

Challenges in international business

Business



GunungRapatHiongPiahSdn. Bhd. (579801-M) PHYSICAL CHALLENGES Since the Gunung Rapat Hiong Piah Sdn. Bhd. is responsible for the food manufacturing, wholesale distribution, and export of Yee Hup products, it is facing physical challenges in international business on products, workforce and even physical distribution challenges. For the products challenge, it may face the problem on warranty since there are no warranty available for this products.

Everyone is know about the Yee Hup is a local business in Malaysia and it needs to spend certain of time to export such products to oversea such as Southeast Asia, Oceania, Middle East, Eastern Asia and Western Europe. When the products are on the way shipping to the particular country, it may has the probability to encounter damage such as crushes because of the unpredictable cases and it is unrealized since the biscuits are packaging in a package, but even in a carton size.

The Yee Hup biscuits are selling to the customers without realized that the products are crushes and the customers are not available to get the warranty or compensation after they bought the products. It considered a challenge of this company because on the customers' perception, no warranty offered is bring the meaning that the company has no confident on their own products. Since the 'customers are always right', Yee Hup may lose the sales because of the products deficiency.

For the workforce challenge, although the company is almost full automated in the production process, skilled staffs are still needed. For example, retail assistants as Yee Hup required such retail assistant with previous retail

experience because the full training is not necessary will be provided. In this case, Yee Hup is facing the shortage of workforce although the labor market is enough large. Moreover, the number of R&D staff is merely less than five people. It becomes the stones in designing products since people are more pay attention in packaging nowadays.

And lastly is about the physical distribution challenge. It is talking about what transportation is using by the company to move a large volume of products to other countries. It simple means that handling, movement, and storage of goods from the point of origin to the point of consumption or use, via various channels of distribution. Since one of the responsibility of Gunung Rapat Hiong Piah Sdn. Bhd. is wholesales distribution and export of Yee Hup products, if the products failure to reach the destination within a fixed time, the company have to be blamed for it.

SOCIAL CHALLENGES How Yee Hup going to expand its target market consider as a social challenge. For example, age and gender. Since 'Hiong Piah' is a famous products of Yee Hup with a long established reputation, majority of youth in local still do not know on this famous products, even though in global market. Yee Hup has to solve the problem on difference age group. How Yee Hup is going to change the youth customers' perception since they feel that 'Hiong Piah' is traditional Chinese snacks, no tasty and the outlooks are not attractive?

For the old generation, how Yee Hup is going to attract them to buy such sticky products? **COMPETITIVE CHALLENGES** Khong Guan and Mr. Christie are the main competitors to Yee Hup. Khong Guan is one of the most well known

Malaysian cookie brand in Canada. The Khong Guan organization is from South East Asia and exports its cookies around the world. Khong Guan manufactures a wide range of cookies and as a result its products have become a popular demand in supermarkets.

Khong Guan would pose a risk to Yee Hup's product lines because Khong Guan is a well established brand which means they have established a mass market clientele. Mr. Christie is a well known Western brand in Canada which poses a risk to Yee Hup's product lines. Many customers might consider eating a Western cookie rather than an Asian cookie since some consumers are not familiar with this type of product and might be hesitant to try something new. This could lead to less sales of the product.