SME Development Fund (SDF)/ Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) (Organisation Support Programme) (OSP)

Final Report on Approved Project

Project ref. no.

: BUD 13 3 004

Project title

: Assisting Hong Kong Brands to Explore Northeast

China Market through Organizing "Harbin Hong

Kong Brand Festival" Serial Activities

Period covered

: From

17/02/14

to

16/05/15

(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 Summary (in about 150 words)

With a considerable economic stature accounting for nearly one-tenth of the nation's GDP, population and areas, Northeast China nevertheless remains a "virgin soil" where Hong Kong companies' presence is relatively limited. For Hong Kong brands looking to further developing domestic sales, Northeast China has suggested itself not only as a "land of opportunities" with great growth potential, but also as the gateway *par excellence* to the greater Northeast Asia Economic Circle as well as a strategic foothold to tap into the vast markets in Russia, Commonwealth of Independent States and even the Central and Eastern Europe.

To facilitate Hong Kong brands' recent moves to expand their business frontier nationwide, notably extending from South China to the North and riding on the bustling border trade between China and its neighbouring countries, this Project stages a large-scale brand promotional campaign supplemented by a bevy of brand research and training programmes in the Harbin City, the primary politico-economic epicentre of Northeast region. Under the banner of "Harbin Hong Kong Brand Festival" (the Festival), it aimed to promote the collective image of Hong Kong brands through an experience-focused approach and help Hong Kong enterprises to better understand the market environment and to explore business opportunities in the Northeast China particularly Harbin.

The Project features a series of diversified activities that tie in with the current needs of Hong Kong enterprises, including setting up a product gallery at the "2014 Hong Kong Trendy Products Expo, Harbin" (the Expo) to showcase the latest development of Hong Kong brands, centring on a specially-designed thematic zone that highlights the heritage and evolution of Hong Kong's brand culture; rolling out a series of stage performances and programmes for promoting Hong Kong brands and representative products and services; hosting a networking meeting to facilitate the business matching between Hong Kong brand operators and Mainland distributors and other potential business partners; organizing a study tour to investigate the retail market and distribution channels in Harbin; conducting a questionnaire survey on local consumers notably visitors to the Expo, with an eye to understanding their brand preferences and consumption behaviours; and lining up publicity activities in Hong Kong including an experience sharing seminar with emphasis on the strategies and practices of Hong Kong brands in exploring Mainland market.

Project Objective(s) (in about 80 words)

- To promote the collective image and competitive advantages of Hong Kong brands;
- To assist Hong Kong brands to further develop domestic sales by capitalizing on the strategic position of Northeast China and the market opportunities arising from the region;
- To advance Hong Kong enterprises' understanding of the business environment and consumers' behaviours of Northeast China market;
- To help Hong Kong brands to develop cooperation opportunities with potential business partners in the Mainland.

Grantee/Collaborating Organisation/Implementation Agent

Grantee : Hong Kong Brand Development Council Company Limited

Collaborating Organisation(s) : The Chinese Manufacturers' Association of Hong Kong

Implementation Agent(s) : CMA Exhibition Services Limited

Key Personnel

| | | | | Tel No. & |
|--------------------------------|---|------------|-------------------------------------|-----------|
| | | Name | Company/Organisation | Fax No. |
| Project Co-ordinator | : | Hilson Yan | Hong Kong Brand Development Council | 2542 8631 |
| Deputy Project Co-ordinator | : | Carol Pang | CMA Exhibition Services Limited | 2542 8683 |

Project Period

| | Commencement Date | Completion Date | Project Duration |
|--|-------------------|------------------|-------------------------|
| To a to a late of the second o | (day/month/year) | (day/month/year) | (No. of months) |
| As stated in project agreement | 17 February 2014 | 16 February 2015 | 12 months |
| Revised (if applicable) | 17 February 2014 | 16 May 2015 | 15 months |

2. Summary of Project Results

Project Deliverables

(Please list out the 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.)

1. Showcase Gallery

71 Hong Kong product brands joined the showcase gallery namely "Lovely · Loving Hong Kong' Brand Frontline" at the "2014 Hong Kong Trendy Products Expo, Harbin" at Harbin International Conference, Exhibition and Sports Center from 19th to 24th September 2014. The "Brand Frontline" featured over 180 product items under 71 brands from eight consumer product categories. Among participants, 7 brands from fashion, accessories and jewlleries, 5 from watches, 5 from fine living, 8 from home appliances and electronic products, 17 from food industry, 6 from beauty products, 11 from household products and 12 from Chinese medicine & healthcare products.

The gallery successfully attracted lots of local visitors during the 6-day exhibition.

2. Thematic Zone

21 Hong Kong brands of wedding-related industries were selected to showcase their products/information in the thematic zone namely "Love · Loving Hong Kong' Wedding Brand Ring" during 6-day exhibition.

Featuring a vivid introduction of Hong Kong's wedding culture and 21 representative brands engaged in wedding-related products or services, it employed a story-telling approach to illustrate how Hong Kong brands keep moving with time and revolute their products and services in tandem with the evolution of socio-cultural trends, striking a dynamic balance between heritage and innovation. Guided tour service was also provided to guide visitors around to grasp highlights of the thematic zone.

3. Consumer Survey

A consumer survey was conducted to collect the views of Northeast China citizens in regard to Hong Kong brands, and to understand their consumption behaviour. 1,005 Northeast China consumers were interviewed face-to-face and a comprehensive analytic report was compiled, which provided up-to-date and in-depth information about Northeast China market for Hong Kong enterprises' reference. The "Study on Northeast China Consumers' Perception of Hong Kong Brands and Purchasing Behavior" was released in early-December 2014 and uploaded onto Project's webpage, a dedicated subsection at the official website of the Hong Kong Brand Development Council.

4. Business Networking Meeting

A 2-hour business networking meeting was organized at Harbin International Conference, Exhibition and Sports Center on 19th September 2014. 85 Hong Kong brands operators and 167 distributors and buyers from Northeast China Region enrolled in the meeting and over 160 of them showed up.

5. Business Study Tour

A one-day business study tour was organized on 20th September 2014 in Harbin, and 15 (out of 40 enrolments) Hong Kong brand operators visited a Heilongjiang enterprise namely 黑龍江農墾北大荒商 貿集團有限責任公司 and 北大荒博物館; and 2 representative shopping malls namely 哈爾濱松雷商業集團南崗店 and 紅博會展購物廣場, respectively located in two major Central Business Districts in Harbin city.

6. Thematic Performance Programmes

6 topical performances with entertaining values were lined up next to the Showcase Gallery during 6-day exhibition to promote selected industries and product or service categories that are representatives of Hong Kong's brand development, and to enhance the attractiveness of the Gallery through interaction with the visitors. Each of the 6 topical performances were organised repeatedly for 2 to 6 times and a total of 16 sessions were put up.

7. Experience Sharing Seminar

A 3-hour experience sharing seminar was organized under the banner of "Tapping into Northeast China Market" on 5th December 2014 and a total of 53 (out of 138 enrolments) Hong Kong brand operators took part in the seminar.

8. Publicity Campaign in Hong Kong

The media briefing on "Harbin Hong Kong Brand Festival" was held on 27th March 2014 with the presence of 11 reporters and representatives of media.

A phased advertising campaign was rolled out on trade-related local newspapers and magazine, including "Hong Kong Entrepreneurs", "am730", "Hong Kong Economic Times", "Ming Pao", "Oriental Daily" and "Sing Tao Daily".

9. Publicity in Harbin

Advertisements were placed on Mainland's newspapers and radio including "生活報", "新晚報", "龍廣交通台". Channels of promotion also included LED advertisement at 4 hotspots in Harbin, SMS, web banner in "東北網", buses advertisement, lampposts, billboards and buntings at the venue of the Harbin Expo, and media interviews by "哈爾濱日報", "黑龍江晨報", "東北網", "中國日報中文網", "人民網黑龍江頻道", "新華網黑龍江頻道", "祖國網黑龍江頻道", "中國貿易新聞網黑龍江頻道" and "黑龍江電視台衛視頻道".

An opening ceremony was held at the Gallery on 19th September 2014 to announce the kick-off of the serial activities held in Harbin.

10. Promotional Materials

A set of promotional materials, including 40,000 leaflets of Showcase Gallery, 40,000 leaflets of Thematic Zone and 1,500 brochures of the gallery exhibitors as well as 10,000 recycle bags and 10,000 stylus pens, were produced and distributed to the Harbin's media through press conference on Harbin Hong Kong Week held on 16th September 2014; citizens at selected commercial areas and high-end residential buildings in Harbin; visitors, buyers and participants of the Showcase Gallery, Thematic Zone, Business Networking Meeting, Business Study Tour and "2014 Hong Kong Trendy Products Expo, Harbin" to promote the Showcase Gallery and Harbin Hong Kong Brand Festival.

11. On-line Promotion

The project web pages were designed under the existing websites of the HKBDC and web banners were placed in the websites of HKBPE and CMA. Information and activities of the project had been updated on the web pages and "Study on Northeast China Consumers' Perception of Hong Kong Brands and Purchasing Behavior" was duly uploaded for Hong Kong enterprise's easy and free download for reference.

Actual Benefits to SMEs/Enterprises

(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 / enterprises in general or SMEs / enterprises in specific sectors / assist Hong Kong enterprises in general or in specific sectors in developing brands, upgrading and restructuring business operations, and promoting domestic sales in the Mainland, in about 400 words.)

This project has provided a multi-functional platform to Hong Kong enterprises, helping them to understand, test, evaluate and access the Northeast China market. Meanwhile, the project has also enhanced the collective images of Hong Kong brands, while helping to raise Mainland consumer's awareness in regard to Hong Kong brands.

The Project featured a series of diversified activities that tied in well with the current needs of Hong Kong enterprises. In particular, the thematic zone namely "Love · Loving Hong Kong' Wedding Brand Ring", "Lovely · Loving Hong Kong' Brand Frontline" Product Showcase and thematic performance programmes attracted the eyeball of a huge number of Harbin and Northeast China citizens, providing an effective fast-track for Hong Kong enterprises to access Northeast China market. Besides, the dissemination of promotional materials including leaflets, brochure and souvenirs, together with the rolling out of an intensive advertising campaign via Mainland's media, also helped to promote Hong Kong brands to wider audience.

The findings of consumer survey embodies first-hand intelligence and in-depth insights regarding Northeast China consumers' behavior, usage of social media, online shopping habit as well as their perception on Hong Kong brands. The Survey was conducted in Harbin, 80% of the interviews took place at the Harbin Expo, and the rest of them took place at major Central Business Districts.

The business networking meeting successfully assembled over 160 Hong Kong brand operators and local distributors and buyers, notably from Northeast China Region. Many Hong Kong enterprises obtained precious opportunities for meeting potential buyers especially the large-scale retailing chain operators, and the business connections they established on that occasion are beneficial to their future development in the Northeast China Market.

A one-day business study tour in Harbin, during which Hong Kong brand operators visited a Heilongjiang enterprise, a museum and 2 representative shopping malls. The tour gained fruitful results, and it in particular shed light on the strategies for Hong Kong enterprises to choose commercial zones and platforms when starting domestic sales in Harbin.

The experience sharing seminar was an effective platform for Hong Kong enterprises to acquire practical knowledge and skills of brand-building, access up-to-date information, exchange views and share real-life experience in relation to Mainland's domestic market. As questionnaire survey conducted on the participating audience affirmed, 100% participants agreed that the seminar was useful. Furthermore, 92% audience indicated that they were satisfied with the experience sharing seminar.

The dedicated project web pages were designed under the existing websites of the HKBDC to host the updated information of "Harbin Hong Kong Brand Festival". The 62-page "Study on Northeast China Consumers' Perception of Hong Kong Brands and Purchasing Behavior" is available on the webpage for free download by Hong Kong enterprises and interested parties. Moreover, detailed information of the participating brands of the showcase gallery was uploaded on the web page, providing an additional e-channel for these Hong Kong enterprises to promote their brands and products.

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.)

| | Milestone (as set out in the approved project proposal appended to the project agreement) | Original target completion date | Revised target completion date (if applicable) | Status (C/D/N)# |
|-----|--|---------------------------------|--|--------------------|
| (a) | Formulation of selection guidelines and Steering Committee; media briefing; website set-up and update | 30/06/2014 | | С |
| (b) | Conceptual design for the thematic zone; recruitment of participating companies of the showcase gallery and thematic zone | 30/06/2014 | | С |
| (c) | Preparation for the design and decoration of the showcase gallery, thematic zone and performance stage; design and production of consumer survey questionnaire | 25/08/2014 | 23/09/2014 | D |
| (d) | Formulation and the launch of the publicity campaign phase by phase | 16/02/2015 | | С |
| | Screening of participants of the showcase gallery and thematic zone by Steering Committee; and collection of products/information for showcase gallery and thematic zone | 15/08/2014 | 05/09/2014 | D |
| | Design and production of promotional material and souvenirs | 25/08/2014 | 18/09/2014 | D |
| | Preparation for the stage performance programmes | 25/08/2014 | 18/09/2014 | D |
| (h) | Preparation for business study tour | 25/08/2014 | 18/09/2014 | D |
| | Recruitment of participants of the business networking meeting and business study tour | 25/08/2014 | 18/09/2014 | D |
| | Construction of the showcase gallery, thematic zone and performance stage | 25/08/2014 | 18/09/2014 | D |

| (k) 6-day exhibition period of the showcase gallery and thematic zone; delivery of business study tour, business networking meeting and performance programmes; collection of questionnaire from visitors and other Harbin citizens | 31/08/2014 | 24/09/2014 | D |
|--|------------|------------|---|
| (l) Data input and analysis of the consumer survey; preparation of survey report; recruitment and delivery of experience sharing seminar | 16/02/2015 | | С |
| (m) Uploading of post-event activities recapture and survey report onto website | 16/05/2015 | | С |

Promotional/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 seminars, workshops, etc.)

| <u>Date/</u> <u>Period</u> | | | Description | No. of beneficiaries (SMEs/Enterprises*) *please delete as appropriate |
|-------------------------------|---------------------|-----|--|---|
| 27/03/2014 | | | edia Briefing to announce the launch of the oject | рэмэ жанган жан жанган жанган жанган жанган жанган жанган жанган жанган жанган |
| 2/2014 - 9/2014 | Showcase Gallery | (a) | Promotion to HK companies and recruitment of participating companies: | 71 participating product brands |
| | | | 1. Websites: i) HKBDC; ii) CMA and iii) Harbin Expo | |
| | | | 2. E-mailing of the circulars: i) Over 400 HKBDC corporate members; ii) Over 8,000 CMA member companies and affiliated companies; iii) Over 1,000 HKBPE exhibitors | |
| | | | 3. Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) Shopping Guide of Harbin Expo; viii) 龍廣交通台FM99.8; ix) 生活報; x) 新晚報 | |
| | | | 4. Other advertising channels in Harbin: i) Billboards and buntings were set-up at the venue of the Harbin Expo; ii) LED advertisement at 4 hotspots in Harbin; iii) SMS; iv) Web banner in 東北網; v) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin; vi) Buses Advertisement; vii) Lamppost advertisements; viii) Media interviews by 哈爾濱日報,黑龍江晨報,東北網,中國日報中文網,人民網黑龍江頻道,新華網黑龍江頻道,祖國網黑龍江頻道 and 黑龍江電視台衛視頻道 | |
| · | | (b) | Set-up of showcase gallery: i) A showcase gallery had been designed to accommodate over 180 exhibits from 71 product brands; ii) Entrance arch, information counter, backdrop, information panels and stage were set up; iii) Publication of promotional materials including leaflet and brochure; iv) Distribution of souvenirs including recycle bag and stylus pen (手寫筆觸控圓珠筆); v) Billboards and buntings were set up at the venue of the Harbin expo | |

9/2014 Zone of participating companies: and service brands Websites: i) HKBDC; ii) CMA and iii) Harbin Expo E-mailing of the circulars: i) Over 400 HKBDC corporate members; ii) Over 8,000 CMA member companies and affiliated companies; iii) Over 1,000 HKBPE exhibitors Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) Shopping Guide of Harbin Expo; viii) 龍廣交通台 FM99.8; i: "活報; x) 新晚報 Other adv ig channels in Harbin: i) Billboards and buntings were set-up at the venue of the Harbin Expo; ii) LED advertisement at 4 hotspots in Harbin; iii) SMS; iv) Web banner in 東 北網; v) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin; vi) Buses Advertisement; vii) Lamppost advertisements; viii) Media interviews by 哈爾濱日報, 黑龍江晨報, 東北 網,中國日報中文網,人民網黑龍江 頻道,新華網黑龍江頻道,祖國網黑 龍江頻道 and 黑龍江電視台衛視頻道 (b) Set-up of Thematic Zone: i) A Thematic Zone had been designed to accommodate 21 product and service brands; ii) Entrance arch, information counter, backdrop, information panels and stage were set up; iii) of promotional materials Publication including leaflet and brochure; Distribution of souvenirs including recycle bag and stylus pen (手寫筆觸控圓珠筆); v) Billboards and buntings were set up at the venue of the Harbin expo 85 Hong Kong brands 5/2014 -**Business** (a) Recruitment of participating companies: operators and 167 distributors 9/2014 Networking Websites: i) HKBDC; ii) CMA and and buyers from Northeast Meeting iii) Harbin Expo China Region enrolled with about 64% turn-up rate E-mailing of the circulars: i) Over 400 HKBDC corporate members; ii) Over 8,000 CMA member companies and affiliated companies; iii) Over 1,000 HKBPE exhibitors Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) 生活報; viii) 新 晚報 Other advertising channels in Harbin: Billboards were set up at the venue of

(a) Promotion to HK companies and recruitment

21 participating product

2/2014 -

Thematic

| | | | *** |
|------|-----|------|-------|
| tha | Lla | rhin | Expo |
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(b) Recruitment of buyers from Mainland China: i) Invitation letters and emails sent through collaborating partners, including 黑龍江省商務廳,中國國際貿易促進委員會黑龍江省委員會,哈爾濱經濟技術開發區,哈爾濱高新技術產業開發區; ii) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin; iii) Media interviews by 東北網,中國日報中文網 and 人民網黑龍江頻道

4/2014 -9/2014 Business Study Tour

Promotional activities:

- 1. Websites: i) HKBDC; ii) CMA and iii) Harbin Expo
- E-mailing of the circulars: i) Over 400
 HKBDC corporate members; ii) Over
 8,000 CMA member companies and
 affiliated companies; iii) Over 1,000
 HKBPE exhibitors
- 3. Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) 生活報; viii) 新 晓報
- Other advertising channels in Harbin:

 Billboards were set up at the venue of the Harbin Expo; ii) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin

4/2014 -9/2014

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Thematic Performance Programmes

Promotional activities:

- Websites: i) HKBDC; ii) CMA and iii) Harbin Expo
- E-mailing of the circulars: i) Over 400
 HKBDC corporate members; ii) Over
 8,000 CMA member companies and
 affiliated companies; iii) Over 1,000
 HKBPE exhibitors
- 3. Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) Shopping Guide of Harbin Expo; viii) 龍廣交通台 FM99.8; ix) 生活報; x) 新晚報
- 4. Other advertising channels in Harbin: i) Billboards were set up at the venue of the Harbin Expo; ii) LED advertisement at 4 hotspots in Harbin; iii) SMS; iv) Web banner in 東北網; v) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin; vi) Buses Advertisement; vii) Lamppost advertisements; viii) Media interviews by 東北網,中國日報中文網,人民網黑龍江頻道 and 黑龍江電

視台衛視頻道

40 enrolments with 37% turn-up rate

92 participating product and service brands

| | Consumer | Promot | ional activities: | 1,005 Northeast China |
|---------|--------------------|---------|--|---|
| 2/2015 | Survey | 1. | Websites: i) HKBDC; ii) CMA and iii) Harbin Expo | residents were interviewed |
| | | 2. | E-mailing of the circulars: i) Over 400 HKBDC corporate members; ii) Over 8,000 CMA member companies and affiliated companies; iii) Over 1,000 HKBPE exhibitors | |
| | | 3. | Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Hong Kong Entrepreneurs; vi) Fair Directory of Harbin Expo; vii) 生活報; viii) 新 晚報 | |
| | | 5. | Other advertising channels in Harbin: i) Billboards were set up at the venue of the Harbin Expo; ii) Web banner in 東北網; iii) Leaflet distribution at commercial buildings and high-end residential buildings in Harbin; iv) Media interviews by 東北網,中國日報中文網 and 人民網黑龍江頻道 | |
| 2/2014- | | Promoti | onal activities: | 138 enrolments with |
| 12/2014 | Sharing Seminar | 1. | Websites: i) HKBDC; ii) CMA and iii) Harbin Expo | 38% turn-up rate |
| | | 2. | E-mailing of the circulars: i) Over 400 HKBDC corporate members; ii) Over 8,000 CMA member companies and affiliated companies; iii) Over 1,000 HKBPE exhibitors | |
| | | 3. | Media Advertising: i) Hong Kong Economic Times; ii) Ming Pao; iii) Oriental Daily; iv) am730; v) Sing Tao Daily; vi) Hong Kong Entrepreneurs | |
| | | | Total no. of beneficiaries: | |
| | | | | beneficiaries, about 30,000 Hong Kong enterprises by |

Hong Kong enterprises by

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

The information of the project and electronic version of "Study on Northeast China Consumers' Perception of Hong Kong Brands and Purchasing Behavior" are keeping beyond the project period and provide a convenient and effective avenue to disseminating knowledge, experience and updated market information of Northeast China, freely accessible to Hong Kong enterprises as well.