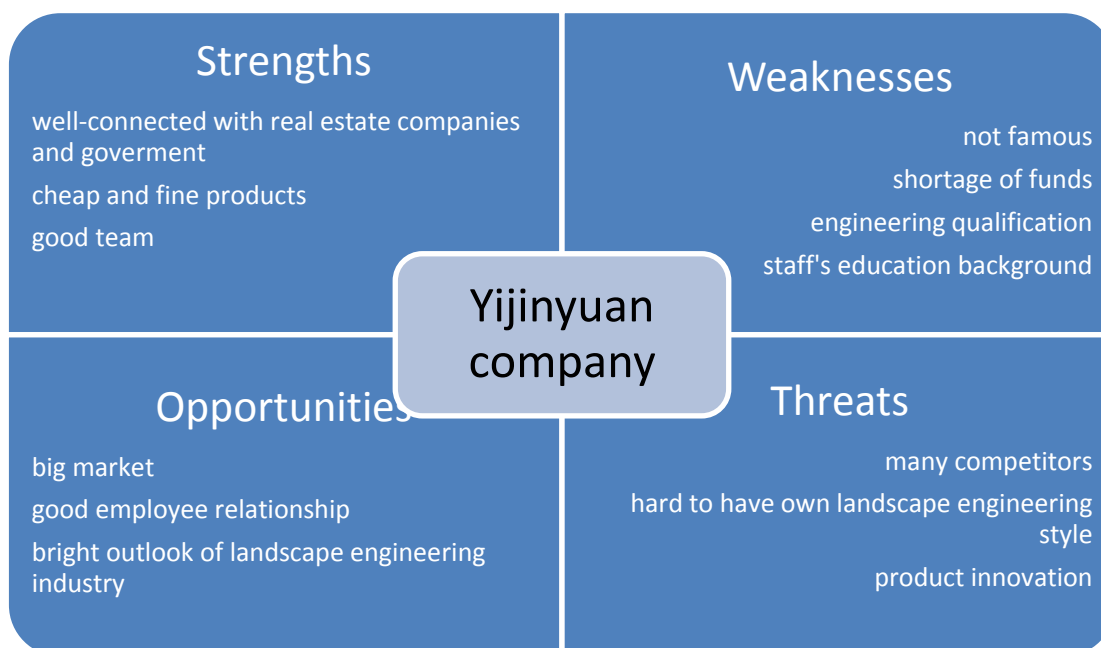


FIGURE 16. SWOT analysis of Yijinyuan company

### **Strengths**

It can be seen from figure 16, Yijinyuan company has three main strengths: well-connected, cheap and fine products, and good team. The landscape engineering industry is already a dog-eat-dog industry in China, so the resource of network circle is the important factor when compete with other competitors. Luckily, the manager of Yijinyuan company is well-connected with the government and real estate companies in Nanjing city, it's very useful and helpful Yijinyuan company to take more orders. Another strength is cheap and fine products, the products of Yijinyuan company are cheaper compared with many landscape engineering companies in China, and the quality is also good as well. Good team is the strongest strength, a leader decides the company go to success or failure, especially the company is in pioneering stage. The three managers of Yijinyuan company, all of them have high enthusiasm of venture, and they have same opinion towards landscape engineering industry, and have common ambition.

### **Weaknesses**

Yijinyuan company also has many weaknesses compared to their competitors, like low reputation, shortage of funds, engineering qualification, the staff has low educational background. First of all, Yijinyuan company does not have influential reputation in Nanjing city, few people know it, so it's hard to get people's trust. To a new company, it's a common challenge how to improve the company's reputation. Shortage of funds, if Yijinyuan company wants to contract to some big project, the shortage of funds will become a big problem. Another disadvantage to Yijinyuan company is engineering qualification, in China, there are three level engineering qualifications: First quality for building, decorating and equipment, Second quality for building, decorating and equipment and Third quality for building, decorating and equipment. Yijinyuan company belongs to the second level company, it is also a disadvantage factor when Yijinyuan company contracts to some big and important programmes. According to the result of questionnaire, it can be seen that half of staff in Yijinyuan company don't have high education, it can be a problem when they study new knowledge and skills.

### **Opportunities**

The landscape engineering industry is a big market in China because of China has 1.3 billion people and the urbanization level is not high. Some organizations estimated that the urbanization rate increases from 51.3 % to 59 % from 2011 to 2020, and increase to 65 % in 2030. So the landscape engineering industry still has a long time increase in China and practitioners think it has a bright outlook. At present time, almost practitioners pay attention on real estate or municipal public garden, fewer prac-

titioners focus on the old people housing, and with the development of economy, more and more customers will have personalized customization; old people housing and personalized customization maybe can have a good development in the next few years. Another opportunity to company itself is that Yijinyuan company has good relationship between employees, strong cohesion to a new company is important as well.

### **Threats**

There are many competitors in the market, and most competitors are stronger than Yijinyuan company, like: engineering experience and corporate fund, etc. It's hard to have Yijinyuan company's own unique style. Another threat is in product innovation and technology innovation. It's disadvantageous to Yijinyuan company if some companies innovate new products and take new technologies in use.

## 5 NEW MARKETING STRATEGY

The enterprises have sustainable development in the economic market, the internal and external environment of the enterprises are changing, therefore, when making the adjustment of strategic management, two aspects need to pay great attention:

- First of all, the value proposition is the prerequisite.  
To a company, it should be clear what is their mission, and then according to the enterprise mission, find out the strengths and weaknesses of the enterprise after analysing the internal and external environment, eventually clear and define the business development strategy. According to the strategic positioning of the enterprises, further clarify the business area and the core business for the enterprises, it means what kind of products or services the company will provide to the market. Afterwards, fractionize the target market and revolve the industry value chain according to the selected business area, and then select the segment where the company has strong strengths, and vigorously develop selected segment.
- Second, industrial upgrading is the goal  
Enterprise is a sustainable organization, its value of existence be measured by the society to which products or services the enterprise provides. The basic responsibilities of business manager are not only doing meaningful way today, but also the things have future value. The future value has benefit to improve the industry competitiveness, and also has advantages to sustainable operation of the enterprises. Therefore, in a pragmatic attitude and pioneering spirit to promote the development of industry's technologies and sustainable development of the enterprises is necessary according to the enterprise mission and strategy.

### 5.1 Goals and objectives

Yijinyuan company is a new company in landscape engineering industry, it's easier compared to some famous landscape engineering companies to do the strategic adjustment. The strategic adjustment is obliged to Yijinyuan company because of the landscape engineering industry is dog-eat-dog and the products or services of Yijinyuan company don't have unique features. The goals and objectives of developing the new business strategy can be divided into three steps:

➤ The ability of sustainable profitability

Do the strategic adjustment is necessary to Yijinyuan company, but these factors should be considered: the salary of 21 staff, and the daily operating expenses. If after the strategic adjustment, Yijinyuan company don't have the ability of predictable sustainable profitability, it will be a disaster.

➤ To expand market share

The new strategy not only has ability of sustainable profitability, but also it can expand the market share for Yijinyuan company, market share will increase 1.2% in Nanjing city.

➤ Building a distinctive enterprise brand

In this dog-eat-dog market, how to make Yijiyuan company to become the No.1 in China in landscape engineering industry, it's very difficult. As it was mentioned in chapter 2, there are many competitors and these competitors are stronger in many aspects than Yijinyuan company. Therefore, it's not a good strategy to fighting with these competitors face to face, circuitous strategy is a better choice to Yijinyuan company. The circuitous strategy means that finding a segmented market and focus on it. Let Yijinyuan company has advantages in the segmented market in order to expand the market shares. All in all, the ultimate goal is that build a famous and distinctive enterprise brand.

### **Objectives**

The total sales will increase to 19.5 million RMB, and the sales of old products will reach 17 million RMB, like sales income, design income and implementation department income. The sales of new products will reach 2.5 million RMB. As for the image objective, in 2015, the brand, Yijinyuan,, will be distinct. It will have six times products exhibition and six times company visit, these activities will help Yijinyuan to improve their reputation. The rate of profitability will keep in 7% in 2015, the same rate in 2014, because Yijinyuan will design and produce new products.

## **5.2 Target group and segmentation**

China will be an irreversible aging society in the 21<sup>st</sup> century. From 2001 to 2100, the development trend of China's aging population can be divided into three stages:

The first phase, from 2001 to 2020, it is the rapid aging stage. In this stage, China will increase 5.96 million aging populations every year. The average annual growth rate

is 3.28 %, is much higher than the total population of the average annual growth rate (0.66 %). By 2020, the aging population will reach 248 million, the proportion of aging population will be 17.17 %, thereinto, 80 years old and older population will reach 30.67 million, accounting for 12.37 % of the aging population. (Changcheng. Aging trend 2014)

The second phase, from 2021 to 2050, it will be an accelerated stage of aging. With the Chinese second baby boom (10960s-1970s) population into aging, the aging population will have an accelerated increase stage, with an average increase of 620 million each year. At the same time, the total population will be gradually beginning to realize zero growth and negative growth. To 2023, the elderly population will reach 270 million, it is equal to the population of children aged 0-14. By 2050, the total elderly population will reach 400 million; the rate of aging will be more than 30 %, meanwhile, 80 years old and older population will reach 94.48 million, accounting for 21.78 % of the elderly population.

The third phase, from 2051 to 2100, China will be a stable severe aging stage. In 2051, the elderly population will reach 437 million peak, about twice to the population of children. In this stage, the scale of elderly population will stabilize at 300-400 million; aging level will stabilize at around 31 %.

However, China is a family pension country, the most of elder people live with their sons and daughters. It will become a big pressure to sons and daughters because of the housing price and quick modern life. Family pension is not suitable for the development of modern society; it brings negative impact to the community and their sons and daughters. Therefore, family pension is gradually fading out, while institutional pension model is gradually coming into the people's vision. The strategic adjustment of Yijinyuan company means that their target group will change from commercial housing to older apartment, the reason is that there have less competitors and these competitors are not strong in old department landscape engineering industry.

### **5.3 Marketing strategy**

An organization's strategy combines all of its marketing goals into one comprehensive plan. A good market strategy should be drawn based on marketing research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. The marketing strategy is the foundation of a marketing plan. [BusinessDictionary. Marketing strategy. 2014]

According to the market research, it can be observed that the hot gardens have many practitioners, the segment market, like municipal garden, real estate garden, is nearly saturated. To Yijinyuan company, it is very hard to have good development in this segment market because Yijinyuan company don't have enough funds and professional workers. Although, to the landscape engineering of elder department, it is still a Blue Ocean market, the practitioners are not so many, and the pension idea is changing from family pension to public pension, it will take long time because of the idea of family pension is ingrained owing to the impact of thousands years Confucian culture. It is a good time to Yijinyuan company into landscape engineering industry of elder department.

There is a difficulty how to design suitable products for the elder, it is an important task to Yijinyuan company. These factors should be considered when designing products for landscape engineering of elder department: tradition, the elder's characters, lifestyle of elder, etc. In tradition aspect, Chinese elder like tradition culture very much, so follow the tradition and design unique products are necessary, like retro tables or chairs, retro railings, Chinese chess table, wooden lampshade and etc. It also should pay attention on the product's colour and appearance.

Promotion strategy is another significant element to Yijinyuan company. How to improve reputation of products? And how to attract customers buy products or services? These problems must be solved. It has many methods to improve reputation of products, like products' exhibition, company visit, do commercial advertising, etc. Recent years, with rapid development of the new we-media, the advertisement's costs drastically decrease. Therefore, the traditional promotion methods and new promotion methods combined can useful improve reputation with lower cost.

The price strategy doesn't need particular strategy, but the price will be higher 10 % compared to other similar products. It has two reasons: on the one hand, design and develop new products will spend a lot of funds, to Yijinyuan company, it is a big challenge; on the other hands, the elder control main social wealth, the price is not very important factor when they select their residence so long as the company can supply high quality products.

#### **5.4 Action Plan**

The purpose of this action plan is to put the concept into implementation, and planning the schedule, like how to design new products, which organizations will cooper-



ate? And when can accomplish the task of design new products? In Action plan, it totally has four parts: design of new products, product's promotion, team building and marketing management. The following chart is action plan chart.

TABLE 5. Action Plan for Yijinyuan in 2015

Nanjin Yijinyuan Landscape Engineering Co.Ltd					
Action Paln of 2015					
Key Value Chain					
		2015	Goal	Mission	Time
Design of new products	Design and develop suitable products for the elder department	Cooperate with Nanjing Industrial Product Design Company	28.02.2015-20.03.2015	Chen Bin	According to timeable and how many new products produced
		Pattern of products			
Products' promotion	Improve reputation of brand and build brand trust	Traditional promotion: products' exhibition, company visit, newspaperadvertisement	Two months one time	Zhang Ziqi	The total number of the visitors and participants
		Network promotion: build officail website, post product's vedio to we-media, like: Weixin, Weibo, QQ	Update or duplicate every week	He Chenhui	Access number of the website and vedio
Team building	Foster professional staff, and perfect company's structure	Recruit 2-3 new staff for marketing department	25.02.2015-30.03.2015	Liu Yanbin	The performance of new employees
		Do professional trainee for staff	26.02.2015-05.04.2015	Wu Linjie	Exam of know-hows
Marketing management	Sale increase 30% to 19.5 million RMB, and maintain the 9% earning rate	Old products: sale income, design income and implement department income reach 17 million RMB	27.02.2015-18.02.2016	Wang Kong	The annual sales
		New products: sales income, design income and implement department reach 2.5 million RMB			

## 5.5 Marketing budget

An estimated projection of costs required to promote a business' products or services. A marketing budget will typically include all promotional costs, including marketing communications like website development, advertising and public relations, as well as the costs of employing marketing staff and utilizing office space. [BusinessDictionary. Marketing budget. 2014]

There are two kinds of expenses, constant expenses and variable expenses. It shows that the talent cost take big percent in marketing expenses. And the marketing expenses increase about 20% than last year.

TABLE 6. Marketing budget of Yijinyuan company in 2015

		Function	Expenses	Time	Total
Marketing expenses	Constant expenses	Administrative expenses	326 RMB/month	12	3912 RMB
		Water and electricity	851 RMB/month	12	10212 RMB
		Salary	4500 RMB/month	12*4	216000 RMB
	Variable expenses	Product exhibitions	5000 RMB/time	6	30000 RMB
		Company visits	1500 RMB/time	6	9000 RMB
		Website operation cost	1350 RMB/year	1	1350 RMB
		Advertising	756 RMB/week	50	37800 RMB
		Trainee expenses	2000 RMB/person	4	8000 RMB
		Travel expenses	300 RMB/time	50	15000 RMB
		Staff rewards	5000 RMB/person	4	20000 RMB
	Total				

## 5.6 Follow-up

The thesis report will sent to the managers of Yijinyuan company. They will implement the action plan, and follow the timetable. The feedback will get back regularly, and the action plan can be changed according to the real situation.

## 6 CONCLUSIONS

The purpose of this research was to design a marketing strategy and action plan for Yijinyuan company in order to help Yijinyuan company to become a famous and unique landscape engineering company; even become the No.1 in China. The thesis report has six parts; the main contents of six parts are described as follows.

### Introduction part

In this chapter, the content is divided into three sub-topics: basic information of Yijinyuan company, objectives of the research and implementation of the research. In the first sub-topic, the basic information is given. Yijinyuan company was established on 1<sup>st</sup> August 2013, it has a staff of 21 persons. It also introduces the business area of Yijinyuan company. The second sub-topic, it describes the basic situation of landscape engineering industry in China. The last sub-topic presents the information of the implementation of the research.

### External environment

The chapter is divided into four parts and deeply describes the landscape engineering industry in China. The first part presents the prospect of the landscape engineering industry. The second part describes the competition pattern: the real estate of landscape gardens and municipal public gardens. In the chapter is listed some main competitors to Yijinyuan company, like South China, East China, etc. and the last part describes the market segmentation of landscape engineering industry.

### Presentation

It was from internal aspect to present Yijinyuan company in this chapter. First of all, it presents the main products of Yijinyuan company, and all departments of Yijinyuan company are given: sales department, field investigation department, customer department, implementation department and design department.

### Research implementation

Further analysis of Yijinyuan company was done from internal aspect, it was collected the questionnaire information and interview information, and then did analyze. In the end of this chapter, the SWOT analysis of Yijinyuan company is presented.

## New marketing strategy

Circuitous strategy is a good choice when the small companies compete with strong companies. Don't confront the conflict directly. In this chapter, the new target group was positioned, and new marketing strategy was given, designing and producing unique products. The last two parts presented the action plan and the marketing budget of Yijinyuan company for 2015.

## Evaluation of the thesis work

It took near one year to write this thesis report because of the researcher laid this thesis report aside for half of year. It was a good theme what the researcher want to write, but when put the thesis report into practice, it was a big challenge to researcher owing to the shortage of the information and much professional knowledge were involved. Luckily, with the help of the thesis supervisor and the mangers of Yijinyuan company, almost any difficult moved.

The object of study was Nanjing Yijinyuan Landscape Engineering Co.Ltd, its strengths and weaknesses compared to its competitors were given. According to these researches, the researcher designed a new marketing strategy and action plan for Yijinyuan company. The most important thing that the researcher learned from this thesis report is: don't worry how small you are, carefully analysis, always can find your own path of development, it is not only suitable to company, but also to human being.

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## APPENDICES

### Appendix 1

#### Questionnaire for the employees of Yijinyuan company (In English)

Hello, everybody! My name is Wu Bo, I study international business in Savonia University of Applied Science in Finland. Now I'm writing my bachelor thesis report about Yijinyuan company, my thesis topic is "New company survival and development on Red Ocean market", this questionnaire is a part of the thesis, it's important to me. I wish you have time to give your responses. The information is confidential and will not be published in details. It will only be used for this research and thesis report purpose. Thanks for you cooperation, let's start!

1. What is your gender?

- Male
- Female

2. What is your educational background?

- Primary school
- Middle school
- High school
- Professional college
- Bachelor
- Other

3. How long time have you been working in Yijinyuan company?

- Less than one year
- 1-2 years
- More than two years

4. How much pressure do you feel at your work?

- No pressure
- A little
- Considerable
- Much

5. What is your feeling when you work here?

- Very happy
- Happy
- Unhappy
- Very happy

6. Are you satisfied with you salary?

- Very satisfied
- Satisfied
- Dissatisfied
- Very dissatisfied

7. How is the relationship between employees in the company?

- Very good
- Good
- Bad
- Very bad

8. How about your working environment in Yijinyuan company?

- Very comfortable
- Comfortable
- Terrible
- Very terrible

9. What is your biggest reason that you still work in Yijinyuan company? (Multi-choice)

- High salary
- Comfortable working environment
- Good employee relationship
- Manager's personal charisma
- Fair salary system
- Bright future of Yijinyuan company
- Hard to find another job

Other, \_\_\_\_\_

10. How good is your communication with manager?

- Very good



- Good
- Bad
- Very bad

11. How about the competitiveness of Yijinyuan company?

- Very strong
- Strong
- Weak
- Very weak

12. Which one is the best method to promote Yijinyuan company's products or services?

- Email
- Text message
- Internet
- Internet
- Newspaper
- Product exhibition
- Company visit

Other, \_\_\_\_\_

13. Do you think Yijinyuan company's products are suitable to meet market demand?

- Very suitable
- Suitable
- Unsuitable
- Very unsuitable

14. How do you think about the Yijinyuan company's future?

- Very promising
- Promising
- Unpromising
- Very unpromising

15. Do you have any suggestion for the Yijinyuan company?

## Appendix 2

## Questionnaire for employees of Yijinyuan company (In Chinese)

大家好！

我叫吴波，我在芬兰的赛文尼亚应用科技大学学习国际商务。现在我正在写我的学士论文，要做一份关于艺金园员工的问卷调查，我的论文话题是“一个新兴公司怎么在红海市场中生存和发展”，这份问卷调查也是论文的一部分，它对我很重要。我希望您能抽出时间完成这份调查。问卷调查的信息是保密的，不会被发表。它只会被用于此次调查和论文的报告中。

请在您同意的答案前√。非常感谢!!!

1. 您的性别是：

- 男
- 女

2. 您的教育背景是：

- 小学教育
- 中学教育
- 高中教育
- 大专
- 本科
- 其他, \_\_\_\_\_

3. 您在艺金园公司工作多长时间了？

- 少于 1 年
- 1-2 年
- 多于 2 年

4. 您觉得在艺金园公司工作压力大吗？

- 没有压力
- 一点点压力
- 相当大
- 很大的压力

5. 您在艺金园公司工作的感觉怎么样？

- 非常开心
- 开心
- 不开心
- 非常不开心

6. 您满意现在的工资吗?
- 非常满意
  - 满意
  - 不满意
  - 非常不满意
7. 您觉得公司里员工之间的关系怎么样?
- 非常好
  - 好
  - 不好
  - 非常不好
8. 您觉得艺金园公司的工作环境怎么样?
- 非常舒服
  - 舒服
  - 糟糕
  - 非常糟糕
9. 您留在艺金园公司工作的最大原因是什么? (可多选)
- 工资高
  - 舒服的工作环境
  - 老板人很好
  - 公平的薪资系统
  - 公司前景很好
  - 很难找到其他工作
  - 其他, \_\_\_\_\_
10. 您和老板之间的交流怎么样?
- 非常好
  - 好
  - 不好
  - 非常不好
11. 您觉得艺金园公司的竞争力怎么样?
- 很强
  - 强
  - 弱
  - 很弱

12. 您觉得以下哪种方式是做好推销艺金园公司的产品或服务的？

- 电子邮件
- 短信
- 互联网
- 报纸
- 产品展览会
- 公司参观
- 其他，  

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13. 您觉得艺金园公司的产品适应市场的需求吗？

- 非常适合
- 适合
- 不适合
- 非常不适合

14. 你觉得公司的未来会是怎么样的？

- 非常看好
- 看好
- 不看好
- 非常不看好

15. 您有什么意见要给艺金园公司吗？

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## Interview questions for the managers of Yijinyuan company

Hello, my name is Wu Bo, I study international business in Savonia University of Applied Science in Finland. Now I'm writing my bachelor thesis report about Yijinyuan company, my thesis topic is "New company survival and development on Red Ocean market", this questionnaire is a part of the thesis, it's important to me. I wish you have time to give your responses. The information is confidential and will not be published in details. It will only be used for this research and thesis report purpose. Thanks for you cooperation.

1. Do you think Yijinyuan company's products are suitable to meet the market needs? Why?

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2. What are the strengths of Yijinyuan company to beat the company's competitors?

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3. What are Yijinyuan company's weaknesses compared to the competitors?

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4. As the manager, how do you manage corporate culture?

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5. What kind of marketing tools do you use to expand Yijinyuan company's market share?

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6. How will the demand of Yijinyuan company's products develop in the future?

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7. How do you handle the change of market demand next decade?

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8. How will the competition of Yijinyuan develop in the future?

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9. What is your strategy in the future competition situation?

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10. What is the development direction of Yijinyuan company in the future?

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