

Analysis of the Success Factors of Peking as a Location

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Abstract. Beijing, as the capital of China, is not only the political centre of the country, but also an important window for international exchanges. The paper takes Beijing as the target city and uses Beijing's success factors to provide a reference for the development of other surrounding cities. And at the same time, Beijing's development will also drive the development of the surrounding cities, forming an economic circle centred on Beijing, which will be more conducive to promoting the synergistic development of the entire region and achieving a win-win situation.

Keywords: Development of Peking, success factors, city planning.

1. Introduction

1.1. Problem definition

Beijing, the capital of the People's Republic of China, is not only the political centre of the country, but also a cultural, scientific and educational centre as well as an important transport hub. This seminar paper analyses critical success factors of Beijing as a location.

In the current context of globalisation and urbanisation, the study of Beijing's success factors is of great practical importance and theoretical value. It can not only provide new ideas and directions for Beijing's own development, but also provide successful experiences for other cities to learn from and promote the common development of global cities. In addition, this study can help enrich and improve the theoretical system of urban development and provide new perspectives and ideas for future urban research.

1.2. Objective

The aim of this seminar paper is to comprehensively elaborate Beijing's success factors and analyse from various aspects why Beijing has achieved such outstanding results. This will not only help us to better understand Beijing's development history, but also provide lessons and inspiration for other cities to learn from. At the same time, through an in-depth study of Beijing's success factors, we can also further explore the general laws and characteristics of urban development and provide theoretical support and practical guidance for future urban planning and management.

1.3. Structure of the work

The first chapter of this seminar paper consists of three subsections. The problem definition serves as an introduction and roughly describes the background to the seminar paper and the topics and content to be analysed. The objective describes the development goals of the city of Beijing.

The second chapter comprises the theoretical part, which is divided into two subsections, namely 2.1 and 2.2. Chapter 2.1 shows the concepts of PEST analysis. Chapter 2.2 provides information on the correct influencing factors, namely political influencing factors, economic influencing factors, socio-cultural influencing factors and technical influencing factors.

The third chapter deals with the specific effects of these four factors on Beijing's development. From specific analyses, it can be concluded that Beijing's development is due to a number of factors.

In order to maintain Beijing's long-term competitiveness, it is important for people to understand the difficulties and development potential at this stage of Beijing's development. The fourth chapter describes the specific problems of Beijing's current development and the prospects for the city's future development.

The fifth chapter 5 is summary. Chapter five illustrates the reasons why other cities should benefit from Beijing's experience.

2. Theoretical basics

2.1. Terms of PEST—Analyse

The full name of PEST analysis is Political, Economic, Social, Technological. This seminar paper uses PEST analysis to answer the three research questions above. PEST analysis is a tool that can be used to identify and subsequently analyse the success factors of Beijing and the success factors and opportunity of Beijing. This makes it easy to explain the success factors of Beijing.

2.2. Specific influencing factors

The four different external factors are namely political influencing factors, economic influencing factors socio-cultural influencing factors and technological influencing factors. A combination of factors has contributed to Beijing's success.

2.2.1 Political influencing factors

Political influencing factors refer to decisions and measures taken by the government or the state that can have a direct impact on the city. The following political factors can be relevant: legislation, foreign policy, stability of the political system.

2.2.2 Economic influencing factors

The economic factors relate to economic conditions and trends. Examples are: GDP (Nominal GDP equals the sum of all final goods sold, valued at current or current prices), the interest rate level, the economic growth of the city, per capita income in the cities, purchasing power, employment.

2.2.3 Socio-cultural influencing factors

Socio-cultural factors refer to the social and cultural trends, values and norms that influence people's behaviour. These are for example: values, attitudes, religion, language, education. [1]. (Andrea, Hausmann; Müller, Andrea, Basics der Existenzgründung. 2020, p. 29.)

2.2.4 Technical influencing factors

Technological influencing factors relate to the development and availability of technologies. They can influence the way in which cities operate. Examples of this are innovation, research funding, communication technology Information and communication technology (ICT) is the use of computer and telecommunication technologies, systems and tools to facilitate the way information is created, collected, processed, transmitted and stored, infrastructure. [2]. (Sina Kristin, Unger, Konsumentennutzen und Heterogenität München, 2017, p. 49.)

3. Analysing the success factors of Beijing

3.1. Analysing the political success factors of Beijing

The success factors of Beijing as a business location are the causes of Beijing's sustainable success. The first main factors are political factors. Without a careful analysis of the political system, a sound understanding of China's rise is hardly possible. Beijing is both the capital of China and the political centre of China. The city of Beijing plays a crucial role in China's political system. China's political system consists of three central pillars: the party, the state and the military. The party is closely interwoven with both the state and the military. The most important party functionaries usually also hold an office in the state or government. Party and state are structured as mirror images. The political leadership role of the Communist Party, the central government's extensive powers of intervention over regional leaders, the concentration of powers (in contrast to the separation of powers and

reciprocal control between the executive, legislative and judiciary in democratic constitutional states) and the subordination of individual rights to collective interests are still core principles of the PRC's constitutional order today. China's political system can contribute to ensuring the stability of the city.

3.2. Analyse the technical success factors of Beijing

The biggest advantage of Beijing is its people and science. There are more than 90 colleges and universities in Beijing, including Peking University, Tsinghua University and Renmin University of China, 120 State Key Laboratories, 1219 Scientific Research Institutes, 68 National Engineering Research Centres. These institutions have attracted a large number of top researchers from home and abroad. It can help promote innovation capability of Beijing city. Innovation is an important driver of progress and development. Without the innovation ability of Beijing city without the success of Beijing. The technological environment is changing rapidly and varies from city to city. This includes aspects of infrastructure such as energy supply. The city of Beijing is regarded as a leader in biofuels in China and is also working on the sustainable production of biofuels and renewable energy. "Sustainably produced biofuels play a relevant role in this and are often regarded as indispensable. Biofuels bring the city of Beijing not only ecological but also economic benefits, especially local jobs in the periphery". Renewable energy can make a significant contribution to climate protection. They also contribute to security of supply and the avoidance of conflicts over raw materials [3]. (Nino, Raddao, *Effizienzorientierter Kundenerfolg im Bankgeschäft mit Mittelstandskunden*, 2019, p. 134.) The basic principle of renewable energies is that, on the one hand, processes taking place in nature are utilised. On the other hand, electricity, heat and fuels are also generated from renewable raw materials. For Beijing in particular, new energies have changed the energy structure and led the economy from rapid development to high-quality development. In 2035, Beijing aims to play a decisive role in shaping the development of future technologies.

3.3. Analyse economic success factors

The third factors of Beijing are economic factors. Compared to Berlin, Beijing is not only the political city, but also the economic city. This means that the economic situation of China can be learnt through the city of Beijing. In order to explain the economic situation of Beijing and thus clearly analyse the economic success factors, the graph below is shown. The upper graph provides us with information about Beijing's GDP. Above, the number of Beijing's GDP increases from 35445.1 to 41045.6 to 43760.7. 'Beijing's large population means that the city has a large potential labour force. Therefore, the city of Beijing has no threat to the competitiveness of the economy and the prosperity enjoyed by the population today. Finally, by 2050, the centenary year of the founding of the People's Republic of China, general prosperity is expected to prevail. By then, the population of Beijing should have a per capita income on a par with that of cities in Western countries.' In the city of Beijing, there are many companies and businesses that have very clear and distinct sales communication strategies or principles, e.g. the iceberg principle (see Fig. 3.1). Through the principle or strategy, they know what the customer's (citizens of Beijing) needs are, how to succeed inside the customer's interests and with what machine equipment they can possibly solve his problems. As a seller, they meet the interests of customers, provide customers with great benefits (e.g. higher productivity, fast and safe processes), make an attractive offer as well as additional other measures (see Fig.3.2) to make customers feel positive about the purchase and their productivity in the sales process is high. For this reason, the demand of the urban population is continuously increasing and will increase the production volume. More demand means more production, in addition to which the GDP is continuously increasing from year to year.

3.4. Analyse cultural factors influencing Beijing

Cultural values are elements or beliefs that are common to a group of people. They determine the way in which the behaviour and decisions of individuals within the same group are guided and directed. They are symbols that, when unified, represent the totality of culture. [4]. (Robert Caspar,

Müller, Konsumentenbilder als Produktive Fiktionen, 2018, p. 66.) The cultural value of the city of Beijing is the result of a long development. Beijing has a very long and diverse history and culture, and many traditional Chinese cultures originated in Beijing, such as Peking Opera and Chinese paper cutting. This diversity makes the city of Beijing a fascinating place for history buffs and culture lovers. There are also many sights in Beijing, such as Tiananmen Square. When you see Tiananmen Square for the first time, you will be amazed by the grandeur of this time-honoured site. Mrs Müller has already said. 'Visitors can explore the historical sites and admire the city's modern landmarks at the same time. "As a result, the city of Beijing is developing its specialised features or symbols and attracting more and more people to visit Beijing. As a result, the city of Beijing is developing its specialised characteristics or symbols and attracting more and more people to visit Beijing. 'Language is also an aspect of cultural success factors. Language in the world of advertising is one of the best ways to demonstrate the cultural values of a group.'" The more languages the city's residents speak, the better they can communicate with people from other cultures. According to data from the Federal Statistical Office, it is most important to 'speak two languages'. It increases the internationality and integration of Beijing culture. These two reasons are the cultural success factors of Beijing.

4. Practical example-Xiaomi Corporation

4.1. Presentation of Xiaomi Corporation

Due to the success of Beijing, many companies choose to locate in Beijing, for example Baidu Corporation, Lenovo Corporation, Xiaomi Corporation and Jing Dong Corporation. The following is an example of Xiaomi Corporation's willingness to choose Beijing for development, using the PEST analysis method, Xiaomi Corporation is a consumer electronics and intelligent manufacturing company whose core business is smartphones and intelligent hardware connected through an IoT platform'. Xiaomi Corporation refers to the city of Beijing because of political success factors, economic success factors, socio-cultural influence factors.

4.2. PEST-analyse of Xiaomi Corporation

China's political system guarantees the stability and security of Beijing's development, so the political risk in Beijing is low and the domestic environment for Beijing's development is stable. Because of China's international status, there are more and more foreign companies that want to cooperate with Xiaomi Corporation. But Beijing has specific political regulations and laws that can affect foreign investment and business. The latest figures speak for themselves: the slump in China's foreign trade continues unabated. In the future, Xiaomi Corporation can continue to optimise the environment for foreign investment.

Beijing is not only the political city but also the economic city. The purchasing power in Beijing is very high. Per capita income and GDP are growing steadily and promise to be high from an economic point of view. Per capita income means the purchasing power of the population. Xiaomi Group's sales in Beijing are much higher than other regions because per capita wages in the city are higher, which translates into higher purchasing power. It can help to produce and sell Xiaomi's mobile phone, tablets and other smart home products sustainably and adjust Xiaomi's pricing policy. In addition to the product and its utility value, price is an important purchase decision criterion for customers and a competitive weapon of outstanding importance [5]. (Theisen, Manuel R., Wissenschaftliches Arbeiten, 2013, p. 276.) The importance of price as a marketing tool has increased significantly in recent years due to increasing market saturation, a convergence of qualities, seller internationalisation and better market transparency, not least due to the internet. Xiaomi Corporation analyses Beijing's per-income data from the Internet to identify customer segments with different levels of willingness to pay, because market segmentation is a prerequisite.

New technological developments and innovations can change existing business models and create new opportunities for products and services. Xiaomi Corporation utilises Beijing's talents to promote Xiaomi's innovation capability. There are numerous universities and technical institutions in Beijing

that help with product development and innovation. Xiaomi has repeatedly launched new products on the market in recent years. In doing so, Xiaomi Corporation is gaining an overview of potential customer needs. Xiaomi Corporation's products are updated quickly, which strengthens Xiaomi's competitiveness. These success factors are technical success factors of Xiaomi Corporation in Beijing.

Changes in consumer lifestyles and preferences can have an impact on product preferences and purchasing habits.' With the change of lifestyle, more and more consumers tend to buy smart home appliances, especially young people (average age 24 to 35 years old). From a social perspective, people may find that their customers are more likely to find out about brands via social media rather than using search engines (this applies to today's Generation Z). In the marketing landscape, Xiaomi Corporation, for example, identifies and sets Hub Spot as a competitor that they produce content to engage their audience, such as webinars, blogs, videos and podcasts. The number of students in Beijing is 98,240,000, so Xiaomi Corporation can get more audience from customers.

5. Summary

Through the 'PEST analysis' of the above points, we have simply clarified Beijing's success factors and our prospects for the future.

Beijing is not only the capital of China, but also a cultural, scientific and educational centre and an important transportation hub.

However, Beijing's success has not been achieved in a short space of time. It took a long and tireless struggle by the people of Beijing. The development and success factors of the Chinese capital Beijing, from the impressive city to the Olympic Stadium, are a fascinating example of the transformation of a major city throughout history. Beijing shows the world the wisdom and power of China and becomes a good example for the development of other cities.

References

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