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Marketing Strategy during the Global Financial Crisis — a Case study of Great Partner
Company, China

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Abstract

Purpose: This study aims to explore the implementation of marketing strategies on companies during the financial crisis, and to identify those strategies that can help a company to remain successful during a period of economic downturn. The authors also give suggestions to the case company to improve its market competitiveness in the future.

Methodology/ approach: Qualitative methodology has been used in this thesis. An interview questionnaire has been designed as the primary data collection method. The CEO and marketing manager of the case company- Great Partner Confection & Toys Co. Ltd., were then interviewed. Secondary data from articles, books, journals and the Internet were also used in this thesis.

Findings: A company can formulate its strategies using the 4Ps to maintain or improve its performances in financial crisis times. These strategies include the implementation of the 4Ps, which include Price, Product, Promotion and Place. The thesis also demonstrated the importance of Crisis Management, Customer Relationship Management and brand Management.

Research limitations: We have only used one case company, because we think that this company has performed well and has implemented suitable marketing strategies during the financial crisis. The use of only one company cannot be used as general representation of the whole Chinese toy industry nevertheless this is the only one we successfully contacted.

Values: This thesis through analysis of all the marketing strategies used by Great Partner Company, summarized the marketing strategies that can help a company adjust to the changes in the marketing environment and customer requirements. This research can be useful for China's toy industries in the same or similar situation and gives them advice on how to survive or improve their market position.

Key words: financial crisis; marketing strategy; customer relationship; brand management.

Paper type: Case study

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1. Introduction

Chapter 1 consists of three parts. The first part introduces the background of this study so that the readers have a better understanding. To arouse the readers interest, the motivation of this thesis is given in the next part. In the third section, we explain the purpose, as well as the research questions.

1.1 Background

During the 1980s, stiff international competition forced many large foreign companies in the Toy manufacturing industry to shift their production processes to China. Our study is based on the case of Great partner confection & Toys Co.Ltd. It is a toy company established in Guangdong Province of China, we must introduce the background and status of the toy industry in Guangdong Province, Guangdong Province in the Chinese toy industry is most developed. China is the largest toy production and processing bases of the world (Yang etc al. 2006). Guangdong Province, the annual output value of export trade, is accounting for about 70 percent of China (Xi, Y, 2008). After China's policy reform and opening up 30 years of sustained development, the development of Guangdong province's toy industry is in a leading position (Xinhua, 2008). Famous brand toys, the majority of manufacturing production are in Guangdong. Toys made by Guangdong Province are high technology and are on a large industrial scale, which are unmatched by any other provinces or city (Lisheng, Z, 2007). Nearly 5000 toy companies are found in Guangdong province. However, China's toy industry

has been overly dependent on foreign markets and brands. Despite the fact that China is a big toy manufacturing country, most of the products manufactured within the country are actually designed from other parts of the world (Xinhua, 2008).

In recent years, with the changing economic situation in the world, as well as national export processing trade policy adjustments, to rely solely on access of foreign enterprises of processing trade orders and Original Equipment Manufacturer, has been unable to meet the requirements of form and development of enterprises. Many entrepreneurs realize that innovation, self-owned brands can help companies develop better (Business, 2000).

Data from the National Bureau of Statistics shows that sales of the plush toys in China reached 50 billion Yuan in 2005, and this data will also appear in future years at a rapid increase rate of 40% per year. Furthermore, China's toy market consumption will reach more than 30 billion Yuan (National Bureau of Statistics of China, 2012).

In 2008, shocked by the global financial crisis, China's toy export enterprises suffered a severe ordeal. According to China Custom's statistics, in 2008 China's total toy exports was valued at \$ 8.63 billion, an increase of 1.8 percent but the growth rate has now fallen down by 18.5 percentage points. The 5 months during this year had negative growth. In 2008, China's toy exports recorded the number of firms decreased from 8610 in 2007 to 4388, the number dropped by 49 percent. There are a large number of enterprises that went bankrupt or are on the verge of bankruptcy due to economic downturn (Mianfeilunwen, 2008). The enterprises need to study the market environment in order to develop marketing strategies while in economic recession (Srinivasan et al., 2005). In this study, we use the marketing mix-4P's as a tool to meet the needs of target groups (Kotler, 1996). Linking to theories we then analyze our case company's target groups such as target market, target product and target price. It is a useful tool for us, from four factors (Product, Price, Place, Promotion) to consider case company's marketing process. For example, refer to (Kotler & Armstrong, 1996) : the prices reflect supply and demand relationship.

In October, 2008, the Hong Kong's major toy manufacturer He Jun Group Ltd. closed, and more than 6,500 workers were laid off. This was the first bankrupt toy factory due to the impact of global financial crisis in China. However, the difficulties faced by hard through the winter of 2008, the spring of 2009, the difficult situation of China's toy exports still continued: the situation of the global financial crisis did not improve, and policy barriers increased on the contrary ("Finance" magazine, 2009). We access the theory of crisis management to the financial crisis, then measure how enterprises respond to a crisis (Shrivastava, 1993). Some countries have introduced a variety of trade protection measures, mainly divided into two categories: first, trade remedy measures by WTO rules, mainly refers to the anti-dumping, countervailing and safeguard measures, special safeguard measures; second is the use of traditional tariff and non-tariff barriers. Some countries increased import tariffs, in order to restrict imports while others adopted technical barriers to trade. In early 2007, the largest U.S. toy company Mattel issued three consecutive global recalls of China-made toys. The quality of Chinese toys suddenly became a hot issue. Whether to ban the import of Chinese toys, even during the U.S. presidential election in 2008, became the focus of the two presidential candidates' debate issues. The EU's "new toy safety directive" and the U.S. "Consumer Product Safety Improvement Act "launched after the economic winter of 2008. Indian Commerce and Industry Foreign Trade Administration also issued a temporary ban on imports of Chinese toys for 6 months starting in January, 2009.

1.2 The motivation to choose this case

The world economy began to decline and close to the bottom, resulting in the increase in unemployment and the reduction of trade (Dick K. Nanto, 2009). The financial crisis has brought to the Chinese toy industry hazards and opportunities. This study seeks to find out suitable marketing strategies to improve trade and reduce the harm brought by the financial crisis.

Great Partner confection toys co.Ltd is a famous Chinese toy company in China. Its business is mainly distributed in Europe and the United States, with 50 employees in the company. Before and after the financial crisis in 2008 to develop a series of marketing strategies and seize the opportunities brought about by the financial crisis in the world, occupies a lot of market share. We contacted the company, conducted interviews and then collected data. We have to know the company and its products and explore why the Great Partner company can achieve good results in the financial crisis. From the company's marketing strategy and management method, such as customer relationship and brand relationship management, marketing mix 4P's, by studying the company's management methods and marketing tools, learn how to target markets and products and maintain customer relationships, it is a comprehensive analysis of how a Chinese toy company can survive during a financial crisis. Therefore, this study can help more enterprises to explorer and have a deep understanding of the Chinese toy industry in the face of financial crisis and what countermeasures should be undertaken.

1.3 Research purpose & questions

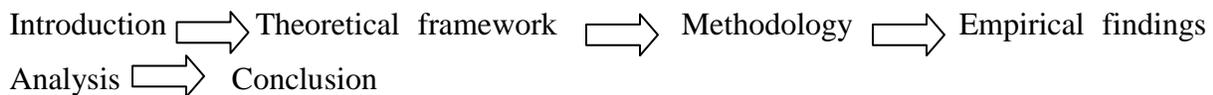
This study aims to explore the implementation of marketing strategies on company during financial crisis, and to identify those performances that can help companies to remain successful under the economic downturn period. The case company which we chose is Great Partner Company, from newspaper and website we knew that it used suitable marketing strategies to survive during the financial crisis and achieved good results. We explore how Great Partner Company did that and what can we obtain from this case company. In the study of Great Partner confection toys co. Ltd., we mainly study the marketing strategy and we then give suggestions to the case company. In order to achieve our goals, we set a following research question:

Q: What are the marketing strategies used by Great Partner Company to remain successful during the financial crisis?

In this study, we focus on this research question and used qualitative method to design questions for Great Partner Company base on the theoretical knowledge and our PCCB model; we analyzed and discussed, and finally arrive at our conclusions and recommendations, to provide useful information to all other interested stakeholders.

1.5 Research framework

Our research framework is shown below and is divided into six parts. The first chapter introduces the background and purpose of our study, as well as our research motivation and research questions. Then the second section, presents the theoretical framework based on the literature and our PCCB model. Set forth in the third chapter is the methodology of this study. The fourth section states the data and information collected in the course of the research. The fifth chapter is the comparison of findings with the theoretical knowledge in order to discuss and analyze the findings. Finally, the sixth chapter is the conclusion where we summarize the findings and make further recommendations.



2. Theoretical framework

This chapter is to review the literature about crisis management, customer relationship management, marketing strategy and marketing mix. First of all, we discuss the theory of crisis management, connecting to the marketing strategy and market conditions. Next, we describe customer relationship management, and its elements such as company's brand image and customer loyalty and maintenance. Last, the discussion to understand the importance of marketing and marketing strategy, and extends to the changing market environment, emphasizing the right marketing strategy is the core. We then describe the four elements of the marketing mix, with reference to the theoretical knowledge of the literature. Our study is based on the above theories.

2.1 Crises and crisis management

The word crisis is originated from the Greek word “krisis”, which means decision, choice or judgment. In the organizational literature, crisis is defined as follows: “An organizational crisis is a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly.” (Pearson, C.M. & Clair, J.A., 1998)

Fink (1986, p. 15) suggests that planning for a crisis "is the art of removing much of the risk and uncertain elements to allow you to achieve more control over your own destiny". It reflects the current management approach to deal with crises, which can be analyzed in terms of causes, consequences, warning and coping. Consequences are the immediate and

long-term impacts; warning contains the taken measurements to prevent or minimize the impact of a potential crisis; coping consists of measures taken to how to respond to a crisis that has already occurred (Shrivastava, 1993).

2.1.1 Crisis management planning

Effective crisis planning aims at identifying the early warning signals for the crisis, the crisis management plan (CMP) can be used to formulate that "consists of a full range of thoughtful processes and steps that foresee the complex nature of crises" (Caywood, C. & Stocker, K.P., 1993,) and is built upon rational expectations about how a crisis will proof itself and how the organization will respond to it.

In today's society, high-velocity social and international business environment, which is characterized by continuous or discontinuity change, crises are realized as the norm rather than exception in organizations. Managers increasingly realize "sometimes you are not in a crisis, but you were instead in a pre-crisis, or a predictable mode" (Fink, 1986). At this predictable stage, there may be some small disturbances in the internal and the external organizational environment, which Prigogine and Stengers (1984) calls "fluxes". These consist one or more "issues" for the organization and are the triggers that always give early warning signals (Mitroff 1988); these issues may be gradually expanded crisis. The situation towards a sharp crisis stage and some disarrays within the organization has appeared. However, at these stages of the crisis the organization structures holding organizations together and scattering the "fluxes of energy".

The crisis reflected itself as a complex system with vague boundaries and various agents who come from a few different districts of the organization and at the same time serve one or more crisis reaction tasks: Signal detection, preclusion, damage limitation, recovery, studying and restore (Mitroff, 2005). The system can be according to its environment, change its internal structure and organization all of the time, therefore changing the behavior of

individual factors. It can therefore be deemed as a complex evolutionary system (Allen, 1994), "hill-climbing", it's a local optimum which evolves in its relevant environments.

The crisis system does not evolve in a vacuity, but it influences the external environment and even impacts other organizational subsystems, caused by the complexity terms, when it moves along till to its adaptability landscape, it revises the fitness landscape of other systems (Kauffman, 1995). Mitleton-Kelly (2004) defines it as a complex co-evolving system (CCES). Crisis planning is thus simply viewed as the rules of the organization's agent communications, in its agents operate, it can be deemed as the "selection environment" (Lewin, A.Y. & Volberda, H.W., 1999).

2.2 Customer relationship and brand relationship management

Opinions to interpret in some literatures suggested that the most important asset of any firm is their existing customer resource (Cook, 2003). Companies can receive most of their growth financially, without over-trading and getting over into financial difficulties are based on properly exploiting of their existing customer source. As Gronroos (1991) explains, "Relationship Marketing" emerged in the marketing literature from a new concept in 1980s. As competition increases rapidly, to protect its existing customer resource becomes more and more important for a firm (Cook, 2003). Therefore, focusing on a short-term business through new customer recommended can be an expensive strategy. It would be much better to "reinforce" relationships with the existing customer resource, and in that way established the foundation for long-term business.

2.2.1 Customer relationship and customer loyalty

Customer relationship management (CRM) emerged as a technology-based customer solution in the mid-1990s. It emphasized database management, direct marketing techniques and

customer relationship mechanism (Donaldson and O'Toole, 2002). CRM has taken another strategic view that put forward new ways to view customers and seek a unique perspective of the customer to ensure management relationship more effectively. The importance of CRM included a strategic perspective, emphasizing on the quality, price, people factor, customer communication and setting practical targets and assessing performance (Palmatier, Robert W, 2009). Many managers and scholars believe that the main objective of marketing is to build and maintain strong customer relationships (Palmatier, Robert W, 2009).

Due to marketing emphasized on responding and understanding to customers in a profitable way, the idea about creating value for firm and customer has come to the force. CRM is not only in the implementation of a technology solution regarding customers, it also can deliver strategic market relationships and it's a business solution not a technology fix (Rigby, D.K. & Ledingham, D., 2004). Difference with functional stores in much business which has traditionally operated, CRM needs crossing-functional and processing-oriented methods with specific and measurable outcomes when sometimes the relationship is going to be enhanced and become continuous. Although CRM can be one-to-one marketing (Peppers & Rogers, 1993), in realistic, organizations are not normally made structure to achieve this outcome (Agarwal, Harding &Schumacher, 2004); this means firms should be in touch with customers, responsive, adaptable and flexible. Trough account management personnel, call centers, interactive voice response systems, online dial-up applications, and web sites to build lasting relationships. The company can be in-depth understanding of customers.(Pisharodi R. M. Angur M.G. and Shainesh G. 2003). Lower purchasing costs, more efficient and effective lanes to market and selectivity in identifying and availing of the opportunities for firm's development and expansion (Donaldson and O'Toole, 2002).

Customer loyalty, through recorded transactions, increasing spending and customers' preferences, should be a valuable marketing tool (Donaldson and O'Toole, 2002). It ensures that firms take a more holistic view based on the lifetime value of a customer as a flow of revenue generation. Customer loyalty can be used as a measurement of the relationship and it is a measure of repeat purchase probability. True loyalty comes from a strong brand and

market proposal combined with superior products, delivery and services. Accurate adjusting provided factual information on which build deeper, wider, and long-lasting and more profitable relationships.

2.2.2 Brand values to customer and company

Brand is "a name, term, sign, symbol or design, or a combination of them, aiming to identify the products or services of one seller or group sellers to differentiate them from those of competitors (Kotler and Keller, 2007). Brand has the ability to achieve a positive emotional and trusted by the consumers (Chaudhuri, A. & Holbrook, M.B., 2001)

Brands give customers a self-explanatory quality guarantees, lower the cost of seeking and gave the reputation linking with the brand image (Webster, 2000). Customer can realize what to expect from the brand, and make the consumption become easier. Brands can also benefit from consumers by their self-expression (Aaker, 1999), this perhaps primarily relevant for openly consumed brands (Muniz, A.M. & O'Guinn, T.C., 2001). A strong Brand is helpful for the manufacturer since it helps them launch new products more easily, clients will have prior knowledge of the brand. On other hands, brands also significantly mean the increasing sales and lower cost of productions. The firms owned more control on their marketing channels and relationship based on the trusted customers (Webster, 2000). A strong Brand is a part of relationship to a company or individuals with another organization. The client-brand relationship is essentially an image connector (Donaldson and O'Toole, 2002).

2.2.3 Brand-Customer relationship

The customer-brand relationship is a battery of interactions between the brand and the customer, and stamps how the consumer is linked to the brand and whether it could be perceived or real. It is according to the idea that brands and customers can relate to each other

(Smit, Bronner and Tolboom, 2007).

The mutuality of the relationship between brands and customers are not simply as the consumer gets benefits from the relationship, but also brands can often offer self-definitional rewards (Bhattacharya, C.B. & Sen, S., 2003). The rewards that customers receive from brand relationship as identified by Fournier (1998) include; reassurance of self-worth, announcement of an image, and social integration" (Fournier.1998, p.346)

Due to relationship change and develop every time and participate in different stages that are relying on the interactions of the environment, the partners, changes in self-concept and in the brand. Grossman (1998) has defined four relationship stages: 1 Courtship; 2 maintenance; 3 failures and 4 dissolution. In 2007, Smit, Bronner and Tolboom put forward different stages in a relationship: 1 Initiation; 2 growths; 3 maintenance; 4 deterioration and 5 dissolution.

2.3 Marketing strategy

Marketing during the recession cannot be ignored in any company research, and few investigations from the viewpoint of consumers. Marketing as a scientific discipline is becoming more and more important in today's society, thus we need to carefully evaluate and think about marketing (Ranched & Gurau, 2007). According to the consumer analysis, marketing is the only able to assess the consumer demand and developed strategies Foundation (Yoram & Thomas, 1983).

The marketing strategy is developed by each business according to its own circumstances and capacities. The marketing strategy is to help companies effectively zone target markets in the changing market, and locate different products in different regions (Hooley et al., 2008). The marketing strategy is to use their own resources to create an advantage to attract and keep up

with consumer groups, so the development of marketing strategy depends on the resources owned by the companies and their target market and product (Ferrell & Hartline, 2002). The company needs to have a competitive advantage to survive the brutal competition in the same industry, and then the company with the resources is their ability to reflect the advantage in the competition. The so-called marketing strategy is how to use the existing resources to do the right thing rather than just doing good things (Hooley etc al., 2008).

The first purpose of marketing is to get and maintain customers, and long-term perspective to consider how to effectively beat your other competitors. In the market activities, marketing strategies for the establishment of brand image and strive for customer satisfaction have a very large role. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." (Farris, W.P., Bendle, T.N., Pfeifer, E.P. & Reibstein, J.D., 2010). It can guide consumers to recognize products, use and evaluation products. To develop a successful marketing strategy, companies need to focus on industry dynamics and characteristics, profitability and the attractiveness of the industry (Porter 1980, 1985). For example, the toy industry, if you want to get a valid response from the consumer, the factors must be considered in the development of marketing strategy are the division of market and product positioning (Hooley etc al., 2008). According to Wernerfelt (1984) and Prahalad, C.K. & Hamel, G. (1990), performance of the company to rely mainly on its own resources, what the target market and target consumer groups. In today's world, many investigators believe that the market demand and the company's resources must be considered together, the original target under the two conditions is long-term development (Hooley etc al., 2008).

2.3.1 Marketing strategy in changing environments

In a changing market, companies must focus on observation of the external environment of the market (Srinivasan, Rangaswamy and Lilien, 2005; Pettigrew & Whipp, 1993). Refer to Nilson (1995), and Ferrell & Hartline (2002), when the external environment is constantly changing, the key is to understand the basic functions of marketing and how to make good

use of marketing.

From the viewpoint of consumers, the marketing function depends primarily on price, product, brand and promotion. In addition, the product contains technology and appearance can also affect the brand image and sales success rate. Starting from the marketing point of view, in the changing market environment, manufacturers must use active strategies (Nilson, 1995). Proactive strategy can even be a help for the company to switch the economic downturn to the dominant advantage, it is also an opportunity for the company to control the current situation and re-organization of company resources, and redistribution of resources, re-set the target market and target customer groups, to maximize the efficiency of resource utilization, improve the competitiveness of the company, reduce wastage of resources (Srinivasan, Rangaswamy, & Lilien, 2008). A top brand for example Walt Disney, survives and thrives in a changing market by knowing how to change in the long-term, and then slowly changing. If the enterprise to study the market environment to develop marketing strategies in economic recession and the flexibility to change the status, which will help companies to occupy the market share to become the leader (Srinivasan et al., 2005). Therefore, to fully understand the importance of the marketing strategy is a foundation which every company must master.

2.4 The marketing mix

Figure 1 The marketing mix-4P's



Source: Collins, K., (2009), Chapter 9.2

In this work, we study the marketing strategy during the financial crisis. The marketing mix as figure 1 shows is a set of tools for the company's marketing strategy and plan to put into practice, the marketing mix, also called 4P's, and how it can change a company in the financial crisis is the focus of this study (Collins, K., 2009). The theory put forward is that there are two factors affecting the effect of corporate marketing activities. First are the factors that the enterprise cannot control, such as political, legal, economic, cultural environmental factors such as geography, called uncontrollable factors, this is also the external environment faced by the enterprises; Second, are the factors that a business can control, such as product, price, channel, promotion and other marketing factors, known as enterprise controllable factors (MBALTB, 2008).

The marketing mix principles are controllable variables; you must use the right way to manage in order to meet the needs of target groups (Kotler, P. & Armstrong, G., 1996).

However, this is not a marketing strategy that a company can use to immediately achieve the goal. This strategic investment is used to increase marketing spending, or at least maintaining the same level as before the crisis (Roberts, 2003). In this study, the elements for each of the 4Ps are looked at. According to previous theory, during the economic downturn, changes in the market are critical and are emphasized.

2.4.1 Product

A product (service) is based on business activities. Products can also be divided into two kinds: 1. Consumer products, which are provided for personal use or enjoyment; business products, these have been purchased or used in trade (Ferrell & Hartline, 2002). Every company has different marketing strategies, when it comes to for example, pricing, distribution and promotion, it is necessary to decide, depending on the type of product is a consumer or business product. For example consumer products are usually with beautiful packaging while business products are made with serious and formal packaging. In addition, the company's products or industrial products are often derived demand, which means that demand determines the characteristics of the product. For example, the demand for steel and rubber depends on consumer demand for cars (Kotler, P. & Armstrong, G., 1996).

The company sells a product; consumers also purchase a solution, or the value in the purchase of a product (Kotler, P., 1999). As mentioned before, the company to consumers is not just selling a product but is also selling a solution or value and strives to do better than the competitors. The company can use different ways to differentiate products; can also have physical differences, such as product design, product availability, product quality and brand. The decision of the brand is very important. Marketers must seriously consider. The brand is strong and they can be communicated to the consumer confidence, quality and reliable market information (Kotler, P. & Armstrong, G., 1996). The good brand image can become a solution to deal with the problems and needs encountered in the consumer brain (Ferrell & Hartline, 2002).

Many studies show that during the financial crisis, consumers switch to a more localized and cheaper brand in order to reduce consumption, save money and waste (Ang et al., 2000). According to Ang et al. (2000), whose studies have shown that the introduction of the new brand in the economic recession is not a good time, in other words, a strong company with an opportunity to fill product line gaps to block future competitors appear. This is known as second-line brand name products to ensure that the customers at a lower price to buy good quality products. In the national economic downturn, the customer is emphasized product quality and durability, so you can give priority to the introduction of new production lines (Shama, 1981).

2.4.2 Price

The price is different from the other three principles. It is possible to directly generate turnover. Managers must find a point. This point is the cost they pay and the income it receives, but cannot affect the volume (Kotler, P., 1999). The prices reflect supply and demand relationship (Kotler, P. & Armstrong, G., 1996). In addition, pricing is the marketing variable, which can be simple to change (Ferrell & Hartline, 2002). Product or promotion can take months to change, but the price can be changed directly. In addition to the fastest and easiest advantage to change the price is the cheapest. Such as changes in the promotion. The redistribution of the product takes a lot to spend, but to change the price without spending too much time and cost. When setting the price, the organization can take some of the pricing strategy. These strategies are based on the company goals. For example, price comparison; penetration pricing; low price sales; high price at first, then slowly lower the price to reach a broader market.

Prices for consumers are an important factor, especially during the recession, consumers will consider what price they can afford. Companies can increase sales volume through price cuts in a short time. But it will affect the company's long-term development as a reduction in the rate of profit. On the other hand, Bennett (2005) does not agree with this view that price

stability will not have a good effect on the performance of the company in his study. Ang et al., (2000). suggests two different pricing strategies during economic recession; charge the same price for a higher quality, or charge a lower price for the same quality. The first strategy is to maintain product quality, even if it means the loss of low-end customers. But economic recovery will be easier to extend product lines and to raise prices. The second strategy is to help companies to retain customers, expand market share even during the recession. Products at lower prices are very simple, but would like to raise prices very difficult. Therefore, companies need to note the different discount for different products, rather than the permanent price cuts (Ang et al, 2000). Finally, there is a discount promotion strategy called "high-low pricing", which may occasionally be used to increase store traffic. This strategy, uses higher normal prices, frequent promotions and sales to attract customers (Ferrell & Hartline, 2002).

2.4.3 Place

Place, also called location, changes least in marketing, but also the most critical factors for retailers, they need to consider this factor to attract consumers (Kotler, P. & Armstrong, G., 1996). Location is very important and needs to be very expensive cost, but the retailers are willing to invest in this area, and employ many experts to help them find the right location. Moreover, this "Place" contains many different aspects such as product distribution, transport and storage (Kotler, P., 1999). During the economic downturn times, the market which owned more consumption ability is the most fundamental and important location selection requirement(Liuqin, C, 2010). Retailers of the world today can identify many different categories, such as stores, department stores, supermarkets and hypermarkets. They have different characteristics: the amount of service they give, the length and width of the product, and the relative prices and types of store groups (Kotler, P. & Armstrong, G., 1996).

During the 1930 recession in the United States, self-service retailers increased a lot. People are more willing to do "locate-compare selection" by their own; this can save a lot of money (Kotler, P., 1999). In today's retail industry we can see more and more self-service and

non-store retailing (mail, telephone, door-to-door) being operated (Kotler, P. & Armstrong, G., 1996). Nowadays, Internet marketing is a very simple and cost-effective way, and can be used by retailers to come into contact with many customers (Pallab, 1996).

2.4.4 Promotion

What is a successful product or service not only means that the benefits and market linked, so when the choice of their media's strategy must consider who are their target customers, and the target customer's general behavior (Kotler, P. & Armstrong, G., 1996). When a company wants to identify a good target customer group, it should formulate an effective message. This message should get the attention of the customer groups, and further get them interested in the product, and ultimately enable them to purchase products. A company's promotion strategy, includes advertising, personal selling, and media campaigns. These enable companies to more effectively use their resources.

Promotion during the recession, has one important thing that must be remembered; keep the costs low. Maintaining or increasing marketing expenses to invest for future higher turnover. After the recession, the number of advertising, market share, and sales revenue will increase (Werner, 1991). During the financial crisis, frequent communication with the customer is a important part (Köksal and Özgül's, 2007). Customers during the financial crisis, tend to change their buying habits and preferences, so when it comes to products and brands, companies need more flexible, not only to keep old customers, but also try to attract new customers. This is very important, because as previously discussed, we are dealing with people, people have feelings, and the selection and minds, they believe that the right way they think about (Marconi, 1997). Customers in an economic downturn prefer information instead of commercials; therefore companies must provide clear information to customers, including the motives of safety and long-term quality assurance, to ensure to get the loyalty of customers (Shrager, 1991). In the process of marketing, customer trust is an important factor, especially during the economic recession (Marconi, 1997). If the companies convince the customers to feel that they deserve to trust, the customers will choose to buy their products

even if those products are not the cheapest. In short, all consumers like promotions (Ferrell & Hartline, 2002). Consumers like to go to the store to participate in different activities of the discount; they can save a lot of money (Nielsen Company, 2009). For example, customers like “Chanel” and “Prada” but they are always with high price. Someday if there is a discount activity, people would like to buy the products because cheaper than before, it is worth to buy it, famous brand and suitable price.

2.5 Theory summary

In this chapter, we reviewed the literature about crisis management, customer relationship management, marketing strategy and marketing mix. As Caywood and Stocker (1993) wrote that crisis management planning is the first step we have to do before we formulate the company's marketing. We should know it is the rules of organizations' agent communications. Then we put forward customer relationship and brand relationship management; customer relationship and customer loyalty. It is very important to maintain and develop the relationships between the company and customers. Lastly, we introduce marketing strategy and detailed the marketing mix includes product, price, place and promotion. According to the marketing mix, in our study, we analyze the company's product such as the quality and species. Combined with the data from case company and marketing mix theory, the development of appropriate products to the target market, this time we should consider the different types of products, for example, candy toys or educational toys, because different species require different product quality, and then to consider the quality of products, such as brands and packaging, as well as the choice of mold. Then we explore the price of the product formation and how the product positioning and promotion.

In this study we analyze how Chinese toy companies implement effective marketing strategies in the financial crisis, Yoram and Thomas (1983) wrote that only appropriate marketing strategies and customer management strategies can help companies succeed. In this study, we use the theory of the 4Ps, customer relationship management and brand management, details of their concepts and theories of knowledge and theories used in the

analysis of the Great Partner Company. These theories can help us to analyze and understand the data collected from the Great Partner Company, specifically to understand the product positioning, product price, target customers and target market then we can discuss and conclude, and verify whether our conclusions are useful in the face of the financial crisis.

We set up a model (PCCB) figure 2 as below to explain, our model(PCCB) based on theoretical, including the 4P's, crisis management, customer relationship management and brand management. We use four circle graph to describe the relationship between them out and use their relationship to analyze our data. The financial crisis as the main background of our study, crisis management is the first factor need to consider, while 4P's marketing strategy is based on the financial crisis premise strategic, so we put it in the crisis management area, and at the same time, customer relationship management and brand management are two other marketing strategy, they not only have the changes because of the financial crisis, also have some factors existed. In this model, we fill color to their different intersection area to it easy for the readers to understand. CRM and 4P's intersection place is CS, here we illustrate that the different products and different price have impact to customer satisfaction, we need to formulate relevant customer relationship management strategy; BM and 4P's intersection place is BV, it shows that different products affected the brand value, so need to formulate the corresponding brand management strategy to improve the value of brand; CRM, BM, CM and 4P's intersection place is CL, this shows that the customer loyalty is the core issue of financial crisis, the customer's attitude to product, price, customer service and brand all influence on the customer loyalty to the enterprise, in the face of financial crisis, the customer loyalty as the core to formulate marketing strategy. Finally, CRM and CM intersection place is EF, BM and CM intersection place is IF, these are the instructions in the face of financial crisis, to formulate CRM strategy or BM strategy depends on the crisis comes from the internal factors or external factors. In the next chapter, we investigate and collect data from four aspects by Great Partner Company: Crisis management, customer relationship management, 4P's and brand management are base on our PCCB model.

3 Methodology

In this chapter, according to our PCCB model, we investigate and collect data base on the four aspects as it shows (Crisis management, customer relationship management, brand management and marketing mix). We confirm the study method that can be applied to our study and explain the rationality of the method selected. We have chosen this based on the purpose of this study and the research questions we set. Finally, we will elaborate on the validity of this study.

3.1 Research purpose

The first step in research conducting is to inspect why the research is being undertaken. Determining the research purpose sets the stage for the research plan is aimed to let everyone (e.g., researcher, readers, outside firms) with a stake of the research knows the general philosophy of the project and also establishes the purpose of the research.

In our research, we intend to explore the company- Great Partner confection toys Co.Ltd. How to succeed during the financial crisis, what are the marketing strategies it used during the financial crisis. The PCCB model as a foundation of our study, we want to explore the relationships among crisis management (CM), customer relationship management (CRM), brand management (BM) and marketing mix (4P's). We then need to get the accurate information and details of this company then we made an in-depth personal Skype interview approach. The interview provided us accurate and effective data which is being as the foundation of our research study.

3.2 Research approach

Qualitative research is a method of inquiry employed in different academic disciplines, traditionally in the social sciences and also in market research and further contexts (Denzin & Lincoln, 2005). Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern such behavior (Myers, M, D, 2002). The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but focused samples are more often needed than large samples.

We adopted qualitative method as our research method. A familiar criticism of qualitative methodology questions the value of its dependence on small samples which is believed to render it incapable of generalizing conclusions (Hamel, Dufour, & Fortin, 1993; Yin, 2003). Those researchers forcefully argue for the value of every single study providing that parameters are guided by the goals of the study, and have met the established objectives. Yin (2003) asserts that general applicability will result from the set of methodological qualities of the study, and the rigor with which the study is constructed. Attention to such rigor may serve to offset some of the criticisms of qualitative research as a 'soft approach' utilizing subjective procedures that provides corresponding weak explanations (Morse, 1989). Because our research direction is aiming to explore the marketing strategies, our case company is a large scale company, the quantitative research such as the questionnaire survey asks broad questions and collects word data from participants cannot be able to support our research study adequately (Myers, M. D., 2002). Qualitative methods such as interviews could be able to gather in-depth data from the interviewees; we can obtain detailed information and explanations of the marketing strategies from this company. Semi-structured interviews are used often in policy research. The interviewer has discretion about the order in which questions are asked, but the questions are standardized, and problems may be provided to ensure that the researcher covers the correct material. Semi-structured interviews are often used when the researcher wants to delve deeply into a topic and to understand thoroughly the answers provided (Harrell, C.M. & Bradley, A.M., 2009). The researcher might ensure that complete and consistent information was received across different interviews. We designed

the core of the questions is go through the financial crisis with what market marketing strategy, general enterprise's marketing strategy is big direction, we hope to hear is the respondents' ideas, not with general standard to answer this question, so that we can understand the strategic way in details. So we chose Semi-structured interview method to achieve our goals. We designed interview questions followed the shaping of our PCCB model. CM, CRM, BM and 4P's are the big areas of our study. Our questions are formulated by the four factors and with this model, we can more clearly show readers which key point we focus on. Thinking about your research area and what you want to do (Yin, R, 2003). For example we formulated that “ what marketing strategy to build credibility and brand image by your company ”, it is because we want to know how this company works on the BM area during the financial crisis period. In general, we collected informations by these four main factors, our problems were formulated in this way. In addition, the intersection places of four factors are our key points that we want to explore. Therefore, formulated questions base on the PCCB model , can help us to find the research direction and also help us to recognize the crux of our study.

3.3 Data collection

In this chapter, we describe the methods and processes of the information we collected. To get the primary data, we contacted the Great Partner Company's CEO Mr. Hu and the marketing manager Mrs. Yang obtained their consent to conduct the next interview. Then we talk about the secondary data collection obtained through scientific articles, Journals, books, magazines, newspapers and web pages.

3.3.1 Primary data collection

In this part, we put forward our primary data collection process and let readers know what we did for our work. We chose these two respondents because one is CEO and the other is the marketing manager so they have enough skills and knowledge to answer our questions. We believe that their answers would be better for the research.

Connecting the respondent(s)

We selected the toy industry, and began looking for a suitable case of the Chinese toy company. Through relatives, we found Great Partner confection toys co.Ltd.'s CEO is Mr. Hu Shiyang. We began to contact with his mobile phone. He was glad to provide the information and materials to us, and to determine the time of the face-to-face interview via Skype. The other person Mrs. Yang is the marketing manager of Great Partner Company, she has worked with Mr. Hu for a long time, and she knows marketing strategies of Great Partner Company during financial crisis. Then we sent an email to her and got the permission for interview.

Preparing for the semi-structured interview

The object of the interview is Chinese, so we prepared a Chinese version of the questionnaire, the questionnaire set with reference to the marketing books, such as Bhattacharya, C.B. and Sen, S. (2003): Consumer-company identification; Ferrell, O.C & Hartline, M.D. (2002): Marketing Strategy; Köksal, M. H. and Özgül, E. (2007): The relationship between marketing strategies and performance in financial crisis. We designed questions from these marketing books and sent the questionnaire to Mr. Hu and Mrs. Yang, and they can be ready ahead of time to prepare answers and materials in order to improve the efficiency of the interview.

Conducting the interview

We and Mr. Hu agreed to the time of the interview on the evening of April 8, 2012. We had face-to-face interview via Skype. We decided to use a flexible approach to information collection in this interview. First, we discussed changes to the Chinese toy market since the 2008 global financial crisis, and chat for a while, which helped to narrow the gap between us and respondents, furthermore, understanding their insights on the toy market. Mr. Hu and Mrs. Yang were not only patiently answering every question, but also provided many examples to us so we easier to understand.

3.3.2 Secondary data collection

Secondary data comes from printed sources (Books, Magazines, journals, and trade newspapers) and electronic sources (CD-ROM encyclopedias, software packages, or online services, such as the Internet). The benefit of a journal dedicated to qualitative enquiry is that it appears to express a different set of values: quantitative research is not better; it is simply different (Cassell, C& Symon, G, 2006). Books are generally resource to provide relevant theory support for the study. Journals are a useful resource for information on a daily basis (Cassell, C& Symon, G, 2006) . They could provide the latest views and development in the particular area of study. The Internet is also helpful for the data collecting, especially professional websites. Our secondary data collection is from the textbooks, articles, journals and internet, which we used for our research background, literature review and case analysis. We had searched the overall background of Chinese toy industries and how the financial crisis shocked Chinese toy industries from the Internet. In context, we can make a compared between our case study and other toy industries more easily and clearly.

3.4 Data presentation and analysis

According to the nature of qualitative data, it is important to develop data in categories and to classify them into appropriate categories before analysis. "Otherwise the most that can result will be an impressionistic view of what it means" (Saunders etc al., 2000,). It is also important to recognize the relationship between different categories of data, as well as to develop and test hypotheses with regard to the research question and objectives (Saunders etc al., 2000).

The first step of analysis data should be based on the theoretical proposition, which provides the research article's logical proofs (Bharath, L.M., 2005). The theoretical propositions can be reflected in our interview questionnaire design, literature review and case analysis. In our research, propositions are surrounding the marketing strategies, hence, the marketing mix

strategy, customer and brand management as our analysis principles will be followed.

Categories data were constructed by the research questions and theoretical propositions. In our study, the data were mainly classified into three aspects: 4P's (Product, Price, Place, Promotion), crisis management and customer relationship and brand relationship management. We combined with theoretical knowledge and the data of each aspect to carry on the analysis. The methodology part was divided into two stages. The first part is individual analysis according to the respondents, and the findings for these two respondents were discussed; the second part is where all the data was grouped according to the research questions.

3.5 Validity and reliability

Validity is difficult to undertake in qualitative research. The concept of validity in qualitative research is still a problem as it is considered more appreciate for experimental research (Leedy and Ormrod, 2001). Because of these limitations, qualitative must meaningful and credible, to ensure the accuracy of the results of primary data, the detailed description to comminuted the findings, especially of the interview should allow the readers to draw their own conclusions based on the research presented (Leedy and Ormrod, 2001). Reliability measures how trustworthy the data and results found are (Jacobsen, D.I., 2002). The literatures for this research, also the respondents were selected carefully. Because the answers from interviewees can be comparable with secondary data. Furthermore, to ensure that everything was understood by the interviewer, the final text of an interview questionnaire was sent back for checking to the interviewees. In order to ensure the validity and reliability of our research, the whole process of our interview was described on the primary data collection part. During the interview process, the respondents' answers were recorded. We also sent back the question paper to Mr. Hu and Mrs. Yang, after they approved and then gave the signature and stamp on the question paper and which we have attached as an appendix. This appendix on the last page of our work can be used to check the reality and validity of the work. Our questionnaire and interview are based on Chinese communication, so we put on the Chinese version and the translated English version after.

4. Empirical study

This chapter introduces some basic and practical information about our case study. The first part is the introduction of Great Partner Company's crisis management system. Next, we detailed description of Great Partner Company's customer relationship management and brand management strategy and structure. We then introduce Great Partner Company and listed tables of Great Partner Company's market positioning, products and sales, detailed differences in cities, molds and sales.

4.1 Crisis management in Great Partner Company

Mr. Hu told us that in the face of the financial crisis, there are three steps for Great Partner Company's crisis management system: 1 Confirm crisis. 2 Control crisis. 3 Deal with the crisis. This crisis management system needs many talents to operate and formulate. Mr. Hu believes that talent is the soul of the business and development especially when crisis is coming, talents are the key to figure out that. When crisis comes, someone works in this system will collect and classify, then someone will formulate strategies how to deal with this kind of crisis. For example, in 2010, some customers wanted to return their products because they needed cash. So this crisis system had to start to work. Great Partner Company refunded cash to all of them and kept these products but made an advertisement: "Welcome everyone to come to return, we have always believed that the customer is King and thus we have to do as the customer wishes. We also wish all of you will have more trust in our brand." In this way, many new customers think this company is thoughtful and has integrity, and therefore attracts more customers come to buy, and to reduce the harm of this crisis.

4.2 Customer relationship and brand management in Great Partner Company

In this chapter, the material about customer relationship and brand management were provided by Mr. Hu and Mrs. Yang to us, we summarized and classified it into four parts, the first about communication and trust between the company and its customers, Great Partner Company mainly appealed to maintain the old customers, and then went looking for new customers, and had specialized personnel responsible for frequent access and contact with customers. Then we discuss the importance of the brand and the Great Partner Company overseas brand building. Finally, we describe the development of the domestic market. Both of Mr. Hu and Mrs. Yang believe that Great Partner will occupy an increasingly important position in the domestic market.

1 Trust & Communications

Mr. Hu told us that what they do is to maintain old customers and attract new customers. Customers will always be the core of the market, you need to focus on customer needs to carry out different activities, such as Mrs. Yang said that she was attended to the 2011 May 24 - May 26. Chicago SWEETS & SNACKS exhibition, and has successfully attracted a number of high-end customers. Buyers participating in this exhibition represent over \$ 150 billion of purchasing power around the world. Great Partner pays attention to seize the opportunity to know how to maintain and build customer relationships. At the aspects of customer relationship management strategy, Mrs. Yang stressed that trust and communication are the two most important aspects. First of all, Great Partner company has a consistent product quality and stable delivery is the credibility of the guarantee, the customer will choose a reliable company to establish trust, the face of financial crisis, a general decline of the level of customer economy, this time they are afraid the purchase of waste and error, that means if customers buy a product with new brand but after using it, not so good for them then they will buy a new one, it is so-called “waste”, so they choose the products they trust and

this is a better way to save money. In addition, Great Partner has a stable customer service system on customers. They used e-mail, SMS and phone call access to communicate and maintain customer relationships. Mr. Hu believes that trust and communication strategies can effectively maintain the stability of the customers and the company's viability.

2 Brand building

Great Partner is engaged in candy-play product which is the most important part of one of the cartoon derivative products, its vivid style, colorful packaging, using "eat and play together" as a selling point. The product consists of three different series: the functional series puzzle series and collection series.

3 Overseas Brands

Great Partner has already cooperated with many international brands and also developed a list of new branded products as table 1, the mainly products are:

Table 1: Products developed by Great Partner Company cooperated with international brands:

Brand	Product
Mattel Barbie	HOTWHEELS
Warner Brothers	Tweety, Bugs Bunny
Hasbro	MY LITTLE PONY, LITTLEST PET SHOP
U.S. CARTOON NETWORK Company	BEN 10
U.S. Twentieth Century Fox	The Simpsons
Renault	Sport WWE (Wrestling Alliance)
Japan SANRIO	HELLO KITTY (Hello Kitty)

Source: The data is from the interview of Mr. Hu, this table was made by the authors.

Other brands include; Doraemon, Real Madrid, Bilbao, Captain Tsubasa, Scooby DOO, TOHMAS & FRIENDS, BOB THE BUILDER, GORMITI, NODDY, RUCA, Bula Zi, Bika Qiu, etc. more than 30 brands of different products.

4 Domestic Brands

In September 2009, Great Partner together with Guangzhou new source Management Co., Ltd. reached a strategic partnership agreement; Great Partner used the resources and experiences which have been developing products for many years with the cooperation of many foreign well-known cartoon companies into the development of Pleasant wolf, the popular Chinese cartoon brand image for the product design theme. Finally, in November 2009, the product was formally launched into the market.

Great Partner will also introduce its own brand the HAPPY TEAMR "candy play products gradually to market. The concept of candy play will be its gradual integration into the everyday lives of consumers, in order to make it an indispensable partner with consumers.

4.3 Introduction of “Great Partner”

According to Mr. Hu's description, Great Partner confection & Toys co.Ltd. is well-known in China, especially in the southern region. It is a company that includes product development, production and processing, sales of integrated candy toy. It has been committed to the development and production of high-end candy toys, toys and other products.

Mr. Hu says that Great Partner confection & Toys co.Ltd. was established in 2004, with European candy Union Group to jointly develop a Barbie and Warner Bros.'s different series of candy toys, products of different brands, strong to enter the European market. After five years of development, the company has cooperation with many European countries and a number of brand development totaling more than over 120 series of candy toys, products, and form a strategic partnership with a number of foreign companies. From the beginning, the

Great Partner company mainly sales collection of candy toys, and then shift to the functional candy toys, puzzle candy toys and other multi-faceted products. It has cooperation with some of the world's large corporations, the development of food / drinks plus toy products and began to use these groups in all corners of the globe channel, into the global market.

Mr. Hu claimed that the principles of Great Partner are always a good partner of the customer, at any time for customers to solve the problem, and provide quality assurance for our customers. The toy company of Great Partner is not only the domestic market, mainly a very wide range of export markets as figure 2 shows that candy toy market throughout Portugal, Spain, Italy, Greece, Austria, Switzerland, Germany, France, the Netherlands, Belgium, Luxembourg, the Czech Republic, Slovakia, Slovenia, Romania, Poland, Serbia, Hungary, Bulgaria, Croatia, Lithuania, Russia, Denmark, Norway, Sweden, Finland, United Kingdom, Ireland and Iceland, Oceania Australia and New Zealand, Latin America, Brazil, Chile, Argentina, Venezuela and Mexico.

Figure 2 Great Partner company's export market



Source: Great Partner Company, (2004), paragraph 3

Before and after the 2008 financial crisis, many Chinese toy companies' lack of sufficient resiliency and corporate finance pathway lead to collapse due to the financial crisis. Great

Partner Company has maintained a good reputation, attention to the company's brand image and so it retains many high-end market customers. Mr. Hu believes that Great Partner has been walking the road of producing high-quality, quality of the product and in order to keep prices constant in face of the financial crisis. Developing strategies for cost control, quality assurance and maintain the initiative of the competitiveness in the market. The financial crisis not only brought harm, but also brought opportunities. The company was able to survive during the financial crisis, meaning it will be possible to go further.

4.1.1 Presentation of respondent(s)

Mr. Hu Shiyang is the CEO of Guangzhou Great Partner Company. He has worked for this company from 2004. He told us he was engaged in the marketing department, business development department and human resources. We were curious about that, and we asked him why he was engaged in three different departments. He answered that they were understaffed during that period so he had to do lots of work. He claimed that he is very familiar with the company's operations and structure. He was very friendly, very willing to give us the required information for the case study and help us to complete the work.

Mrs. Yang is the Marketing Manager of Guangzhou Great Partner Company. She has worked for this company since 2007. The financial crisis came about around 2008 that mean she knows the financial crisis very well. She told us in the face of financial crisis, she worked hard with Mr. Hu and it was a tough time. She was an operator at that time so she knows a lot about the marketing process.

Mr. Hu in our interview indicated that Great Partner Company was established later than the other toy companies so it lacked original clients. They focused on the maintenance of old customers and hoped to find new customers. He confidently said: "We use three years to develop better than other toy companies use eight years." Great Partner focuses on the quality control and the decision to ensure the delivery period; this is the key to the survival of their company. There is a unique advantage to establish companies and factories in the region of

southern China, first is the population in southern China, you can recruit many workers to the factory to work. Second, coastal areas of the ocean developed, and nearby Southeast Asian countries, can help the company's rapid development in the preliminary stage. Finally, many talented people, making it easy to recruit outstanding talent to help the development of the company. Base on the PCCB model, we put forward the strategies by Great Partner company such as 4P's, customer relationship management, brand management and crisis management in empirical study, and then let readers to know how Great Partner Company deal with customer satisfaction, brand value and customer loyalty during the financial crisis.

4.4 4P's strategy in Great Partner Company

Price

To better understand the Great Partner Company's sales performance, Mr.Hu provided us the Guangzhou sales data from the 2008 financial crisis until 2011. As reflected in the table 2, sales of Great Partner Company change in numbers from 2008 to 2011 and are getting better and better. Mr. Hu told us that because the financial crisis, raw material prices kept rising, employees higher wages, financing costs, detection costs and transportation costs are a serious threat to the survival of the company. As the Great Partner company has maintained adequate materials, financing channels and the impact of the financial crisis is relatively small. On the other hand, the company's products have maintained a number of sales and remain profitable.

Table 2 Sales data from 2008 till 2011 in Chinese Yuan*:

Unit: million, Chinese Yuan

Years	Sales Volume	Cost	Profit	Rising costs
2008	321.3	301.1	8.8	11.4
2009	851.2	800.4	35	15.8
2010	910.2	846.7	35.1	27.4
2011	970.8	920.4	12.6	37.8

Source: The data is from the interview of Mr. Hu, this table was made by the authors.

*1 Chinese Yuan equal to 1.0634 Swedish krona

Place and Promotion

Mrs. Yang claimed that the Great Partner Company's market is very broad since they are involved in both the domestic market and export market. To distinguish between the two directions of the domestic market, one direction is a first-tier city, the main provincial capital cities such as Beijing, Shanghai and so on. One direction is the second and third tier cities, mainly refers to a population of less than 4 million people in the city. In addition, the export market is the Company's major market, the face of financial crisis, focus on place and promotion; to maintain the high-end customer relationship and keep the company's brand image is particularly important in the export market. Only multi-channel sales can be dispersed to the harm brought about by the financial crisis. The table 3 below is provided by Mr. Hu, to show Great Partner Company's marketing data, both in the domestic market and export market in 2009 and 2010. It shows that Great Partner Company mainly sales in the export market and first-tier domestic market. The data also reflects that their sales are increasing.

Table 3 Sales in different markets from 2009 till 2010 in Chinese Yuan:

Unit: million, Chinese Yuan

Years	Market	City	Sales	New Sales
2009	domestic	first-tier	307.3	
2009	domestic	Second and third tier	13.98	
2009	export	Europe and America	530	98.98
2010	domestic	first-tier	311.23	
2010	domestic	second and third tier	17.98	
2010	export	Europe and America	580	110.12

Source: The data is from the interview of Mr. Hu & Mrs. Yang, this table was made by the authors.

Product

Mr. Hu stressed that a good product is the Great Partner Company's competitive basis, and why this company can survive and had good performance during the financial crisis. In 2009, for in-depth thinking, Great Partner Company decided to develop the company style products, such as "strawberry girl bike", "triazolam House" with the benefits of free-style products, which many consumers loved. At the same time, Mrs. Yang talked a lot about product quality and price, she thinks they are also important, and high-quality products to attract consumers because different prices can attract different consumers. Great Partner produced toys of high quality. Therefore, we raised questions about how to ensure quality while prices remain stable? Mr. Hu provided the table 4 as below to us, tell us more about Great Partner company's products and marketing strategy. Be willing to ensure the quality of the product

with the best mold, good mold can help reduce waste in the production process, control the stability of the cost. Therefore, we can guarantee high quality and stable prices. For example, special molds cost 14.3 million Chinese Yuan, the cost of repairs is 0.49 million Chinese Yuan, general molds cost 0.78 million Chinese Yuan , the cost of repairs is 0.75 million Yuan, that means general molds need more money for repairing.

Table 4 Different molds in 2009 and 2010:

Unit: million, Chinese Yuan

Years	Mold	Cost	The cost of repairs
2009	Special molds	14.3	0.49
2009	General molds	0.78	0.75
2010	Special molds	19.1	0.776
2010	General molds	1.14	0.989

Source: The data is from the interview of Mr. Hu, this table was made by the authors.

4.5 Summary

In this chapter, we illustrated Great Partner's export market and introduced the company's background. According to the data from the interviews, showed situation of Great Partner from price, place and promotion, product. We will analyze this data in the analysis part while referring to 4P's theory and assess Great Partner's marketing strategies. What we put in this chapter is based on our PCCB model; we focus on the interaction between crisis management, 4P's, customer relationship management and brand management. We collect data from these aspects and then analyze them in the analysis part to draw a conclusion. The crisis management of Great Partner Company has three steps: 1 Confirm crisis. 2 Control crisis. 3 Dealing with the crisis. And Mr. Hu stressed that the key of this crisis system is talent. Mr. Hu and Mrs. Yang told us about Great Partner Company's customer relationship and brand

management. They focus on maintaining old customer, they believe that maintaining old customers is the best way to survive during financial crisis because customers will choose the brand which they trust in order to prevent purchase waste. Great Partner Company cooperated with many international brands and developed new products. This way of brand building is good to enter the market during the financial crisis period. Below in table 5, we summarize Mr. Hu and Mrs. Yang responses to the interview questions.

Table 5: Answers from respondents:

	Mr. Hu	Mrs. Yang
Product	Dare to input cost especially the mold.	Dare to input cost.
Price	Stable prices; do not lead to price war.	Stable prices; do not lead to price war.
Place	Focus on the export market.	Both of the domestic market and export market are important.
Crisis management	To meet all the requirements of the customer.	Enterprise talents and customer relationship is the key to resolve the crisis.
Customer relationship management and brand management	Maintain old customers and attract new customers. Create brand value.	Attract new customers especially the high-end customers. Improve brand image.

Source: The data is from the respondents; this table was made by the authors

5. Analysis

This chapter conducts a discussion based on the difference and similarities between theories and empirical studies. First, we will analyze the data from Mr. Hu based on the theories of customer relationship and brand relationship management. Secondly, we explore the marketing mix-4P's used by Great Partner. This is done in order to combine theoretical knowledge to a comprehensive analysis of the implementation strategy of Great Partner during the financial crisis.

5.1 Customer relationship & brand relationship management during financial crisis

In the face of a financial crisis, the customers' purchasing power is declining, all companies need to develop new marketing strategies (Donaldson and O'Toole, 2002) most especially pay attention to relationship marketing; it is a link between the company and its customers to help customers solve problems. In the empirical study part, Great Partner's relationship marketing strategy is to maintain old customers, and try to find new customers. A reasonable relationship marketing strategy can maintain existing customers and enhance their loyalty (Donaldson and O'Toole, 2002). Evanschitzky H. Wangenheim F. V. wrote that the characteristics of relationship marketing are that the relationship is a long-lasting one rather than a one-off relationship.

Mr. Hu and Mrs. Yang stated that the reason for why Great Partner is capable of maintaining

high-end customers is because it has good customer relationship marketing strategies. High-end customers have more purchasing power and they can keep buying regardless of financial crisis period. They are willing to invest resources into the customer relationship, often large-scale activities to promote interaction between the customer and the company and enable customers to increase their confidence in the company. According to our PCCB model, the core issue is customer loyalty and customer relationship management is the best way to figure out this issue in order to ensure that customer service quality. Customers usually prefer reliable and trusted products, when a company builds up relationships with customers, they will be eager to limit their own choice, try to select only the products of established relationship company (Donaldson and O'Toole, 2002). As Mr. Hu said, first, because the general customers during the financial crisis have very limited funds, they are eager to make the right choice to reduce risk and avoid wasting money. Secondly, the customer will buy the products they deem valuable, and will generally choose the familiar products. Finally, product quality and price are also the factors to be considered by customers (Palmatier, W.R., Jarvis, B.C., Bechhoff, R.J. & Kardes, R.F., 2009). Mr. Hu cited the examples and instructions, their candy toy products' prices are relatively high, but the quality is good, and the similar products from other companies, although the price is high, but the old customers still choose to buy Great Partner's products, because of the trust and confidence in the company's products.

Due to the development of electronic information technology, the company has more ways to carry out a single one-to-one relationship with their customers through account management personnel, call centers, interactive voice response systems, online dial-up applications, and web sites to build lasting relationships (Pisharodi R. M. Angur M.G. and Shainesh G. 2003). Through these ways, the company can better collect customer information such as customer demand, the difficulties of the customer and the customer's spending habits. Hence, the company can be in-depth understanding of customers, and to develop a rational strategy to maintain the customer relationship (Pisharodi R. M. Angur M.G. and Shainesh G. 2003). Mr. Hu told us that Great Partner has an exact customer service system, every week they communicate with different levels of customer, to help and solve difficult problems by

customers. However due to the company's main strategy of maintaining high-end customers, it has lost some of the low-end customers. During the financial crisis, some of the low-end customers still have the purchasing power, to seize the low-end customers are also important factors for survival of the company. Mr. Hu didn't agree with this view, he believes that the purchasing power of a high-end customers is equivalent to the purchasing power of many low-end customers, as long as they can seize the high-end customers, the company can still maintain profitability. The company's product positioning is the quality. As mentioned earlier, if the relationship marketing strategy is reasonable, they can maintain the high-end and old customers, and these old customers will still choose these products, even if the prices are higher.

On the other hand, Mr. Hu stated that the company's brand image also has a large role in maintaining customer relationships. To build a company's brand image, it will change the type of customer groups and customer relationship development (Kotler, P., & Keller, K.L., 2007). If the customer does not care about the brand, they would consider product prices, features and functions. In other words, if a customer trusts a brand, they would focus more on the brands. As our PCCB model shows that brand management strategy can help a company get brand value especially during the financial crisis period.

5.2 Marketing mix-4P's used in Great Partner

The proposition of 4P's has established the basic theoretical framework for the management of marketing, the theory put forward that there are two factors affecting the effect of corporate marketing activities, one are the factors that the enterprise cannot control, such as political, legal, economic, cultural environmental factors such as geography. These are called uncontrollable factors and this is also the external environment faced by the enterprises; the other are the factors the business can control, such as product, price, channel, promotion and other marketing factors, known as enterprise controllable factors (MBALTB,2008). The essence of corporate marketing activities is an internal controllable factor to adapt to external

uncontrollable environment through the planning and implementation of product, price, place, promotion, to make a positive and dynamic response to external uncontrollable factors, which facilitate transactions implementation and to achieve individual and organizational goals. If a company produces the right product, sets appropriate prices, and uses appropriate distribution channels, complemented by appropriate promotional activities, then the company will be successful (Kotler, P., 1996).

5.2.1 Product and Price strategy of Great Partner

The product includes both the consumer products and business products. As we mentioned in the theoretical part, the company is not just selling a product, but is also selling a solution or value and which it strives to do better than its competitors. It means that manufactures should focus on the development of the product function. Product needs its own unique selling point but one must put the functional demands of the product in the first place. Pricing is the most important factor to measure a product's value and position and in the customer's mind, it reflects supply and demand relationship (Kotler, P. & Armstrong, G., 1996). Moreover, pricing is the marketing variable, which can be changed directly. In our PCCB model, it shows that a product with a suitable price and high quality will improve customer satisfaction, implying that price strategy can also improve the relationships between a company and its customers. Therefore, in the face of a financial crisis, a company needs to consider not only products, but also consider the brand and customer, which influence each other. Due to the impact of financial crisis, the consumer consumption has reduced and no matter the customers can feel it in reality due to the fact that they have less money and are psychically worried about the future.

Most of customers prefer to choose a cheaper brand because they consider it will have the lower price (Ferrell, 2002). To the manufacture, the financial crisis caused a shortage in raw materials supply and trade barriers and tariff rising continually, thus leading to a higher cost of production. Due to the external and internal environment influences, a large number of the

companies decided to increase sales volume through the price cuts in a short time. In the short term, it is perhaps a good strategy to attract and maintain customers, expand market share even during the recession, but after the recession it is difficult to continue to occupy the market share, because the quality of the product is difficult to guarantee. If a company only wants the sales volume, it is hard to monitor quality of each product. Price is not only associated with the product itself, it is also associated with additional intension and value of the brand, associated with market supplying and demand relationship (Ferrell, 2002). It also associated with the credibility of the choice of shopping place.

Great Partner decided to implement the "stable price but higher quality products" strategy to retain the sales. Great Partner is a production and operations integrated enterprise, the key point to control product price is on the production process. Great Partner adapted the best molds to produce its products, although the cost of the mold is higher than the general molds, but the sales of products of special molds outpaced those of the general molds. For example, in 2009, the cost of special molds was 14.3 million Yuan/ units, the renovation cost was 0.49 million Yuan/ unit; the cost of general molds was 0.78 million Yuan/ unit, the renovation cost was 0.75 million Yuan/unit. (See table 4), but the sales of products of special mold are 307.3 million/ unit (except export market) in 2009, the sales of products by the General mold are 13.98 million/ unit. (See table 3)

From the interviews and figures, we believe the product sales by special mold produced were better than general mold, even though the cost of special mold was more expensive than general mold. The revenue from the special mold is much more beyond than general mold. This is why Great Partner chose the special mold to produce the high quality products, they insist the high-end brand products as their market position all the time, it is the most important factor that guaranteed their survival during the financial crisis.

5.2.2 Place and promotion

Place

In the place strategy aspect, Great Partner mainly adopts first-tier cities orientation, and then using the first tier cities drives the development of second and third cities' market. The export market adopts the same strategy, too. Location chosen is the changing basic marketing principle and also is the key to enterprise to attract customers (Kotler, P. & Armstrong, G., 1996). Choosing the right location perhaps is expensive, but a number of enterprises prefer to invest in this and employ specialists to find out the definitive place (ibid). Especially during the economic downturn times, the market which owned more consumption ability is the most fundamental and important location selection requirement (Liuqin, C, 2010). Although the first-tier cities were shocked by the financial crisis more heavily, they still had the highest consumption ability and at the same time the gap of wealth became more obvious (Liuqin, C, 2010). Because of Great Partner mainly produced high-end products, so the target customer should mainly focus on the population with high consumption. In addition, the first -tier cities could possess stronger and deeper information transmission ability than the second and third tier cities, the cities around the first-tier city will be influenced by the market information and resource which come from the first-tier city. From the above, choosing the first-tier city such as Beijing, Shanghai, Guangzhou as the oriented market location and then drive their surrounding cities market is the optimal location strategy.

In export market side, Great Partner also chooses the population intensive and high consumption country as they mainly target markets such as those in Europe including Sweden, Switzerland, Germany, Spain, France, then to push forward other countries order goods.

As it turns out, this location strategy is a positive and effective strategy. In 2009, the domestic market sales of first-tier cities were 307.3 million Yuan/unit, the sales of second and third-tier cities were 13.98 million Yuan/unit; in 2010, the sales of first-tier cities were 311.23 million, Yuan/unit, the second and third-tier cities were 17.98 million Yuan/unit. In the export market,

the sales of Europe and America were 530 million Yuan/unit, the new sales have increased by 98.98 million Yuan/unit; in 2010, sales are 580 million Yuan/unit, the new sales increased by 110 million Yuan/unit. (See table 2)

In the retail store selection, Great Partner still chooses the hypermarket and shopping malls as their cooperative partners to make the product distribution easier. These include Wal-Mart super center, Carrefour, Jusco and so on. Though the rent expense is costly, there are lots of people in these places and maybe they will become repeat customers and the brand distribution speed is much faster.

Promotion

The most important thing to remember is that when an enterprise comes to product promotion during a financial crisis, the last thing it should do is to cut promotion costs (Köksal and Özgül's, 2007). During the financial crisis, a certain amount of toy industries selected to cut down their promotion expense to save and turnover the capital, but this is a negative way to respond to the impact of financial crisis, because risks always coexist with opportunities. From narrow stage, cutting down promotion costs will save capital but after the crisis is over, the company will lose its market competition and brand force, because a good promotion will attract more customers in special times, consumer will prefer to trust a brand which still heavily advertised itself during the economic crisis, it means the company will have the strength and the quality of product can be guaranteed (Ferrell, 2002). Great Partner has grasped the opportunity. It didn't cut down the promotion costs but also cooperated with famous companies, and attended several export commodities fairs to advertise its products and improve its brand image. For example, in September 2009 Great Partner cooperated with Guangzhou new source management Co., Ltd. to develop the Pleasant-wolf, the popular Chinese cartoon brand image for the product design theme. In 2010, Great Partner had to attend the China International sweets and leisure food exhibition, where it communicated with tourists and companies to advertise its products and brand.

5.3 Summary

In this chapter, through the analysis of customer relationship management, brand relationship management and marketing mix- 4P's strategies which were adopted by Great Partner, we summarize five successful implementations to its marketing performance in the conclusion part, then we put forward suggestions to improve Great Partner's market competitiveness in the future. According to our PCCB model, we analyzed Great Partner Company's data and then understand that in the face of financial crisis, they seized product, brand, crisis management and customer relationship between management and made the right marketing strategy. In the product aspect, they pay attention to the quality of products, be willing to invest more to the products. In the brand management aspect, they first cooperate with famous brands and let many people know "Great Partner". In the customer relationship management aspect, they have good service system, often with customer contact thus solving the problems of customers. To sum up, Great Partner in the face of financial crisis realized that the solution to the crisis is customer loyalty, like our PCCB model shows; if a company solves the customer loyalty problems then it will have a stable customer relationship. This can, to an extent guarantee the company's survival through the financial crisis.

6. Conclusion

In the conclusion chapter, we summarize the successful marketing strategies that Great Partner Company has implemented, and then come up with suggestions that Great Partner can use to complement its marketing strategies; the limitation of our research is then described, and finally the contribution of this research plus suggested areas for further study are given to conclude the chapter.

6.1 Reflection of research question

During the financial crisis, Great Partner not only survived but had a very good performance. According to our research, we can conclude that the above was as a result of the successful marketing strategies the company implemented.

First, it selected high-end customers as its main customers and maintained the old customers; that was a wise decision.

Secondly, it kept stable product prices and improved the quality of products at the same time.

Third is the company's positioning of its target market. It chose first-tier cities as the main market and spread from here to the second and third cities' market. This was accurate and appropriate.

Fourthly, the brand image building included cooperating with many international brands to improve its awareness and domestic brands which were made up of popular cartoon animals

in China. This strategy of branding helped it to attract customers successfully and effectively.

Finally, in its promotion strategy, the company didn't cut down promotion costs during the financial crisis but also cooperated with famous companies while attending several export commodities fairs to advertise its products and improve its brand image.

In terms of customer relationship management , Great Partner has a reasonable customer service system, the formulation and development of customer relationship strategy is comprehensive, and emphasis is on the maintenance of old high-end customers. During the financial crisis times customers usually choose a trusted product, thus maintaining good customer relationships not only reduces costs in terms of the acquisition of new customers, but also can guarantee profits. In addition, Great Partner combined its marketing mix strategies with its company performance, such as product quality control, stable customer channels, with a reasonable price selling on the right market, reduced waste in the process of production to sales, to ensure effective resource distribution. To sum up, on the basis of our PCCB model and to get through the analysis of the material, we understand that Great Partner Company's marketing strategies and our model are closely matched. It also proves our model can be useful to the Chinese toy industry in the face of financial crisis. They should pay attention to solve such problems. Customer satisfaction, brand value and customer loyalty are the three key points the Chinese toy industry must pay special attention to.

We also put forward suggestions for Great Partner. First, increase investment to develop their own brand image, in particular, produce competitive products because brands can create credibility and help you attract clients who are appropriate for your and thus providing a stable base which your business can expand on it.

Secondly, understanding the international standards, to grasp the relevant international laws, in accordance with manufacturing standards, and providing the test reports. A variety of trade protection measures, increased import tariffs, taken to ban or restrict imports and forbidden on imports of Chinese toys and all those negative impacts that had shocked Chinese toys

exports. Therefore only follow the WTO rules and international regulations, and guarantee the products' quality could be fit for exporting.

Finally, strengthening the domestic market development while the export market is still suitable for the development of China's toy industry. For example, children's toys expenditure has grown up 5% to 8% from 2010- 2011 in children's total spending in China. If the Chinese toy consumption achieves the Asian average level, the scale of the market is expected to exceed 30 billion Yuan RMB. The Hong Kong trade development council published the "Chinese toy market" comprehensive survey report and it is expected that the mainland toy market will have 40% annual growth in the future. By 2012, the sales will be more than 100 billion Yuan RMB (3baby, 2011).

6.2 Limitations

The fact is that the Chinese toy industry is very large. And yet we only studied the case of one company. We did not survey other companies in the same industry meaning that we cannot generalize the findings of our study. In other words, the results of our study may be different if we had interviewed another company besides Great Partner. Although this study is of Great Partner, a well-known toy company in China, its position in the international market has not reached the level for it to be considered a worldwide brand. In addition, the timeframe of our research is only limited to the years shortly before and after the 2008 financial crisis, so the results are only applicable to that time period.

Firstly, we only studied the case of one company. China's toy industry has more than 100 companies. Because of constraints beyond our control, we were only able to contact and study Great Partner. The company had stable sales, its profits have been on the rise, and we were welcomed with open arms by the management. We thus decided to proceed with Great Partner as our case study.

Secondly, because of the geographical distance, it is difficult to carry out daily observation of Great Partner Company operations and we also had to rely on Skype to have the interviews.

Thirdly, we only got two respondents to answer our question in this study. Although these were very knowledgeable and experienced officers of the company, we believe that interviewing more respondents would have given our work more credibility and reliability.

6.3 Contributions and further studies

6.3.1 Contribution

The background of our research paper is in the face of global financial crisis, Chinese toy enterprises suffered a severe ordeal, a large proportion of enterprises closed or filed for bankruptcy, but there are still industries that can survive under the financial crisis. Our study through analysis of the marketing strategies performance of Great Partner Company, which had successful performance during the economic downturn times, summarized some marketing strategies which can be adapted in the change of marketing environment and customer requirements. This research can be useful for China's toy industries in the same or similar situation, give them advice on how to survive or improve their market position. We have established a PCCB model which expounds the relationship between crisis management, 4P's, customer relationship management and the brand management. According to this model, we analyzed Great Partner Company's marketing strategy, and found that they were able to overcome the financial crisis period because they paid attention to the customers' loyalty issue. At the same time it also proves that our PCCB model for China's toy companies specifically on how to spend during the financial crisis is helpful. In our work, we believe that customer relationship management is the best way for company to survive during any financial crisis. Customers in the financial crisis period will purchase only the brand which they trust. So a stable customer is the key power of enterprise survival because they have

enough customer loyalty. The study's social contribution is that China toy enterprises should realize that in the face of financial crisis, stable customer can help them overcome the crisis and therefore they should take customer relationship management seriously.

6.3.2 Further studies

Finally, we would like to come up with suggestions for further research and study. The first is to make a long term observation, including researching the company's performance before financial crisis times and after financial crisis times, checking the marketing strategies which have been mentioned in this research to see whether they are suitable and applicable universally.

Further research can also be done on another company which also had a good performance and survived during the financial crisis but in a different industry. Then, summarize the similarities and differences of their marketing strategies, and then make a comparative analysis, to see whether the findings of this study are applicable to different industries or not.

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Appendices

Appendix 1: Questionnaire of Chinese version



DEPARTMENT OF BUSINESS ADMINISTRATION AND ECONOMICS.

Kangbin Zheng

Shiying Yan

Chinese version

胡先生：

1. 贵公司在国内市场的营销战略是什么？在欧洲市场的营销战略是什么？
2. 贵公司与同行业其他公司相比，运用了什么营销战略成功保持市场份额并且获得利润？
3. 贵公司用什么营销战略来建立信誉和品牌形象？
4. 贵公司是如何同时保证产品质量并且控制成本的？

杨小姐：

1. 面对金融危机，贵公司在危机管理方面实施了什么策略？
2. 确定目标市场和目标客户后，产品定位、产品价格以及产品推销需要考虑和制定什么策略？
3. 在金融危机期间，贵公司如何进行客户关系管理？
4. 贵公司能在金融危机的影响下依旧取得良好业绩，您认为是什么市场战略取得了关键作用？

非常感谢您肯提供机会给我们进行这次采访！

致以最衷心的感谢！

Appendix 2: Questionnaire of English version



DEPARTMENT OF BUSINESS ADMINISTRATION AND ECONOMICS.

Kangbin Zheng

Shiying Yan

English version

Mr. Hu:

1 What is your company's marketing strategy in the domestic market? What is the marketing strategy in the European market?

2 Your company compared to other companies in the same industry, how can be success of the marketing strategy to maintain market share and profit?

3 What marketing strategy to build credibility and brand image by your company?

4 How to ensure product quality and control costs?

Mrs. Yang:

1. In the face of financial crisis, your company in crisis management carried out what strategy?

2 Determine the target market and target customers, product positioning, product price and product sales need to consider and make what strategy?

3 In the financial crisis period, your company how to carry on the customer relationship management?

4 Your company will in the financial crisis is still under the influence of achieve good results, do you think what is market strategy made key role?

Thank you very much for giving us the opportunity for this interview!

Best regards!

Appendix 3: Reliability of questionnaire



DEPARTMENT OF BUSINESS ADMINISTRATION AND ECONOMICS.
Kangbin Zheng
Shiyang Yan
Chinese version

胡先生:

1. 贵公司在国内市场的营销战略是什么? 在欧洲市场的营销战略是什么?
2. 贵公司与同行业其他公司相比, 运用了什么营销战略成功保持市场份额并且获得利润?
3. 贵公司用什么营销战略来建立信誉和品牌形象?
4. 贵公司是如何同时保证产品质量并且控制成本的?

杨小姐:

1. 面对金融危机, 贵公司在危机管理方面实施了什么策略?
2. 确定目标市场和目标客户后, 产品定位、产品价格以及产品推销需要考虑和制定什么策略?
3. 在金融危机期间, 贵公司如何进行客户关系管理?
4. 贵公司能在金融危机的影响下依旧取得良好业绩, 您认为是什么市场战略取得了关键作用?

非常感谢您肯提供机会给我们进行这次采访!

致以最衷心的感谢!

A handwritten signature in black ink, appearing to be 'Kangbin Zheng'.



A handwritten signature in black ink, appearing to be 'Shiyang Yan'.

