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Strategies in China Heavy-Duty Truck Market from the Perspective of Design Thinking - A Case Study of Sichuan Hyundai

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Abstract

As an international company in the automotive industry for years, Sichuan Hyundai has encountered serious difficulties since its entering into China. With huge investment and great ambition to conquer the China commercial vehicle market, successive setbacks have put the company in jeopardy. Design thinking, emphasizing “user-driven innovation” can help to look for effective and possible solutions from a very strong and effective perspective. This thesis first provides a comprehensive look of the economic background of China in order to get a overall understanding of the market. Then the paper did an analysis of Sichuan Hyundai from the perspective of design thinking. By identifying the reliability bias of Sichuan Hyundai, key problems such as the product, advertisement and cultural communication were discussed. With a emphasis on the intuitive thinking, the paper provides some feasible solutions and also implications for the future development.

Keywords: design thinking; Sichuan Hyundai heavy-duty truck; intuitive thinking; storytelling; red culture, bridge.

1. Introduction

China's economy has been under the spotlight due to its speeding development as well as creative innovations. Ever since the entering of WTO in 2001, China has made great achievements economically. China is now the biggest economical body in the world and also the biggest export country in the world [1]. Recent years, the government has deployed several major economical strategies and plans, aiming at pursuing further development. With the focus on infrastructure, transportation and energy, One Belt One Road Initiative aims at building a network of railroads and shipping lanes across 70 countries [2]. Made In China 2025 is an initiative aims at increasing China's competitiveness in cutting-edge industries [3]. Internet Plus is a strategy to restructure the traditional industry and adds vitality to Chinese economy [4][5].

Such economical plans and strategies ensure industries a promising environment to develop. Automotive industry has been considered with great significance in the whole country's economy development, especially after the release of Plan on Adjusting and Revitalizing the Auto Industry in 2009 by the government [6]. The plan's goal is to stimulate a stable growth in both the production and sales of auto industry and also to enlarge the market share of domestic auto brands [6]. It is from this year that there appeared a major increase in the consumption of the automotive industry. Now, the automotive industry has been considered as an important carrier for realizing Made In China 2025 Project due to its huge scale [7]. Accordingly, the automotive industry market keeps attracting foreign automotive companies to swarm in and the market has become the

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fierce battle field for both domestic and foreign automotive companies.

Hyundai Motor Company entered China in the year 2002 and established Beijing Hyundai, together with the local motor company Beijing Automotive Group, with the aim of creating a joint venture based around an existing Beijing factory [8]. Chinese government has approved foreign automakers to enter into ventures, only with the collaboration of domestic partners [9]. Moreover, the overseas company is not allowed to have holdings more than 50% of a joint venture like this [9]. This is to protect the comparatively weak domestic auto brands and also provide an important opportunity for domestic companies to absorb advanced technologies and skills from foreign automakers [10][11].

Although this was not the first arrangement between a foreign and a domestic automaker, Beijing Hyundai was the first to be approved by the Chinese government, after its entry into the WTO. After nearly two decades of business in China, Beijing Hyundai has hovered at medium and low market and couldn't enter into high-end market [12].

In the year of 2008, with the invitation of the Ziyang Municipal Party Committee Secretary, the CEO of Hyundai Motor Korea paid his very first visit to Sichuan province, China, for the preparation of a future collaboration [13]. The meeting with the Ziyang government was very successful and two years later, in October 2010, the formal agreement was signed to create a commercial vehicle joint venture in Sichuan Province, with the Chinese partner Nanjun Auto [14]. The joint venture will be called Sichuan Hyundai Motor Company. Hyundai and its Chinese partner Nanjun will each have a 50% stake in the joint venture. Nanjun is China's 13th- largest automotive company, mainly produces trucks, buses and auto parts and also a local company in Sichuan.

However, the sales performance of Sichuan Hyundai turned out to be a total failure in Chinese truck market. 2018 is the fifth year ever since Sichuan Hyundai put into mass production and its total sales suffered a crushing defeat in consecutively 4 years, even without a sign of making a turn. Although Sichuan Hyundai increased the sales of medium-duty truck and vans to some extent in 2017, the increase appears to be very limited and not satisfying at all [15]. The total sales were only 39633 vehicles in the year 2016 and 2560 heavy-duty trucks in the year 2017 [16]. The market share of Sichuan Hyundai's total sale in 2016 even did not have a chance to make its name shown in the market share chart, as it was categorized with other small brands as "others 3.21%" [16]. However, on the other hand, the production plan of Sichuan Hyundai appears to be rather confident: with 23,000 vehicles in 2016 and 33,000 vehicles in 2017 [17]. The production plan was definite impractical comparing with its sales performance.

This thesis is going to identify the reasons for Sichuan Hyundai's disappointing sales performance from the design thinking perspective. A brief review of design thinking is the second part and followed by an overall understanding of the Chinese economic environment. The fourth part primarily identifies the key problems of Sichuan Hyundai from design thinking's point of view. Possible solutions are also provided after each problem.

2. DESIGN THINKING

Although design thinking is not a brand new concept, it is not until recent years that it has attracted great interest academically and practically, especially when innovation is emphasized. Design thinking is not solely concerned with the appearance of a product. Like problem solving, design is a natural and ubiquitous human activity, which of course put human as the center of everything [18]. Design thinking has not only been emphasized in engineering, architecture, education and service, but also has received great attention in business settings [19][20][21]. Its definitions might vary from one to another, however its core relies on solving problems in a creative and innovative way, with the focus on people's needs.

As one of the most famous representative of design thinking, Roger Martin proposed the opinion that design thinking is a balanced situation between analytical thinking and intuitive thinking [22]. He also made a metaphor for the process of achieving design thinking --- it is like to move knowledge through the "knowledge

funnel” and manage to acquire creative solutions to problems [22]. Tim Brown, the CEO of IDEO, suggests that design thinking is a “human-centered approach to problem solving” [23]. In his book *Change by Design*, he mentioned design thinking is a system of overlapping related activities, which encourage non-routine and creative ideas [23]. Rim Razzouk and Valerie Shute did an overall review of design thinking’s main features and processes and said that think design thinking is a situated process as designers define solutions situated in the specific environment in which they design [18]. Dorner emphasizes the importance of verbalization and elaboration in the process of design in order to find out the weak aspects of a product [24]. He approaches this issue from the perspective of designing a product from the scratch and suggests that design and thinking are two different processes. As design thinking focuses on human experiences, MaryAnne argues that design thinking is “more culture than methodology and building such a culture may require a fundamental transformation, not only in the way an organization approaches innovation, but in how it conceives of itself” [25].

It is self-evident that the keystone of design thinking process is human experience. This is the reason why interactions with consumers should always be “designed” in the product when we apply design thinking in business. It is only by adopting this approach that a company is able to look the external environment through the lenses of the end-user and then transforming the users’ needs into opportunities [26].

This thesis primarily adopts the key theories proposed by Roger Martin and Tim Brown and tries to approach Sichuan Hyundai’s case from the perspective of design thinking. Therefore, some important concepts and expression should be illustrated here for the sake of further understanding. Knowledge funnel is a concept mentioned by Roger Martin in his book. The funnel itself stands for the process to find out the problems of the present situation. When knowledge is pushed through the funnel, the problems get to be recognized clearly and finally solutions will be created and goals of innovation will be achieved. To move knowledge go through the funnel is to move knowledge from mystery to heuristic and to algorithm at last. These are the 3 phases of such process. Moving knowledge through a funnel is a metaphor for the process of acquiring deeper and better understanding of the user. As you understand better, extraneous information is cut off and salient features are filtered and become clearer. A mystery usually is the question, the problem, or the situation a business is facing. By asking a simple question, a first-level understanding emerges from the question at hand and heuristics can be developed. These are “the rules of thumb” that can guide us toward a solution by way of organized exploration of the possibilities. Then you test the solution, fail and improve and test again to push knowledge to the algorithm stage.

However, when people try to push knowledge move through the funnel, people intend to rely heavily on data and numbers from the past. This is analytical thinking, which will create reliability. Reliability aims at producing consistent and predictable outcomes [22]. Traditional business usually tends to rely on analytical thinking heavily, which is data-based and evidence-based. However, the data and numbers are all from the past. Such analytical thinking generates reliability and such reliability can produce consistent, predictable outcomes for the future. This analytical thinking is expected to work well if the world never changes. However, the world keeps changing and it changes fast. A reliability-oriented management system drives out the pursuit of valid answers to new questions [22]. The reality is that reliability always rules and leaves no room for validity. “Without validity, an organization has little chance of moving knowledge across the knowledge funnel. Both reliability and validity are crucial for an organization and design thinking asks a balance of the two.

On the other hand, there is validity, which is to produce a desired objective. Validity is based on intuitive thinking. According to Roger Martin, design thinking is the perfect balance between analytical thinking and intuitive thinking. Unfortunately, people tend to prefer reliability to validity as the former is predictable and this will create the reliability bias. The bias leaves validity no room and therefore the desired outcome is never going to come. To adopt design thinking, the reliability bias should be eliminated and efforts of emphasizing on validity should be made. This is the process of design thinking.

On the whole, design thinking is a way of creating new solutions and generating innovations and it requires

openness for diversity, various skills and teamwork. This thesis is going to approach Sichuan Hyundai's present dilemma from the design thinking perspective. The bias created by Sichuan Hyundai is going to be identified through analysis. Also, solutions from the design thing point of view will be provided.

3. MARKET BACKGROUND

3.1 Government's Policies And Strategies

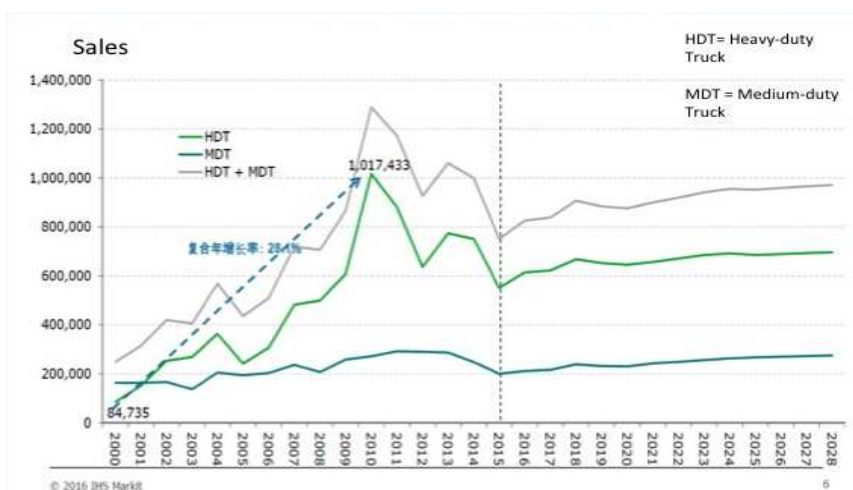
China's economy is always close related to Chinese government's policies and projects. To have a comprehensive understanding of the government's plans and policies is the prerequisite for understanding China market on a macroscopic view. This part is going to have an overall look at the macro background of China for the past ten to fifteen years.

Early in the 2000, aiming at achieving the economic development in western regions, China launched the China Western Development strategy, due to the wide gap generated between the eastern and the western [27]. The project mainly focuses on infrastructure constructions such as airport, railroad, highway, mining engineering, water and power infrastructure and so on. In 2016, Premier Li Keqiang of China said that the 13th Five-year (2016-2020) Plan period is a crucial time for western regions to achieve transformation and upgrading [28] and Sichuan Province is considered as the center region of western area with great significance. In 2015, the "Western Vehicle City" plan was proposed in the national Lianghui [29] with an aim of building the city Ziyang as the manufacturing base of commercial vehicle in western area of China. Ziyang used to be a small town in Sichuan and the plan has transformed it into an automobile industrial city.

Under the great enhancement of infrastructure constructions in western regions of China, the consumption of heavy-duty trucks and medium-duty truck kept increasing from 2000 to 2010 [30]. The total sales of heavy-duty trucks marked over 100 million vehicles in the year 2010 [31].

Despite the government policies and projects directly stimulated the consuming for heavy-duty trucks, related transportation policies also add boost in the automotive industry. The National Standard Committee issued new policies, which lowered the effective capacity of heavy trucks by 20% [32].

Moreover, on the market aspect, the replacement of used trucks started to enter into the replacement cycle period in 2016 and reached the peak in 2017[33]. The prediction for heavy-duty truck market is very optimistic and it is estimated that the heavy-duty truck amount will keep growing together with the stable development of China's economy [33].



(Resource : HIS Market Research 2016)

Figure 1. The Long-term Need for Heavy-duty Truck in China

3.2 Sichuan Hyundai's Chuanghu and its Sales Performance

The heavy-duty truck Sichuan Hyundai produced is named Chuang-hu in Chinese, which means a pioneer tiger. It is designed and produced based on the heavy-duty truck made in Hyundai Korea, with primarily the same technology and structure [34]. Chuanghu is claimed to be the truck in the future with edge-cutting technologies. According to Sichuan Hyundai's official introduction, the selling point is its high horse-power, which is capable of climbing mountains with high speed. It is equipped with advanced noise-reduction system. Even while climbing up in high speed, the driver feels quiet and comfortable. It has 16-spped transmissions, anti-skid system and auto lane control system as well. The operating panel in front of the driver is designed with ergonomics focus so that the driver can easily and smartly control the panel. Spacious driver's cab provides a resting place for driver to take a nap. The positioning of Chuang-hu was set as a high tech and advanced heavy-duty truck for China market. In contrast with the inspiring features, the sales performance of Chuang-hu is frustrating.

Table 1. Top 10 Heavy Duty Truck Sales in China in 2017

Manufacturer	2017 Total Sales	Sales of December, 2017	2016 Total Sales	Market Share (%)	Joint Venture	Cooperate Partner
FAW	240,782	4,363	148,034	21.6	No	
Dongfeng	216,085	15,893	142,640	19.4	yes	Volvo
CNHTC	190,273	13,222	122,850	17.0	Yes	Man
Shaanxi Auto	173,093	11,033	108,060	15.1	No	
FOTON	114,278	7,878	78,475	10.2	Yes	Daimler
JAC	51,097	3,302	42,878	4.6	Yes	Navistar
Hongyan	40,017	2,057	15,517	3.6	yes	Iveco
Dayun	29,723	2,637	23,592	2.7	No	
Hauling	18,700	2,016	14,529	1.7	No	
North Benz	13,959	1,011	10,018	1.3	No	
Others	28,847	2,850	26,326	2.6		

[Data Source: China Automotive Association]

Table 1 shows the top 10 heavy-duty truck sales in China in the year 2016 and 2017. The red ones are Chinese domestic brands and the black ones are joint ventures with foreign automakers. The top one brand FAW is a state owned commercial vehicle company in China and it has a overwhelming 21.5% market share in 2017. The total sales of FAW reached 240,000 in 2017. Table 2 shows the sales performance of Sichuan Hyundai's heavy-duty truck and its production plan, from 2014 to 2018. Compared with FAW's total sales, the sales of Chuang-hu definitely made Sichuan Hyundai a complete failure in this market.

Table 2. Production Plan and Sales Performance of Sichuan Hyundai (2014-2018)

Year	2014	2015	2016	2017	2018
Production Plan (HDT)	5,000	14,000	23,000	33,000	40,000
Actual Sales (HDT)	2,014	1,340	2,015	2,560	3,000

(Source: Sichuan Hyundai)

4. PROBLEM ANALYSIS: THE RELIABILITY BIAS

4.1 Product Problems and Solution:

Chuang-hu is the product produced based on the data and number from the Korean Hyundai, which means from the past. The product might be a perfect match for Korean market and Korean consumers, but definitely for China market. Chinese market is drastically different from Korean market. Chuang-hu's old version, Chuang-hu was designed and tested and then produced based on the past. Chinese market is a new market with new structures, systems and different consumers and different environment. Relying solely on the data from the past fails to predict the future performance in China, as validity is ignored. This is why although the need for heavy-duty truck is increasing stably in China, Sichuan Hyundai still could not sell the product out. The company simply failed to concert need into demand. To balance it, intuitive thinking should be adopted to create room for validity.

Tim Brown emphasizes that to adopt design thinking is to "learn to put people first; to return human beings to the center of the story [23]." Although it is self-evident that this is very important and it seems that every company is fully aware of this rule in doing business, it is just so easy to get lost in the process of achieving a human-centered design. Because of doing so, one has to act as a designer, to "observe, question and probe the hidden dimensions of the user experience" [23]. What makes this even more difficult is the challenge to "help people articulate the latent needs they many not even know they have [23]. People are so used to some things that sometimes they cannot realize what they really need. In Sichuan Hyundai's case, although the product is of high quality, it fails to create empathy among Chinese consumers. The mystery is here --- why the consumers did not have the empathy. By answering this question, we can try to move through the knowledge funnel.

First, the consumers in China are different. It is the logistics companies who buy heavy-duty trucks in large amount at one time, but not individual drivers [35]. Therefore, the system is different. In China, the truck drivers do not own the vehicles and when they move to other companies, the trucks are still the property of the company [35]. Put these drivers as the center of the product and it will be easy to get the conclusion: high-tech is not what they want, but a oil-saving and money-saving truck. High-tech raises the price and the cost of a logistics company. High-horse power means money-consuming for the driver. Neither is wanted.

Second, interviews were taken among the management level inside Sichuan Hyundai in order to identify possible problems. It turns out that Chuang-hu has a very reputation among drivers, due to its vulnerability. One of the most frequently broken parts is the truck's wheel. Chuang-hu has been equipped with advanced technology called "uni-pack bearing" in its wheels, which does not need to recharge the lubricant oil inside it. However, Chinese domestic trucks do not have such bearing and the lubricant oil needs to be recharged every 30,000 to 40,000 kilometers. Without recharging it, the risks of accidents will increase largely and this is extremely dangerous. Despite the explanation to the drivers that there is no need to recharge the lubricant oil to Chuang-hu, the Chinese drivers feel extremely uneasy and they insist the service center to recharge the oil in the wheels anyway. The oil turns out to be the reason of breakdown and once the oil is added to the wheels, the wheels will be no use in a few weeks.

Figure 2. Evidence of Recharge oil in bearing

This is a classic design thinking case. What makes the Chinese consumers recharge the oil is their cultural habits and their psychological unease. Explanation from the service center as well as the sales person is apparently not strong enough to take over the habit. A high tech product turns out to be a dangerous breakdown. This is empathy --- "standing in the shoes of others" [23]. And this is perhaps the most important distinction between academic thinking and design thinking. Tim Brown believes that it is through empathy, one can see, feel and understand the world through the customers' experience. Feel how they feel, understand what they think. In Sichuan Hyundai's case, the product should not be evaluated and tested, designed from an expert's point of view, nor from the Korean consumer's point of view, but from the Chinese consumer's. Just like the



Sichuan Hyundai – Chuanghu Front Wheel
[Unipcak Bearing]



Dong-feng – Front Wheel
[Lubricant oil change Bearing]



Evidence of recharge oil [using other brand oil]



[Unipcak Bearing]

CEO of P&G (A.G Lafley), he even chatted through a translator with rural Chinese women washing clothes in a river, in order to find out what kind of detergent she prefer to use. After all, they are all consumers [23].

Solution:

It is truly a regret that although Sichuan Hyundai is fully aware of the problems mentioned above, effective measures have not been taken so far. The wheel's oil problems still bring dozens of broken wheels every month back to the company for further repair. However, once the uni-pack bearing is damaged, the whole wheel should be replaced. This costs much more expensive repair fee and at the same time causes irretrievable damage to the brand's image. Every time the problem was reported back to the Korean headquarters, it got sent back, with the reason that this is not a design problem, neither a quality problem. The company did not show any willingness to stand in the shoes of the Chinese consumers. Instead, Hyundai seems to be waiting for the Chinese customers to change --- to learn some reasons and to change into rational decision makers. Unfortunately, this is not how the market works. If you do not change for your customer, your customer will eliminate you from this market.

A possible solution is to take the 3 phrases mentioned by Tim Brown in his book [23]: insight, observation

and empathy. Insight is one of the key sources of design thinking and it does not usually come from reams of quantitative data that measure exactly what we already have and tell us what we already know. Instead of indulging in data and reports from the past, spend time one on one with real users, potential buyers to better understand their needs and their thoughts, and over time, try to get insights from it. Insight makes the problem show. And then actions should be taken to adjust the users' demands. Face the oil problem and do not be afraid to take responsibilities. Develop a new model for the China market, test it in China and improve it again. Test and improve and until it develops into an algorithm. It is through such repetitive process that a company will be able to finally stand in the shoes of the consumers.

4.2 Contents Marketing Problem and Storytelling

Culture plays a crucial role in marketing in any country in the world. Chinese culture is unique and Chinese people believe themselves are unique in the world. Nowadays is the era that consumers are able to personalize the products they want and therefore the special bond created between the product and the consumer is crucial. It makes the consumer feel special and elevated the experience. As a Korean brand, Hyundai does not have the elegant and classic image of German brands, neither have the practical and popular image of American brands. Hyundai has to have some special merits to attract the Chinese consumers.

First, in brand marketing of Sichuan Hyundai's Chuang-hu, a better approach is to make a touching story in the advertisement, which will be able to reach the Chinese consumers in an emotional and experiential way. When launching the new Chuang-hu in China, the Chinese version of the ads was largely based on the original Korean version without many changes. This can be seen as a serious neglect for the targeting market's characteristics.

The new version of Chuang-hu was released in 2017, simply added a father-son story to the original one: a son is playing his Chuang-hu toy while waiting for his father, also a Chuang-hu driver to come back home. And the beginning part of the ads was still the same.

It seems that the new ad tries to focus on the family aspect, by vaguely implying that the Hyundai truck provides a good shelter for the father so that his son need not to worry about. There might be a faint suggestion that Chuang-hu makes the family's happy ending possible. However, the bond between the story and the Hyundai truck is so weak and slim that it hardly arouses any empathy among the audience. A father-son storyline is a universal theme for almost any product and thus it fails to emphasize any of the strong selling points of the truck on the one hand. And on the other hand, this story simply does not have any Chinese feature at all. If the audience cannot feel the Chinese taste in the ad, it is very hard for them to relate themselves with this brand, with this truck. A story with dense Chinese color should be created, just like the advertisement of Didi. Didi is a major Chinese ride-sharing service company. The company has released a series of advertisement to assure the users of its safety and privacy protecting. Didi adopts the Chinese style blind date storyline to make a humorous analogy between the screening system of taxi drivers and son-in-law. The ads were a huge success and made deep impression in people's mind.

Solution:

Storytelling can be used as a very powerful way to build a strong brand. Tim Brown wrote in his book that "mostly we rely on stories to put our ideas into context and give them meaning. It should be no surprise, then, that the human capacity for storytelling plays an important role in the intrinsically human-centered approach to problem solving, design thinking [23]. "At the heart of any good story is a central narrative about the way an idea satisfies a need in some powerful way [23]"

The story should be a meaningful story especially for the Chinese and it has to be told in a compelling way that once watching it, it will never be forgotten. To make such a story needs to look the Chinese market's needs in the era of "Realize the Chinese Dream". With the proposal of "One Belt One Road" in the worldwide scope and the "Internet +" at home, the story should put emphasize on the personalized "China Dream". Instead of going for the conventional advertisement of a vehicle speeding through mountains and forests, feeling comfortable and warm when staying inside the Chuang-hu, the story should starts from the Chinese people's point of view, using their traditions and cultures to create an intense empathy: with this truck, I might realize my dream. That might be to earn a great amount of money, or be able to send his son to go to a nicer middle

school, or be able to afford a house in a city. Create a concrete detail of the Chinese dream and color it with the Chinese tradition. The ads will be much more appealing.

4.3 Cultural Marketing And Color

Chinese people are so obsessed with red. The most significant symbolic meaning of red is happiness [36]. It is a tradition for a bride to wear traditional red Qi-pao or even wedding dress in a wedding. There are also red socks, underwear, shoes and purse. People believe that red has the power to call for good luck. For driving, drivers tend to tie a red ribbon on one side of the back mirror or on the engine machine, with the belief that this can protect them from all the bad luck [36]. In recent years, main international luxury brands, such as LV, Chanel, Lanvin and so on, have all launched their first red series for their products, specifically in order to satisfy the Chinese clients, due to their unlimited purchasing power [37].

PPG has been releasing reports on the global automotive color trends annually, based on Model Year vehicle build data [38]. Although there are minor differences in different regions all over the world, according to the report, the most favorable color for passenger vehicles is white. In Asia, the percentage of white even took up 47% and black ranked as the second popular color. For year 2017, the trend was the same, only with minor percentage changes. However, red reversed the ranking as number one when it comes to the most popular color for heavy trucks in China. Although there are some differences for different brands, red is the dominant color. In western countries, red is usually related to meanings of energetic, aggressive, attention grabbing, and sometimes danger. However in China, red is endowed with some magic power and beliefs, due to Chinese culture.

Figure 3 shows the global color trend for passenger vehicles and Figure 4 is the color trend in China. It is easy to see the consistency of these two charts: white color ranks number one in both trends, with black as the second place. However, red took the third position in China market while for global market, silver ranks number three.



(Source: PPG Color Report)

Figure 3: The Global Color Trend for Vehicles in 2016

Figure 4: The Global Color Popularity for Vehicles in 2017

However, the picture is drastically different when considering the heavy-duty truck market. Red takes the unquestionable dominant position, among all brands. A simple explanation can be the Chinese' obvious preference for red, as it is a symbol of lucky, which means drivers are able to have the luck of avoiding unexpected accidents or car crashes. As red also symbolizes fortune, which suggests drivers are going to be able to earn a big fortune by such trucks. One more explanation is that red is also the color of warning and alert and it is eye-catching. To paint the trucks in red is a method to warn other vehicles and pedestrians to be careful while seeing it. No matter which explanation you prefer, it will not change the fact that red is the dominant color of heavy-duty trucks.

Solution: Red Festival and Promotion

Respect this very important culture uniqueness and try to make use of it. Instead of insisting using silver as the main color of Chuang-hu, work with the color designers to produce a beautiful red one. This is a very

intuitive way to show how well the Chinese culture is being respected and understood, as well as a way to win the customers back.

4.4 Bridgers and Culture Understanding Inside the Company

While international companies entering into new emerging markets, especially markets like China, India, unexpected problems and situations happen. New market means potential opportunities for business, but on the other hand also means risks and problems. When facing different cultural collisions and different customers, a traditional overseas manager tends to look at things from the home-office perspective, which only leads to reliability [39].

For Sichuan Hyundai's case, it seems to be worse. As a joint venture, management personnel of high rank are all working with a partner from the other country. Every decision takes a two person's common understanding and collaboration. Unfortunately, only few Korean can speak a limited Chinese and interpreters carried out most of the business communication between Chinese partner and Korean partner. Interpreters are not employed as long-term stable staffs of the company and most of them are university undergraduates who just came out of school. First problem is messages get lost or twisted during interpretation. According to the inside group interviews[17], such communication method is of very low effectiveness and 40% led to argument and misunderstanding directly. Second, lack of social experience is the biggest disadvantage of newly graduates. College undergraduates are inexperienced and basically know nothing about the auto industry. Short-term employment discourage them to take responsibilities and also increase the mobility. All these add to the psychological distance between Chinese partner and Korean partner.

Solution: Bridgers

Therefore, bridgers become very essential and important. Bridgers refer to those people who can act as a bridge between the headquarter and the new market [39]. They truly understand the local market and have rich experience in the company or industry. They are usually senior managers and they "rely heavily on their deep knowledge of their companies' competitive advantages, history and business models" [39]. Such kind of edge enables them being very responsive, getting insights and ideas very quick and accurate. They are capable of generating new ideas and then testing the ideas so they can take them back to headquarters.

To work as an overseas manager, to have a bridger is crucial and sometimes it is the best way to let the bridger be the overseas manager [39]. For a joint venture such as Sichuan Hyundai in China, the management level is composed of people both from South Korea and China. How to communicate well and effective is very important and cannot be overlooked easily. Instead of hiring new graduates straight out of college as interpreters, who usually work for one or two years to quit the job, bridgers need to get into the company in order to coordinate the work effectively. They are capable of bonding up the employees from both countries, instead of segregate them from each other. Once there is a better and efficient communication inside the company, better understanding and also better cooperation can be achieved.

With deep understanding of the cultural differences and a good master of the local language, bridgers are able to help identify other cultural problems, issues, misunderstandings and help propose a possible solution to be tested.

5. CONCLUSION

As an international company in the automotive industry for years, Sichuan Hyundai is in a serious difficult situation in China now. With huge investment and great ambition to conquer the Chinese market, successive setbacks have put the company in jeopardy. Design thinking, emphasizing "user-driven innovation" [40] can help to look for effective and possible solutions from a very strong and effective perspective.

Heavily rely on the analytical thinking resulted in a reliability bias for the company. By adopting the intuitive thinking, problems of Sichuan Hyundai have been identified and analyzed. This also shows how important it is to acquire a better and deeper understanding of the uniqueness of Chinese culture. Four problems are mainly discussed in the paper and solutions are also provided after each problem. Design thinking hopefully will be able to help Sichuan Hyundai to conquer the present difficult situation and also to drive it to a better

development in the future.

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