

**SME Development Fund
Final Report of Approved Project**

**(covering from [the project commencement date] to
[the project completion date])**

Project Title : 2012 Hong Kong Shopping Festival in Chongqing
(Reference No.) 2012 重慶。香港購物節
D11 002 012

Period covered : From 01/09/2012 to 30/04/2012
(dd/mm/yy) (dd/mm/yy)

1. Project Details

Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.

Project Reference and Title

2012 Hong Kong Shopping Festival in Chongqing 2012 重慶香港購物節

Project Summary (in not more than 150 words)

Hong Kong SMEs are facing difficulties in export market, and attention has been turned to the growing domestic market which boosts the emerging middle-class consumers. However, competition in the first-tier established cities such as Beijing, Shanghai and coastal areas is very intense and entrance barrier very high. The mid west region, on the other hand, is relatively under-developed, and could provide easier access for Hong Kong SMEs interested in tackling the domestic market. Furthermore, the highest growth in consumption in China was experienced in mid and western region such as Sichuan Province and Chongqing. It was estimated in 2011, income per capita in Chongqing would reach 11% growth, higher than the national average of 10%. In 2010 Chongqing spent RMB 287 billion on consumables, making itself one of the most attractive domestic market regions for Hong Kong enterprises.

"HK Shopping Festival in Chongqing" was one of the highlights of the "Hong Kong Week in Chongqing" organized by the Chengdu ETO of the HK SAR government. The Promotion aims at enabling HK SMEs the practical experience of conducting domestic sales in Chongqing, taking them through all steps of the process.

Project Objective(s) (in not more than 80 words)

- To promote and enhance images of HK products to Chongqing consumers.
- To assist HKSMEs to gain practical domestic sales and retail experience, as well as to establish long term distribution network by participation in the in-store retail promotion and match making events.
- Through the promotion, HK SMEs can directly assess the receptiveness of their products by the Chongqing consumers.
- Help HK SMEs to search for potential distributors and agents.

Recipient/Collaborating/Implementation Organisation

Recipient Organisation : Federation of Hong Kong Industries

Collaborating Organisation(s) : Nil

Implementation Agent(s) : Grander China Business Ltd

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator :	<u>Cissie Chang</u>	<u>FHKI</u>	<u>Tel: 27323107 Fax: 27213494</u>

*Note: the original Project Director Mr. Dennis Yau has retired with effect from the end of April, 2012. Therefore, the Project Co-ordinator, Cissie Chang, will be the main person responsible for this project.

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	<u>01/09/2011</u>	<u>30/04/2012</u>	<u>8 months</u>
Revised (if applicable)	<u></u>	<u></u>	<u></u>

Methodology Employed

HK SMEs are invited to participate in seminars, briefings and sharings as well as the main event, namely "HK Shopping Festival in Chongqing" which took place January 7-16, 2012 at the SML Centre at Chongqing. Through the process, HK SMEs were guided by experienced domestic sales professionals through all the necessary steps requisite for a HK SME to be engaged in B-to-C domestic sales.

2. Summary of Project Results

Project Deliverables

Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.

- 3 seminars on "HK SMEs tackling Domestic Sales" were organized on September 9, September 23 and October 13. Speakers included experienced HK Brands such as Temporis, A-Fontane, distribution and retail agents who shared detailed insights with interested HK SMEs on tips on tackling the domestic market. Over 70 persons from 40 HK companies participated in seminars. Furthermore, 2 Sharing Sessions: "Practical Tips for Successful Domestic Sales" were held on 16 March & 13 April.
- The retail promotion lasted 10 days and attracted 31 Hong Kong companies to join, including notable HK brands, such as A-Fontane, German Pool, Kinox etc. Products for sale included jewelry, watches, household items, food, fashion and "O Mark" licensed products granted by the Hong Kong O-Mark Council. Through the promotion, HK SMEs can directly assess the receptiveness of their products by the Chongqing consumers, as well as enhancing images of HK products to Chongqing consumers.
- The event enabled Hong Kong companies to gain hands-on experience in domestic sales to formulate the appropriate branding strategies. During the Shopping Festival, FHKI has also coordinated with Chongqing Foreign Trade and Economic Relations Commission and Chongqing Commerce Commission to organize one business matching meeting for helping Hong Kong enterprises to build and strengthen the domestic sales network.
- Surveys on exhibitors and Visitors were conducted and summarized after the event to appraise the effectiveness as well as serve as reference for enterprises interested in tapping the second tier market.

Actual Benefits to SMEs

Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs in general or SMEs in specific sectors, in not more than 400 words.

- 31 companies participate in HK Shopping Festival, 24 of which took part in the retail promotion with a total 264 sqm of retail booths. 12 Companies contributed their products to the "HK Quality Products" central display (5 were in retail promotion as well) showcasing HK 's fine products to the Chongqing consumers.
- HK enterprises have gained an overview of the domestic sales market, in addition to practical knowledge on the necessary procedures. 3 seminars on "HK SMEs tackling Domestic Sales" were organized on September 9, September 23 and October 13. Speakers included experienced HK Brands such as Temporis, A-Fontane, distribution and retail agents who shared detailed insights with interested HK SMEs on tips on tackling the domestic market. Over 70 persons from 40 HK companies participated in seminars.
- HK SMEs have expand their business network in Chongqing through a series of event organized

concurrent to the HK Shopping Festival, including:

<u>Jan 7, 2012</u>	<u>HK Shopping Festival Opening Ceremony & Fashion Show / Product Parade</u>
<u>Jan 7, 2012</u> <u>Twice Daily</u>	<u>Chongqing- Hong Kong Business Match- Making Luncheon</u> <u>Fashion/Products Parades</u>
<u>Jan 6& 7</u>	<u>Welcome dinner host by Chongqing Government & Thank-You Dinner hosted by FHKI in which HK Exhibitors were introduced to Chongqing officials of various departments and areas so that they</u>
<u>Jan 15</u>	<u>HK Week in Chongqing Opening Ceremony. HK Exhibitors contributed products for the subsequent HK Fashion and Product Parade(organized by the HKTDC)which further publicise HK Shopping Festival and Products on sales.</u>

4. Exhibitor/Chongqing consumer surveys & interviews of selected participating HK SMEs were conducted. Selected participating HK companies were interviewed sharing insights on various important issues when a HK SME must face when planning to enter the domestic sales market. such as branding –building, import and distribution, marketing and pricing, retail and promotion. SMEs have gained a better understanding on the difficulties and best approaches in tackling the second-tier market such as Chongqing.

Milestones (in chronological order)

Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.

	<u>Milestone</u> (as set out in the project proposal appended to the project agreement)	<u>Original</u> target <u>completion</u> <u>date</u>	<u>Revised</u> target <u>completion</u> <u>date</u> (if applicable)	<u>Status</u> (C/D/N) #	Reason for deviation from its original target <u>completion</u> <u>date</u>
a)	Exhibitor recruitment	Oct 1	Oct 31	C	To allow more HK SMEs to join.
b)	Finalise exhibitor list and product categories. Begin overall exhibition area planning	Oct 31	Oct 31	C	
c)	Exhibitor Recruitment cum HK SMEs Tackling Domestic Sales Seminars	Oct 31	Oct 31	C	
d)	Follow up with Chongqing officials and confirm format of cooperation with SML Shopping Centre	Oct 31	Oct 31	C	
e)	Exhibitor sign contracts with Shopping Mall or Agent; Shipment of Exhibits	Dec 19	Dec 19	C	
f)	Booth construction and move-in	Jan 5	Jan 5	C	
g)	Exhibition in progress	Jan 7-16	Jan 7-16	C	
h)	Conduct Reseach: - In-depth interviews with exhibitors to share practical tips on successful domestic sales; Survey of Chongqing consumers, in particular their perceptions on Made-by-Hong Kong Products	Jan 30	Jan 30	C	
i)	Sharing Sessions: "Practical Tips for Successful Domestic Sales"	March 16 & Apr 13	March 16 & Apr 13	C	

Marketing/Dissemination Activities (in chronological order)

Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries</u> (Please specify whether they are SMEs or not)
1. Exhibitor Recruitment		
Sept 17, 2011- Jan 16, 2012	Ad on FHKI Website(31 exhibitors confirmed(retail promotion + central display)	31 (25 SMEs)
Sept – Oct 2011	HK Shopping Festival in Chongqing Exhibitor Recruitment cum HK SMEs Tackling Domestic Sales Seminar(3 sessions)	70(62 SMEs)
Sept-Oct 2011	Ad placement to promote to local manufacturers in Hong Kong Industrialist(FHKI's official magazine)(September & November issues)	7,000 business contacts(~80% SMEs)
Sept 2011	Ad Placement to promote to prospective exhibitors in <i>ShipperToday</i> from Hong Kong Shippers Council (September-October bi-monthly issue) (Note: Members of the HKSC includes exporters/ importers/traders and manufacturers, who are our exhibitor targets.	2,000 business contacts (-80% SMEs)
2 Business to Consumer & Business to Business Promotion (at Chongqing)		
2.1 Business to Consumers		
Jan 1-10,2012	Radio Commercials in Chongqing traffic channel to publicise Chongqing consumers to the Shopping Festival	12,000HK's Manufacturing SMEs*&31 exhibitors(25 SMEs)
Jan 6,7,10&11,20 12	Leaflets to publicise HK Shopping Festival were distributed along with Chongqing Commercial News(重慶商報)and Chongqing Morning News (重慶晨報)(Total circulation: 200,000 copies)	
Jan 6-17 2012	Handing out of leaflets in the Yuzhong area	
Jan 6-11 2012	Text message to mobile phone users(630,000 messages sent)within YuZhong Area where the event was held.	
Jan 9-16	Video Commerical on Outdoor LED Screen at the SML Centre	
Dec 15 2011-Jan 16 2012	Lightbox Ads at Chongqing Underground Station at the SML Centre to attract passenger to visit the HK Shopping Festival	
Jan 6-16 2012	Outdoor Giant Shopping Bag Structure at SML Center	
Jan 7-16 2012	Indoor Banners throughout the SML Center to attract traffic to the HK Shopping Festival	
Dec 28&29,2011, Jan 5-16 2012	Reports on the HK Shopping Festival were arranged to appear in all major media in Chongqing so as to further publicise the event to the Chongqing public.	
2.2 Business to Business		
Jan 8 2012	Chongqing –Hong Kong Industry Match-Making Luncheon –HK Shopping Festival Exhibitors were introduced to officials from local	24 exhibitors in the retail promotion

	“ Commercial Committees”(各區商委官員)and representatives from shopping malls, department stores, distribution agent, etc.	
Notes:	As the publicity and promotion campaign also serves the dual objective of promoting all “Made by Hong Kong Products”to Chongqing businesses as well as consumers	12,000HK Manufacturing SMEs
<u>Post-Event Seminars & Publicity</u>		
Feb, 2012	Reports on the HK Exhibitors venturing into domestic sales at Chongqing were widely circulated in HK press and the HK Industrialist Magazine, encouraging HK SMEs to initiate their domestic sales plan	
Mar-Apr,2012	Editorial coverage on”Practical Tips to Successful Domestic Sales” in Shippers Today by HK Shippers’ Council; and “Industry Focus” by HK Productivity Council	
Mar-Apr 2012	Practical Tips on Successful Domestic Sales Seminar (March 16 & April 13)	Projected:~80-100HK companies(~90%~75 SMEs)
Apr, 2012	Written report on Practical Tips on Successful Domestic Sales will be compiled for all interested SMEs (To be made available for view at FHKI Website and other channels to be confirmed)	All HK SMEs interested in domestic sales market
	Total no. of beneficiaries -	no. of SMEs : 150 SMEs
		no. of companies which are <u>not</u> SMEs : 53 Non SMEs

Future Plan for Promoting the Project Deliverables

FHKI will roll out a comprehensive plan in enhancing HK SMEs competence in conducting domestic sales.

The plan will be a practical approach including seminars, workshops, study missions, researches and

Promotions, serving a wide range of HK’s manufacturing and trading SMEs.