

GE to deepen commitment in Taiwan, sponsor Olympics



Courtesy of GE

Jason Hsu, CEO of GE Taiwan, poses in a recent media briefing. He said the company will continue to invest in Taiwan and is proud to be a sponsor of the Olympic Games this year.

The China Post news staff

General Electric will continue to invest in Taiwan and is proud to be a sponsor of the Olympic Games again this year, said Jason Hsu, CEO of GE Taiwan, in a recent media briefing.

GE has been operating in Taiwan since 1976. Its Taiwan headquarters are in Taipei, with offices located in Taipei, Hsinchu, Taichung, Tainan and Kaohsiung. It has about 468 employees in Taiwan.

GE Taiwan has built strong partnership ties with local energy, aviation and health care operators, with Hsu promising that the company will continue to deliver advanced, cutting-edge technology and solutions to its customers.

As a worldwide Olympic partner, GE is the exclusive provider of a range of innovative products and services that are integral to staging successful Olympic and Paralympic Games, Hsu said.

"GE works closely with host countries, cities and organizing committees to provide infrastructure solutions for Olympic Games venues including power, water treatment, transportation and security, and to supply hospitals with ultrasound and MRI equipment to help doctors treat athletes," he said.

According to Hsu, GE will provide state-of-the-art technology and infrastructure to facilitate the athletes in the London 2012 Olympic and Paralympic Games.

For example, GE Lighting will supply 14,000 lamps for use in the back and functional areas of the 80,000-seat Olympic Stadium. GE is also designing the lighting for the warm-up track situated in the south of the stadium, allowing the viewers at home to watch their favorite athletes prepare for competition.

During the Olympic and Paralympic Games, a total of 23,000 athletes and officials will reside in the Olympic Village. GE Power Controls are supplying some of the power distribution equipment to the residential apartments to provide maximal comfort for the athletes.

Situated in the Olympic Village, the Polyclinic will give athletes the best medical service possible during the games. GE Healthcare is supplying a diverse array of digital imaging equipment to the Polyclinic including MRI, CT, X-ray and ultrasound equipment allowing the diagnosis of even the smallest strains and sprains to provide athletes and coaching teams with vital information for competition.

Companies look to scent marketing to build memories, boost revenue

By PAULINE CHIOU
Special to The China Post
HONG KONG, CNN

When you walk into a store, you may not realize that there's literally something in the air that's already trying to convince you to buy something.

The invisible force is something called scent marketing, a concept used in Europe and the U.S. but is still fairly new to Asia. The idea is to infuse a certain smell in a retail shop that makes a customer linger and more inclined to make a purchase.

Oriental Watch Co. is a large luxury watch retailer which has stores across Asia. The store hired a Hong Kong-based scent strategy company, Skywork Design Ltd., to create a store scent that captured the essence of the company. The lab created a special green tea smell for the store. Daniel Fong, creator of Skywork Design Ltd., felt that green tea mirrors the Chinese identity of Oriental Watch Co.

"When you see a watch, it's easy to forget it. But when you smell something, it's forever," Fong says. "The smell goes directly to the emotional part of our brain."

For the past four months, Oriental Watch has used the green tea scent in all 12 of its Hong Kong stores. Salesman Ken To can't say definitively if the scent has led to a direct increase in sales but he is certain the scent relaxes customers. "We see customers are willing to stay longer at our store, especially in the area close to the machine (scent diffuser).

We can have more conversations with them and hopefully, we can make a sale," says To. "Our staff like it too. We have a stressful job because we're dealing with US\$1000 to US\$1,000,000 watches. So the scent helps lower the tension for the front-line staff."

After 20 years in the advertising business, Fong started Skywork Design last year to fill a niche he noticed was lacking in Hong Kong and China. He used his existing network of advertising clients and word of mouth to kick off his business. Today, his biggest clients are teen fashion store 2 percent, Oriental Watch Co., Peninsula Arcade and Hang Lung Properties. Fong says his young company became profitable four months after launching.

There are companies that create scents for hotels and casinos. Fong says their goal is to create a



pleasant experience for guests. His company has a different target and approach.

"My strategy is not to focus on hotels because there are a lot of competitors focusing on hotels and property management. Our strategy is targeting the marketing people, to increase the sales and the branding of a company, mainly in retail stores."

Two percent is a Hong Kong-based teen clothing store. When you walk into the store, you will immediately breathe in a bubble-gum scent — which Fong describes as "juicy, girlish, sweet" — that circulates through a diffuser in the shop.

He recently lingered outside a 2 percent store to watch customers. He saw a teenage girl near the store entrance and overheard her saying, "Oh, that smell is 2 percent."

He took that comment as a successful sign in brand building. The clothing chain first hired him to work on two stores, sales increased and he now supplies the scent to all 35 stores in Hong Kong.

Negotiations with 2 percent are underway to supply 100 of their stores in mainland China.

Samsung recently put on several road shows to promote its new Galaxy S3 smartphone. Samsung says this new Android phone is "inspired by nature — it sees, listens, responds."

Its marketing agent asked Fong to create a special fragrance for

several four-day road shows in Asia, a fragrance that embodied the image of nature.

"We were inspired by the new functions (of the phone) that related to natural behavior," Fong said. For example, the phone uses its frontal camera to follow the user's facial movements and the phone only goes into sleep mode when it knows the user is not looking at it. Because of contractual confidentiality, he couldn't tell me what fragrances he used for the Samsung scent but he did open the bespoke bottle and let me take a whiff.

To me, it smelled like a cologne with a little metallic twist — not so much "nature," but more "metal, gadget, male."

As Fong's creations are making cash for his young company, an international bank has asked Fong to create the "scent of money" for its offices in Hong Kong. He's playing with the idea of blending the bergamot, moss-like scent of chypre flowers with metal. "But I'm still thinking about that one," he says.

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China's Wen warns of economic hardship ahead

BEIJING, AFP

Premier Wen Jiabao warned Sunday that China's economic rebound was not stable and the world's second-largest economy faced hardship ahead, state media reported.

During an inspection tour of the southwest province of Sichuan, Wen called for greater efforts to strengthen the vitality and dynamism of economic growth, Xinhua News Agency said.

"The economic growth rate is still within the government target range set early this year, and stabilization policies are working," Xinhua quoted Wen as saying.

But China's "economic rebound is not yet stable and economic hardship may continue for a period of time," he said.

China's economy expanded during the second quarter at its slowest pace in more than three years as dire problems overseas started to hit home, according to official data released on Friday.

The economy grew 7.6 percent in the second quarter year-on-year, the weakest since 6.6 percent during the depths of the global financial crisis at the start of 2009.

The weak second-quarter expansion dragged down growth to 7.8 percent for the first half of the year, a period when the debt crisis in Europe has deepened and the U.S. economy has continued to struggle.

Wen's comments came at an economic planning meeting in the Sichuan capital Chengdu that

included officials from several interior provinces where economic growth has lagged behind the coastal regions.

"As we face the problems, difficulties and risks, especially the pressures brought on by a slowing economy, we must also recognize that the basis for economic growth is good ... and there is still a lot of dynamism and momentum for economic growth," Wen said.

Easing inflationary pressures, rising salaries and improvements in livelihood, as well as investment in infrastructure, science and technology and education all boded well for future growth, he said.

Wen further pledged to focus on creating jobs, especially for college graduates, as well as migrant

rural workers who are descending on China's cities in search of jobs.

China earlier in July took the rare step of slashing interest rates for the second time in a month. That came after three cuts since December in banks' reserve requirements, or the amount of money they must keep on hand.

Such cuts are meant to free up funds for lending and thus boost the economy.

Chinese leaders have vowed to take further measures. Wen last week called stabilizing economic growth the government's "top priority."

Slowing growth in China is also casting a further cloud over the broader global economy, which is still suffering the effects of the 2008-2009 financial crisis.



AFP

Rich pallet

Multimillions in US\$100 bills are seen on a pallet waiting to be completely filled up for final shipment on Thursday, July 12 at the U.S. Bureau of Engraving in Washington. The high-tech presses run 24 hours a day.

EU fund plans US\$120 bil. Spain bailout: Der Spiegel

BERLIN, AP

The European Union's bailout fund is working on a 100-billion-euro (US\$120 billion) package to prop up Spanish banks, according to a report Saturday by German news weekly Der Spiegel.

A confidential draft plan by senior officials at the European Financial Stability Facility proposes an initial 30-billion-euro payment to Spain at the end of July, the magazine said.

Of that, some 20 billion euros would go toward shoring up Spanish banks' short-term finances while another 10 billion euros would be reserved as a longer-term emergency buffer.

Three further payments totaling 45 billion euros would be made in November and December of this year, and in June 2013, Der Spiegel said. A Spanish Economy Ministry spokeswoman declined to comment on the report.

According to the report, up to (euro) 25 billion would also be made available to create a "bad bank" to buy up hard-to-sell debt. This would be in line with a draft memorandum of understand-

ing agreed by finance ministers from the 17 eurozone countries, which suggests that part of Spain's bank bailout should involve the segregation of billions in problematic assets to an "external asset management agency" to clean up Spanish banks' balance sheets.

Investors are becoming increasingly wary of placing money in Spanish banks, which are having to turn to the European Central Bank for financing. In June, Spanish bank borrowing from the ECB rose 17 percent from May. The accrued total as of the end of that month was 337 billion euros, 77 percent of all the money owed to the ECB and seven times the figure from June 2011.

The government on Friday approved its latest package of measures aimed at cutting 65 billion euros (US\$79 billion) off the budget deficit through 2015, the biggest deficit-reduction plan in recent Spanish history. The sweeping austerity measures include wage cuts and tax increases for a country struggling under a recession and an unemployment rate of near 25 percent.

Business In-Depth with 天下 CommonWealth Magazine

2012 Golden Service Award Survey: Who's the new service industry king?

■ A reshuffle has taken place in Taiwan's service industry. Which tricks of the trade did the winners of this year's awards use to grab consumers' attention, and money?

By MING-LING HSIEH

Just in its second year, the Golden Service Award Survey by Commonwealth Magazine has already seen some dramatic changes. The survey results underline how fierce brand competition has become. Trying to survive in the Taiwanese service industry jungle, companies are doing whatever they can to polish their brand image, with ever better service.

In many categories including department stores/malls, airlines, and online shopping services a new leader emerged at the top of the list. Three of last year's winning international tourist hotels found themselves edged out of the Top Five in 2012.

Given that Taiwan's food and beverage market has already developed into a highly competitive, mature market, this year's survey established an even finer differentiation within this sector. Chain bakeries, hot pot restaurants, and Japanese-style chain restaurants are newly added F&B-related categories.

Last year Taiwan posted annual economic growth of 4.04 percent, but the hospitality businesses in Commonwealth Magazine's service industry Top 500 registered average revenue growth of more than 34 percent. Many people hope that Taiwan's food and beverage industry can become an export success, demonstrating the island's new international competitiveness in that field.

Easy House Beats Din Tai Fung

In the food and beverage category "reputation" and "atmosphere" played an important role for consumers' evaluation of brand awareness and service quality.

In the Chinese/Southeast Asian-style chain restaurant category, Easy House, which serves vegetarian dishes with a touch of Zen,

beat famous dumpling chain Din Tai Fung for the top spot. Easy House's decisive edge was "atmosphere."

Chen Ming-li, in charge of food services at the Life Industries Department of the Corporate Synergy Development Center, observes that consumers no longer visit a restaurant merely to fill their stomachs, but rather to eat good, skillfully presented food. Ambiance is part of such customer needs. For mid-to-high-end customers, who often wine and dine clients and business partners, an exquisite atmosphere is even more important.

Top Pot Bakery, which became a hot-selling bakery chain virtually overnight, managed to grab the top spot in the chain bakery category, although it has been in business for just a little over one year.

Customers need to wait in line at every newly opened Top Pot Bakery outlet. In the early evening the stores are usually sold out. "Reputation" and "uniqueness" were behind the chain bakery's quick rise to the top. Chen also points out other factors that boosted its success: Customers may sample the baked goods for free. Since most of the stores are in business districts, customers can order from the office and pick up their purchases after work on the way home. Moreover, membership cards are issued to first-time buyers, another marketing move that created a lot of buzz.

Transportation Services Make It into Top Ten

The "transportation services sector" put up a stellar performance in the Golden Service Awards Survey.

Three transportation-related companies, Taiwan High Speed Rail Corporation (THSRC), Eva Airways, and the Qingshui Service Area on National Highway No. 3 even rank among Taiwan's Top 10

service enterprises.

THSRC, which participated in the survey for the first time in the new category of long-distance transport, immediately seized the No. 1 slot in the overall ranking, laying claim to the title of Taiwan's best-rated service enterprise. With the exception of market penetration, it has a big lead over its rivals in every key indicator, demonstrating that the high-speed railway has successfully established a good brand image for itself.

All service areas that made it into the Top Five highway service areas are located along National Highway No. 3. Since service areas are spaced about half an hour's drive from each other, competition is intense. Operators must go the extra mile to service customers and develop particular attractions to entice travelers to spend money and visit more than just once.

"Transportation has become more convenient. If you can't win the customer's loyalty, it's just a few dozen kilometers down the road to the next place, and he won't decide to stop," says Ho Hsiao-kuang, general manager of Nan Ren Hu Entertainment, a vacation village operator.

The Qingshui Service Area outdistanced its rivals both in terms of "market penetration" — with a vast space servicing both north- and south-bound traffic — and also "uniqueness": Its eye-catching exterior with solar panels shaped like ship sails, a crystal-clear fish pond, French- and Japanese-style snacks, and a large selection of traditional edible souvenirs and local specialties from across Taiwan all put it ahead of the pack.

Good Service Equals Uniqueness and Differentiation

The survey also discovered the following truths about what consumers consider good service: Mid-to-high end consumers emphasize value over price and treasure uniqueness more than market penetration and popularity.

A case in point is W Hotel,



AFP

This file photo taken Dec. 27, 2007 shows Yang Chi-hua, owner of Taiwan's Din Tai Fung restaurant, standing next to piles of bamboo steamers. In this year's Golden Service Award Survey by Commonwealth Magazine, Din Tai Fung was down to second spot for the Chinese/Southeast Asian-style chain restaurant category.

which directly jumped to No. 2 in the international tourist hotel category. W Taipei opened its doors only last year, yet it has been able to bring a fresh breeze to hospitality thanks to its bold use of bright colors, stylish design, and a young, trendy ambiance. Although the hotel's market penetration rate is low, W Taipei swiftly rose to prominence in Taiwan, where a host of international tourist hotels are constantly hoisting their flags.

Another example is online shopping website books.com.tw. In the world of online shopping, speed is everything. Therefore, last year PChome won consumers' hearts with its guarantee to deliver within 24 hours of receiving an order. But books.com.tw, which belongs to the Uni-President Group, not only caught up with PChome in terms of speed, but also banked on "uniqueness" to beat its rivals.

Apollo Sun, general manager of the e-commerce department at United Daily News and its shopping site UDN Shopping, notes that there is virtually no such thing

as customer loyalty in the online market, where price comparison is the rule. But books.com.tw is well designed and certain products are sold exclusively there.

As Sun explains, books.com.tw is able to differentiate its services because it decodes customers' likes and dislikes based on their book purchases. Registered members are finely categorized and purchase data closely analyzed to accurately recommend products that the customer might like.

In the department stores/malls category, EsLite Shopping Centers claimed the top position, ousting Shin Kong Mitsukoshi, which boasts revenue in excess of NT\$70 billion. EsLite's decisive advantage was also uniqueness.

The times of vendors loudly hawking their wares are gone. Faced with increasingly picky and fickle customers in an increasingly crowded market, Taiwan's service industry must live up to a new challenge: companies must position themselves and innovate with greater depth and refinement.

Translated from the Chinese by Susanne Ganz