

JYVÄSKYLÄ STUDIES IN COMMUNICATION 13

Zhenyi Li

Cultural Impact on  
International Branding

A Case of Marketing Finnish  
Mobile Phones in China

Esitetään Jyväskylän yliopiston humanistisen tiedekunnan suostumuksella  
julkisesti tarkastettavaksi yliopiston vanhassa juhlasalissa (S212)  
helmikuun 17. päivänä 2001 klo 12.

Academic dissertation to be publicly discussed, by permission of  
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JYVÄSKYLÄN | YLIOPISTO

JYVÄSKYLÄ 2001

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Publishing Unit, University Library of Jyväskylä

URN:ISBN:9513911713

ISBN 951-39-1171-3 (PDF)

ISBN 951-39-0754-6 (nid.)

ISSN 1238-2183

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Jyväskylä University Printing House, Jyväskylä  
and ER-Paino Ky, Lievestuore 2001

## **ABSTRACT**

Li, Zhenyi

Cultural impact on international branding. A case of marketing Finnish mobile phones in China.

Jyväskylä: University of Jyväskylä 2001, 147 p.

(Jyväskylä Studies in Communication,

ISSN 1238-2183; 13)

ISBN 951-39-1171-3

Diss.

Branding as a kind of marketing communication for consumers aims to create an image by designing and promoting certain products or services, their brand names, and additional values. International branding is an example of interactive communication between marketers and consumers from different cultures.

The objective of the present study is to look at the impact of culture on international branding, that is, what kinds of cultural factors and the extent to which the marketer should take them into account, with particular reference to the case of a Finnish mobile phone marketer in China.

Based on the 3-layered and 2-way interactive communication model of branding, this study was designed to interview both the Finnish marketer and Chinese consumers in order to collect and analyze the branding conception and operation of the marketer, and responses to that branding by 100 Chinese in 5 Chinese cities.

It was found that the branding message and the expectations of the Chinese consumers did not meet each other owing to cultural differences. For example, the Finnish marketer added the value of "individualism" and carried it through into the product design, brand naming and translation, as well as the advertisements. However, the Chinese value shared by most interviewees, which can be described as "hierarchical harmonious collectivism with big power distance", was the opposite of "individualism" and affected their perceptions of the branding. The Chinese exhibited an obvious inclination to hide individual interests, to follow the mainstream, to respect authority and Western marketers, and to value interpersonal relationships as well as harmony between people and nature.

It was also found that the Chinese interviewees expected imported brands to bear foreign names and retain the foreignness. They did not think it was necessary for the translation of a foreign brand to adopt Chinese naming practices. This is another issue of cultural impact on international branding.

The key finding of the present study is that the Chinese did not respond positively to the branding of the Finnish marketer analyzed in this case due to different cultural values and practices. However, the impact of culture should not be exaggerated since many other marketing factors are influential in international branding as well.

**Key words:** Branding, Intercultural Communication, China, Finland, Collectivism, Individualism, International Marketing

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## ACKNOWLEDGMENTS

This dissertation is the result of a four-year personal development project: fanciful dreams and loneliness, thinking and reading, travelling and conducting fieldwork, writing and rewriting. Without the inspiring discussions I have enjoyed with numerous people, however, it would never have come about. I would like to give my warmest thanks to all of them in general, and to some of them in particular.

- To Professor Jaakko Lehtonen for his philosophical insights and for supervising this study.
- To Dr. Liisa Salo-Lee for her sincere, responsible, and patient guidance. Her academic contribution is crucial in planning, reconstructing, finishing, and polishing the dissertation.
- To Professor Ron Scollon and Professor Hans Gullestrup for their kind reading and comments on the manuscript.
- To Professor Aino Sallinen, Rector of the University of Jyväskylä, and Dr. Maija Kalin, Director of the Language Center of the University of Jyväskylä, for their kind support.
- To Professor Wenguo Pan, Professor Shen Xiaolong, Dr. Michael Berry, and Dr. Mikal Garant for their initial encouragement and help on my orientation and adaptation to Finnish academic settings.
- To Professor Hu Wenzhong and Dr. Pan Yuling for their valuable help and advice.
- To the Finnish Academy, CIMO (Centre for International Mobility), the anonymous corporation for whom this case study was undertaken, and their personnel, especially Mr. Arto Mäkelä, for their financial support.
- To the Department of Communication, the Language Centre, the Faculty of Humanities, the University of Jyväskylä, and the University Library and Press, for their financial, material, and spiritual support and awards, as well as providing me with a place to work, a peaceful atmosphere, stimulating discussions, computer connections, publication, and total independence when necessary.
- To the interviewees who gave freely of their time to assist in this research.
- To Mr. Michael Freeman and Ms. Ninna Noutajärvi, for their kind and careful proofreading.
- To Ms. Tuula Paukama, Mr. David Hoffman, Ms. Ulla Wang, Ms. Pia Polsa, my Finnish and Chinese friends, and all those who have helped me.

I would also like to remember Ms. Helvi Taponen for her kind help here. I wish she could be with me on this occasion, although she passed away in 1999.

In spite of the hard work involved, I have lived a satisfying life during the dissertation process. For this I am grateful to my dearest parents, Tihua Li and Jiabi Zhu, and parents-in-law, Fu Xie and Jubao Zhang, who have had to adjust to our long absences. Special thanks for these wonderful years belong to my wife, Qing XIE. I dedicate this thesis to her although she deserves much more. I love her and I am apologetic for my absence during the past three years. This is also my first gift to my child, who will be coming into this world right after the defense.

Zhenyi LI, Jyväskylä, January 2001

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# **1 INTRODUCTION**

## **1.1 The problem and the study objectives**

The initial objective of the present study was to work out a solution to a practical problem. A Finnish mobile phone manufacturer encountered marketing and sales difficulties in China during 1997 and 1998. In order to solve the problem, the company attempted to adjust their strategies on pricing and distribution in China. Meanwhile, they asked me to determine whether Chinese culture influenced their branding. By branding they meant all their marketing efforts, such as advertising and promotion, which aim to build up and maintain the image of their brand.

At the first glance, this problem did not seem to be a problem since culture had already been considered. The company sent the export manager to study Chinese language and culture for a year in Beijing. Subsequently, the export manager made several Chinese friends who were ready to consult him about Chinese culture. Some of their branding materials in China, for example, were specially created for Chinese consumers. Advertisements featured pictures of Chinese dragons, kites, the Great Wall, as well as Chinese idioms and proverbs.

It is true that culture was considered. However, culture might not have been seen from the right perspective. Dragons, kites, and the Great Wall are symbols of Chinese culture. How far do they work towards making a foreign brand known and liked in China? Will they help to improve sales? These issues might not have been comprehensively thought about. In other words, how to use culture for branding must be based on a thorough understanding the impact of culture on branding.

It is not an easy task to study and understand the impact of culture on branding. First of all, not many studies have been done on this issue. It is not a question of simply studying culture or branding. It is by its nature cross-disciplinarily. This means, secondly, that no ready-made methods exist, which can be used to design the study, conduct fieldwork, and analyze the results. Finally, few studies have been done on the differences and similarities of Chinese and Finnish cultures, and even fewer on branding Finnish products in China.

Therefore, the present study has one more objective. The primary goal was to solve the problem for the company in question. It is thus a case study with a practical commercial purpose. The second goal, due to the lack of relevant studies, is to explore, and hopefully to set up, a research model, which can be used in related studies. There are obvious needs for a model to check international branding efficiency. It is a broad field, but the main concern is simple: how can brand images in a different culture be effectively improved? In other words, what is the role of culture in international branding?

In sum, the main research question of the present study is:

- How does culture impact on international branding and what specifically are these impacts?

## **1.2 Organization of the study**

The present study has been organized, first with the aim of developing a theoretical framework with the help of previous studies and related literature and, secondly, to examine empirically one specific case. Chapter two centers on culture, and chapter three on branding in the framework of the present study. Chapter four presents the research questions and study design. Chapter five describes the implementation of the case study. Chapter six analyzes the data. Chapter seven discusses the results and implications for further research. The epilogue reflects on the case study as well as on many dynamic changes in China and the development of commercial exchanges between China and Finland during the years 1998 to 2000.

## 2 CULTURE

There are more than one hundred definitions of culture. These definitions form a culture by themselves. However, most of them either focus on the content of culture or on the function of culture. When scholars define culture by specifying “what culture is” or “what culture consists of”, they are focusing on the content of culture. A classic definition of culture by Kluckholm (1951, ref. Hofstede 1984:21) says:

*“culture consists of patterned ways of thinking, feeling and reacting, acquired mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historical derived and selected) ideas and especially their attached values”.*

The other side of the coin, the function of culture, or “what culture does”, has received less attention, although it could be even more crucial for intercultural communication.

Some researchers, for example Hoebel (1960:168), Terpsta and David (1991:3), argue that culture, no matter how one classifies it, means shared symbols for convenient communication.

*“It is this shared aspect that enables communication between individuals within that culture. Cross-cultural communication is so difficult, in large part, because of the lack of shared symbols.” (Mueller 1996:87)*

Mueller does not define culture. However, she recognizes the issue at stake and emphasizes the function of culture, particularly, in cross-cultural communication. Rice, a researcher on consumer behavior and marketing, defines culture from its functional perspective:

*“the values, attitudes, beliefs, artifacts and other meaningful symbols represented in the pattern of life adopted by people that help them interpret, evaluate and communicate as members of a society” (Rice 1993:242-253).*

Hence culture can be viewed as a means through which people communicate. When one looks at culture as a whole, one is focusing on the content of culture. By arguing culture as communication, one is stressing the function of culture – content and function are two sides of the same coin. Some researchers emphasize the two characteristics at the same time: “culture is a complex whole of values, beliefs, behaviors of a group of interacting people.” (Bennett and Bennett 1999:5, underlined by the author) Cultures can be compared to computers: there are different types owing to the differences in format among them. They may be compatible or not, they may use different software or programs for word processing, and some of them may process data faster than others do. However, their function remains the same – information processing. Accordingly, the function of culture remains the same – to serve as a framework for communication. In this view, Hofstede (1991:3) defines culture as “the collective mental programming of people in an environment”.

Culture is how we communicate. This may not be a revolutionary discovery, but it widens the perspective of the present study. Particularly, it emphasizes the deep interrelationship between culture and communication and helps us to understand the reasons behind intercultural misunderstandings: one cannot communicate without understanding the cultural meaning, that is, without sharing the content of culture. Take the example of Wittgenstein:

*In a conversation: One person throws a ball; the other does not know: whether he is supposed to throw it back, or throw it to a third person, or leave it on the ground, or pick it up and put it in his pocket, etc. (Wittgenstein 1948[1980]:74e)*

The situation in international advertising resembles this. The marketer throws a “ball”, i.e., sends a message about his brand via advertising. If the message is not comprehensible to the receiver, that is, a potential consumer, he or she may ignore the message, pass it on to a third person, or put aside in his memory. None of these reactions were what the marketer wanted. Humorous advertisements, for example, are not understood by all people, even when they speak the same language (Firth and Wesson 1991); or are look at the same picture (Puohiniemi 1998); let alone when they are in an intercultural setting (Zhang 1996).

Wittgenstein alludes to culture and communication in his philosophical metaphor. The metaphor is interesting because it implies that our culture limits our ability to communicate with “foreign” groups.

*If I say that my book is meant for only a small circle of people (if it can be called a circle), I do not mean that I believe this circle to be the elite of mankind; but it does comprise those to whom I turn (not because they are better or worse than others but) because they form my cultural milieu, my fellow citizens as it were, in contrast to the rest who are foreign to me. (Wittgenstein 1931[1980]:10e)*

To emphasize the function of culture does not mean that we neglect the content of culture. On the contrary, one needs to pay appropriate attention to content when discussing the concept of culture. There are several reasons for doing so. First of all, one has to know what culture is when talking about what culture does. Secondly, one is only able to classify cultures on the basis of content because all cultures act as a framework for communication even though they have different content. Mooij vividly illustrates how culture drives “how we communicate and what we communicate” (1998:91):

*“when developing messages, our automatic pilot takes over: We produce, create, and send what fits our own patterns of learning and our own pictorial conventions, our own language, our own vocabulary. This is often done irrespective of the vocabulary of the receivers of our messages, who do not belong to our own culture” (1998:91).*

Then, what are the contents of culture? How can different cultures be distinguished according to their contents?

Looking into culture, some scholars share the idea that culture consists of two components, one visible and one invisible. The visible component comprises items such as behavior and products, while the invisible component has essentials like value and norm. The two parts influence each other. On the one hand, a product may alter customs or values. Electronic postcards on the Internet, for example, may change the tradition of sending postcards during the Christmas season, and people start to accept not-printed-and-posted non-paper greetings. It becomes a new norm. On the other hand, values exert a powerful influence over people’s daily life. Many Chinese symbols, such as the crane, pine tree, bat, carp, plum tree and flower, and lotus root, leaf, and flower, just to name a few, have been valued for centuries because they all represent positive values like fortune, happiness, purity, and longevity. On the other hand, some products or services may not gain acceptance just because they are against people’s values. Some churches, for example, do not accept contraception.

Culture, viewed as a complex whole, might not be satisfactory for a particular research purpose. Therefore, researchers specify culture in different ways, such as “industrial culture”, “business culture”, “professional culture”, and “organizational culture” in order to gain more insights and reveal more knowledge (e.g., Holstius 1990, Kuada and Gullestrup 1999).

In thinking about classifying cultures, a few useful ideas might help us to understand the limitations of particular classifications. Different groups have different cultures. A group may consist of two or three people, or millions of people. It depends on how one classifies the group. The group may live in the same place. It is also possible that they reside far away from each other. The group of people may be living at the same time, or in different centuries. Therefore, time and space, the two essentials of geography, are not reliable criteria. National boundaries are changing all the time. Inter-ethnic marriages take place here and there. Languages are changing, influencing each other, and even disappearing. The Internet links many people from different countries and

provides the foundation for the so-called E-community or virtual world over conventional time and space dimensions.

It is important to point out that all classifications of cultures are relative. It is hardly possible, for example, to give a safe description of what a “national culture” consists of. A nation is defined according to geographical, political, ethnic, or linguistic criteria. Usually, the definition of a national culture is based on two or three of these criteria. However, none of them are one hundred percent complete. For example, we might take a closer look at the concept of Chinese culture, which is relative as well.

What is Chinese culture? The literal answer is the culture that is shared by the Chinese. Who are the Chinese people? They cannot be simply defined as those people who speak the Chinese language, because many Westerners are also able to speak that language. In addition, besides Mandarin Chinese, the common spoken Chinese, there are hundreds of dialects, which may have distinctively different pronunciations, or even have remarkably different grammars and vocabulary. To argue that the people who live in China share the Chinese culture, it is not a safe approach either. Millions of overseas Chinese feel that they continue to share the Chinese culture. Furthermore, the geographical borders of China have undergone changes on many occasions. Using political and geographical criteria, therefore, is not appropriate either. The difficulty in answering the question indicates the complexity and limitations of classifications of cultures.

At the same time, it is obvious that some members of a culture may not totally agree with its dominant cultural values while some outsiders find them perfectly acceptable. Chinese, for example, has promoted the value of the family for centuries. This does not mean that all Chinese people share this value in exactly the same way. There are individual varieties, which may be totally different between generations or across regions. Some Westerners, on the other side, have learned about this value, esteemed it, and adopted it. Such dynamic phenomena do not change the core of Chinese culture but rather indicate its complexity. In fact, nearly all cultures face individual diversity and inter-cultural influences. That is a fact of culture.

The classification of cultures, then, has its limit. Nevertheless, everyone will acknowledge that there exists a culture that can be called “Chinese”. It may not be easy to define it by geographical, political, ethnic, or linguistic criteria. It is, however, represented by a number of core facts: typical Chinese symbols, behaviors and values. They make it possible to differentiate “Chinese culture” from other cultures. Hu and Grove (1999:5-8) list the three fundamental values of the Chinese: collectivism, large power distance, and intra-group harmony. They argue that these values are so typically “Chinese” that all American business people should know them before their first contact with China. These three values are distinctive to differentiate Chinese culture from the other cultures in the world.

It is the same complex to define “Western culture”. The west in this context, of course, is not simply a compass point. The concept refers to the



developed countries, most of them are located in Europe and North America, except for Japan. However, there is no the West Pole. It has merely become conventionally accepted that Europe and North America is the West. In this situation, the terms “Western culture” and “Chinese culture” are perhaps the best choice of a working definition among the options available to overcome the problem of the classification of cultures.

Culture is not static. Symbols, materials, and values are constantly in flux. To share something does not necessarily mean to keep everything unchanged. To share a culture means to share a way of communicating, co-operating, and co-existing. It is not to unify group members under a single banner. This is neither possible nor realistic. Scollon, in analyzing a road sign “at many different levels and in many different ways”, finds that:

*“People may be culturally very different from each other and yet share in the same reality set while others may share in the same culture but bring totally different interpretive frameworks to understanding any particular situation. For the field of intercultural communication to hold the respect of scholars and practitioners alike, it must continue to respect and acknowledge the great complexity of human communication.” (1999:50)*

Finally, the evolution of the concept of culture in China is a good example to illustrate: (a) how culture is shared; (b) how a shared culture serves the communication needs of a group of people; and (c) how “foreign” people can communicate with that group of people by learning or adapting aspects of the same culture, a single connotation or a whole pattern of cultural values.

In the Euro-Indian languages, the word “culture” originates from the Latin *cultura*, which is related to *cultus*, meaning “cult” or “worship”. Members of a cult believe in specific ways of doing things, and thus develop a culture that enshrines those beliefs. Culture is a sum of “knowledge, beliefs, art, morals, law, custom, and any other capabilities and habits acquired by individuals as members of a society” (Taylor 1871:1).

In Chinese, culture is *wenhua*<sup>1</sup> although *wenhua* did not mean “culture” until the twentieth century. *Wenhua* is a rather old word in Chinese and has meant “to civilize” since at least one thousand years before Christ. *Wen* is “written language”. *Wenhua* means, “to let people learn how to write” because the Chinese believe that people are civilized only after they are able to write, in particular, to write down their history. The Japanese learned the word “*wenhua*” and its meaning from the Chinese about one thousand years ago. At the beginning of the twentieth century, the Japanese translated the concept “culture” by the word “*wenhua*”. They thus gave a new meaning to this word that they had learned from the Chinese. Interestingly, the Chinese followed the Japanese and also translated “culture” into “*wenhua*”. Around the beginning of the twentieth century, *wenhua* started to adopt the connotations of the word “culture” used in the Euro-Indian languages. In contemporary Chinese, *wenhua*

---

<sup>1</sup> All Chinese characters are written on a separate sheet in Appendix 3. They cannot be added in the text for technical reasons. All phonetic spellings in Chinese are printed in italics.

usually means culture. Nowadays it seldom carries the old meaning of “to teach how to read and write”.

From the interesting historical evolution of the Chinese word “*wenhua*”, we can already see several crucial characteristics of culture. Firstly, culture is shared by a group of people. The Chinese did not share the same idea of “culture” with Westerners for a long time. Secondly, the concept of “culture” was developed for communication convenience. Thirdly, cultures in contact influence each other and, accordingly, are in a continuous process of flux. The shift from “*wenhua*” to “culture” is a good example.

### **3 BRANDING**

Branding, as a type of marketing communication, has received an increasing amount of attention in recent years. Nevertheless, the literature on the impact of culture on international branding is still quite scanty. Most of the work has been done on global branding ethics, political factors, and business regulation. Only a few studies have focused on international branding from an intercultural communication perspective. None research paper, so far as I know, has been published about Finnish branding in China.

In spite of the lack of investigation of the impact of culture on international branding, a sizable body of research exists on branding or advertising from the perspective of intercultural communication, and from the perspective of values. Intercultural communication researchers have paid attention to international branding as well.

What is branding? How is a study of branding to be approached? Previous studies have been in the nature of constructive explorations despite their defects. This chapter defines branding and outlines a practicable and viable approach.

#### **3.1 Branding: the definition**

Branding seems to be a concept patented by marketers. Surprisingly, marketers often do not give a clear definition of the concept. They just label as branding every effort to make a brand known and liked by consumers. On the other side, scholars have pointed to several characteristics of branding but few of them have given a precise definition of it.

A marketer, such as the Finnish company in the present study, usually has a branding program or plan. The branding program includes ideas to set up as well as to improve the image of the brand. Branding is a concept, which includes brand naming, packaging, advertising, and other sales promotion activities. Marketers often “define” branding as “what we do for the brand”, or “to make the brand known and liked” (see Christopher and McDonald 1995, Douglas and Craig 1983).

“Definitions” as such mean circular reasoning. “Branding is to make a brand known and liked.” Is it branding to create a brand or is there already a brand to start the process of branding? If the brand exists prior to branding, then the definition denies that creating a brand is also a part of branding. Branding, however, cannot start without a brand. Furthermore, such definitions do not tell us about the role of branding in the marketing mix. What are the differences between branding and other marketing activities? Is branding simply the sum total of brand naming, packaging, advertising, and promotion?

Scholars do not offer a precise definition of branding either. Some scholars adopt the same description as the marketers, or they simply use “branding” as a gerund of the verb “to brand”. Some others center on creating new terms such as “brand equity” (Aaker 1991). They discuss several characteristics of branding but do not define the concept. For many, branding is a set of associations (Mooij 1998:34-35, Christopher and McDonald 1995), a value adding process (Mooij 1998:116, McCracken 1986, 1988a, 1991, 1993), economic shortcuts (Aaker 1991, De Chernatony 1991, Appelbaum and Halliburton 1993), or public relations (Kitchen 1993, Korlet 1991).

It is, hence, necessary to review the concept of brand before giving any definition of branding.

### **3.1.1 Brand**

Branding is not simply the gerund of the verb “to brand”, but it derives from the word “brand”. A brand is an entity of name, term, sign, symbol, trademark<sup>2</sup>, logo, sound, color(s), or package and product design. For instance, McDonald’s Ronald McDonald [symbol], the Traveler Group’s umbrella [logo], and Microsoft’s starting melody [sound] are regarded as brands.

A brand was used to identify the goods or services of either one seller or a group of sellers, and to differentiate the goods or services of one seller from those of another (Mueller 1996:34). According to Aaker (1991:7-8), the traditional usage of a brand is:

---

<sup>2</sup> Trademark sometimes equals brand. In a restricted sense, however, trademark is “a brand or part of a brand that is given legal protection. Registering a trademark protects the seller’s exclusive rights to the use of that brand name. From the consumer’s perspective, trademarks help to identify the origin of the product and provide a guarantee of consistent quality.” (Mueller 1996:34)

- to identify the maker / producer
- to assure the customer, who the maker is, of the high-quality of the product
- to provide legal protection to the producer, e.g., prevent substitution by cheaper producers
- to capitalize a reputation for quality

While in modern society, a brand is used:

- to reduce the primacy of price on the purchase decision
- to change the bases of differentiation

Therefore, the role of brands was changed around the beginning of the twentieth century. Brands, which previously existed to identify the maker, to assure the customer about who the maker was and the high quality of the product, to provide legal protection to the producer, and to capitalize on quality reputation, turned towards reducing the primacy of price on the purchase decision (Aaker 1991:7-8). Some marketing researchers find that “a consumer who thus treats the brand name as a ‘chunk’ may ignore price or may simply assume that the price is reasonable and thereby lower price sensitivity” (Huber et al 1986:251). Scholars argue that in a brand, there are tangible issues as quality, function, features, and efficacy, and intangible ones like reputation, other users’ recommendation, and corporate image (Christopher and McDonald 1995:167-168). Branding increases consumer awareness and loyalty. Therefore, Appelbaum and Halliburton (1993) think a brand is an economic shortcut as well as a means of communication between consumers and marketers. Furthermore, advocates of branding studies (e.g., Christopher and McDonald 1995:171) claim that branded markets and products make greater profits than unbranded ones. Brands, therefore, are not only some words or graphics, but precious commodities (McCracken 1993). Brands play a crucial role in the exchange process between producers and consumers (Hankinson and Cowking 1993:5).

In a nutshell, the brand concept has become all-important. As McCracken has pointed out, “after all, it is the brand wins the consumer’s loyalty. Products change; they even disappear. Corporations are – especially at point of purchase – often vague, distant, changing things. What is constant and present in the consumer’s life is the brand” (1993:125). Stephen King of WPP Group, one of the largest advertising organizations in the world, states that “a product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless” (Aaker 1991:1). David Ogilvy, the founder of the Ogilvy and Mather advertising agency and “the father of the image school of advertising”, said, “a brand is the consumer’s idea of a product” (Blackston 1992:79).

In short, a brand is no longer only a mark to register the producer or seller, it is a trigger to win the market (Hankinson and Cowking 1993:4). A branded

market has higher competitive advantages and product or image differentiation, as Figure 3.1 indicates. A consumer tends to be confused by similar products. He or she usually does not see any differences among these products. In commodity markets, the crucial factors that may influence his or her purchase are likely to be price and quality. On the other side, a consumer often makes a decision according to brand when confronted by various brands. Familiar brands recall his or her previous experience, either satisfactory or not. He or she might be eager to try unfamiliar brands as well. In the branded markets, the decision to purchase depends on brand awareness, brand loyalty, and price. Brands stand for quality. They decrease the consumers' sensitivity to price differences as well. For example, if there are three bottles of mineral water, not labeled and branded, and packaged alike, the consumers have rather few clues to aid in differentiating them. If one of them is branded, it has greater competitive advantage since the differentiation in terms of product or brand image is higher. If they are all branded, even packed in containers of different shapes, they are competing in a branded market.

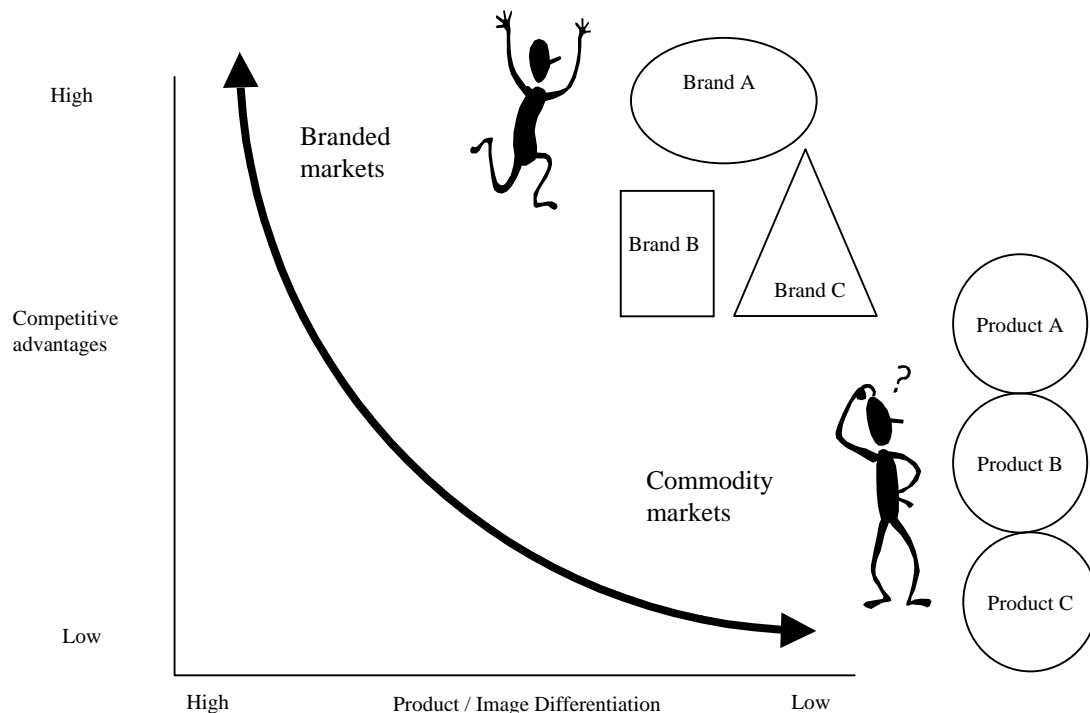


FIGURE 3.1 Branded markets versus commodity markets

Appelbaum and Halliburton (1993) conclude that brands are critical for three main reasons. Firstly, brands are used as economic factors; they enable a company willing to continually invest in them, to create and maintain a competitive advantage that is difficult to match by competition. Do people buy Coca-Cola rather than Pepsi-Cola because Coke contains 50% more cola berries, or because of the cumulative power of the imagery created through advertising? Secondly, brands are viewed as short cuts in information search and evaluation. Brands increase consumer loyalty. The purchasing risk any

consumer faces is reduced by the amount of trust the consumer has in a brand. Figure 3.1 shows how the consumer often finds it easier to differentiate products by brands. Brands also:

*“offer the consumer a means of minimizing information search and evaluation. Through seeing a brand name which has been supported by continual marketing activity, the consumer can use this as a rapid means of interrogating memory and if sufficient relevant information can be recalled, only minimal effort is needed to make a purchasing decision” (De Chernatony 1991:195).*

Thirdly, brands are a means of communication. Brands enable consumers to communicate something about themselves. The motivation to buy a Mercedes has less to do - outside Germany - with the reliability of the car than with the image the buyers want to convey. Because of the current European consumer trend toward individualism, brands become a useful means for the consumer to express his or her individuality.<sup>3</sup>

### **3.1.2 Branding as marketing communication**

Branding, which aims to build up a brand, is a category of marketing communication. In some occasions it is called brand management. The importance of branding has been recognized recently along with the global marketing trend. However, “the concept of brand management was created in the 1930s by Procter & Gamble, the giant Cincinnati soap and toiletries company.” (Christopher and McDonald 1995:205) The idea of brand management “has moved beyond” its origin (ibid.), with the modern development of branding and many related concepts, such as marketing communication. This “move” is also a result of the changes of marketing orientation.

There are three ways to look at marketing as: production-oriented, consumer-oriented, and brand-oriented (Norgan 1994:4-10).

Marketing is viewed as a sum of product, price, promotion, and place, referring to distribution. The marketer is often concerned these four P's. This production-oriented concept of marketing has remained dominant in the post industrialization era. To many marketers, branding is only to give names to products and register trademarks (Norgan 1994:4).

In the 1960s, the concept of marketing changed. Manufacturing and distribution were no longer the decisive factors in the market. The consumer became the key to profits seeking. The marketing objective was to satisfy consumer needs. Consumers were segmented according to their demographic or psycho-graphic data. Norgan (1994) terms this approach that consumer-oriented marketing.

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<sup>3</sup> In the present study, it was found that brands are also a means for by which some consumers can express their collectivism. See Chapter 7.

Around the same time, a product became weak in competition when it was not differentiated. The function of branding, as a consequence, underwent a shift and became a trigger in marketing. Brands were in need of additional values. “The marketing concept may also be viewed as the creation of added value to a product or service to differentiate it from the competition.” (Norgan 1994:4) In brand-oriented marketing, the focuses are on the communicative components of branding: message development, message transmission, and message reception. Message development includes the identification and utilization of culturally appropriate content. Message transmission refers to the selection of media to optimize the impact of the message. Message reception consists of listener interpretation and attendant behavioral responses. (See also Shuter 1989:401)

The differences between these three marketing perspectives can be summarized as follows: production-oriented marketing aims at pushing goods onto the market; consumer-oriented marketing aims at pulling buyers into the market; and brand-oriented marketing seeks to push goods and pull buyers with the help of branding. (See also Dahlman 1994)

Marketing communication, along with the evolution of marketing since the 1960s, has become a wider concept and includes packaging, pricing, promotion, advertising and so on (Shuter 1989:401). These elements are sometimes applied together, which creates what is termed “integrated marketing communications (IMC)”<sup>4</sup>. Sometimes they work individually, but most importantly, they have their own objectives and audiences.

The IMC strategies are related to but at the same time also different from branding. For example, branding, corporate communication, and PR are different. Branding focuses on the product or service brands of a corporation, while corporate communication and PR concentrate more on the image of the corporation. In some organizations, corporate communication is designed for internal uses, like corporate newsletters; while PR is for external purposes, such as media invitations, sponsorship, exhibitions, and road shows.<sup>5</sup> They overlap more with each other when the corporate provides branded services (e.g. UPS) or industrial products (e.g. ABB). Their objectives have less in common when the corporation provides consumer products: for example, Unilever has different ice-cream and detergent brands in different countries. In such cases the corporate communication manager has different objectives from those of the brand managers. Accordingly, their target audiences are different. Branding programs are designed for consumers or end-users. Corporate communication conveys the corporate image to a great number of communities, such as raw

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<sup>4</sup> The American Association of Advertising Agencies defines IMC as “a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g., general advertising, direct response, sales promotion and public relations – and combines these disciplines to provide clarity, consistency and maximum impact”.

<sup>5</sup> According to a private conversation with a PR officer in a Finnish forest industry company.



material providers, vendors, subcontractors, share holders, public authorities, and so on.

Sometimes, PR and marketing will have the same audiences. Kitchen (1993:53) gives the following example:

*“Various authors have pointed to the use of public relations for marketing purposes, or its relevance to marketing communication. While marketing and public relations have mulled over the parameters of their respective disciplines (i.e. marketing and PR), many organizations are moving towards a great integration and connection between the two disciplines. One recent examples of this integration was British Petroleum’s corporate advertising (1991) showing their involvement in bringing electricity and educational opportunities to Third World countries. This may seem to have little to do with the marketing of petroleum and oil until the purpose of such advertising is considered – this being to create the image of BP as a ‘warm caring company whose concerns extend beyond marketing’. The friendly warm imagery was further extended by promotional advertising of a more traditional nature depicting the ambience, goods obtainable, and benefits associated with BP petrol stations.”*

The audiences may be the same, but tasks or objectives are different as mentioned above. Branding takes care of the brand image and monitors it to ensure that it is conveyed and coded in these marketing instruments. Brand managers coordinate with other managers and outside agents – usually advertising and PR agents – to avoid misuses, such as self-contradiction, of the brand image. Brand managers usually consider, supervise, or decide pricing, packaging, promotion, advertising, distribution, product design, after-sales services, brand names, point-of-sale material, public relations (PR) and sponsorship (Christopher and McDonald 1995:176, Mooij 1998:16, Shuter 1989:401). However, branding is not a collection of marketing activities. Moreover, brand managers do not design the actual product or advertisement, nor do they distribute the products.

Figure 3.2 illustrates how pricing, distribution, corporate communication, and branding penetrate the consumers’ boundary in various degrees. The marketer and the consumer are the two parties in marketing communication. Their influence on each marketing communication activity will be different. The marketer controls the major part of manufacturing. The consumers express their power through brand loyalty. The marketer is the chief party who decides product design, price, and distribution. However, the marketer needs to take the consumers into account in activities like corporate communication, public relations, sponsorship, branding, advertising, and IMC. The figure is not intended to show the precise influence of each party. Its objective is to reveal the common phenomenon that both marketer and consumer influence branding and other marketing communication, but in varying degrees.

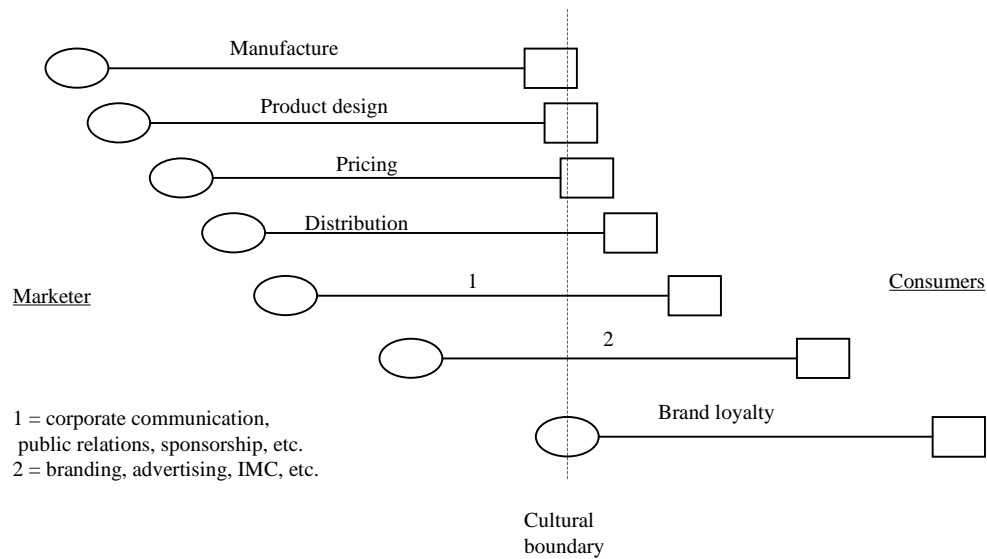


FIGURE 3.2 Branding and the other forms of marketing communication

To sum up, branding is viewed as communication. It crosses the cultural boundary between the marketer and consumer. Like other kinds of communication, branding consists of senders, channels, messages, and receivers. Marketers, as the senders in this communication, edit and send messages via different media to consumers for feedback. Consumers, as the receivers of this communication, perceive and decode those messages and react to them – sometimes simply by buying or not buying the product, sometimes by ascribing a higher reputation to the brand and buying when they can.

Due to different cultural backgrounds, it is often possible to generate misunderstandings in branding, as Figure 3.3 shows. Sometimes, simply by checking of feedback, such misunderstandings do not easily emerge. In Figure 3.3, the consumer answers “yes, I perceived a triangle” although it is totally different from the one that the marketer is sending to him or her. Without an in-depth exploration, the marketer cannot know about the misunderstanding and the reasons behind it.

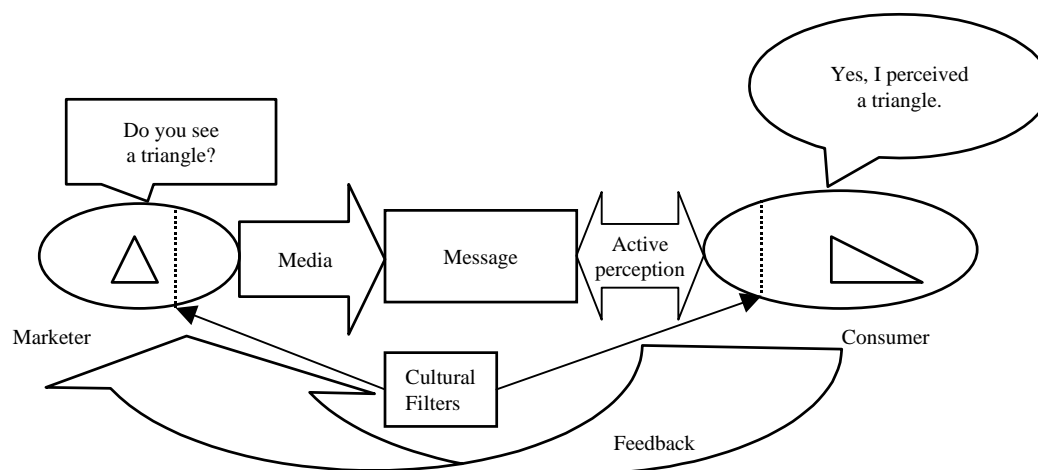


FIGURE 3.3 Branding is seen as communication and an example of less effective branding

### 3.1.3 Branding as value-adding marketing communication

Researchers in the field (e.g., McCracken 1993, Christopher and McDonald 1995) argue that brands are vested with cultural values. Advertising is one major means of conveying these values to consumers. Consumers may be led to seek certain brands and care about the added values of those brands. In other words, a positive perception helps to create a strong brand and increase brand awareness and loyalty. McCracken (1988) argues that consumers perceive the values “by using purchase and consumption rituals”. He also lists some of the cultural values that can be vested in a brand, such as notions of tradition, trustworthiness, excitement, love of country, authenticity, purity, family, and nature (McCracken 1988:83-88). Advertising content analysts agree that the cultural values are added through advertising messages which act “as powerful forces shaping consumers’ motivations, life-styles, and product choices” (Cheng and Schweitzer, 1996:28, also see Tse et al, 1989).

It is easy to accept the claim that there are cultural values in brands, and that sometimes it is these values that are the object of consumption. One reason why Japanese consumers are receptive to foreign brands is because foreignness is a value added into those brands. Scotch whisky, German beer, and American jeans are welcomed in Japan because they carry the images based on their countries-of-origin (Nishina 1990). The question, however, remains: should these values be the same across all marketplaces? In other words, should branding be identical in different countries? This question of global branding has been controversial for more than 30 years.

International marketing studies generally fall into two camps: globalization versus localization. From the viewpoint of intercultural communication studies there is only one answer: the time for globalization has not come yet. This is because marketing studies are intended more in the

various approaches to marketing, such as media planning and purchasing for advertisements, promotion seasons, and consumer segmentation, while culture and communication studies focus on cultural issues, such as the content of advertising. Hence, there are clear differences between these two perspectives even when they are discussing the same issue – global branding.

Let us look at opinions of the international marketing studies first. Advocates of globalization favor standardized branding where the strategies and meanings must be the same (e.g., Levitt 1983). Supporters of localization recommend specifically tailored branding with different meanings and strategies to suit different marketplaces (e.g., Mueller 1992, 1987, Cheng and Schweitzer 1996). In both cases, the focus is on whether approaches to promote a brand in different marketplaces should be the same or not. This is different from the intercultural communication perspective, as mentioned above.

The first school claims that consumers the world over have the same needs and desires, therefore universal appeals can be used to persuade them all. Furthermore, they point to the absolute benefits, like cost saving and unified images, which are attractive to business people. Levitt's article in 1983 can be viewed as a declaration of this school although it is in a tradition that can be dated back to the 1960s (Elinder 1965, Fatt 1967). Levitt and the advocates of globalization applaud the success of Coca-Cola. The company has promoted the same brand image across different cultures for many years. Reflecting on the other reasons of globalization, Mooij (1998:28) argues that standardization is often more producer-driven than market-driven and could be a result of the company's organization. She gives an example indicating that French organizations are characterized by centralized control, which has often resulted in standardized advertising campaigns.

However, there are more and more advocates of the localization strategy especially after US and European brands flooded into Asia, Latin America, and Africa, where diametrical differences exist. Most studies compare branding between the East and the West (e.g., Mueller 1992, 1987, Cheng and Schweitzer 1996). China, Japan, and India receive more attention and interest because of their potentially huge markets, while a few studies even find striking diversities within the West. One classic example is Coca-Cola. Coca-Cola's "Diet" coke was renamed "Light" in Europe because the word "diet" has negative association in many European countries when combined to soft drinks. The United States and Great Britain have same language and share many similarities in aesthetics, values, economic thinking, and traditions. Firth and Wesson (1991), however, find that American and British marketers adopted different styles in promoting the same brands. In short, many doubt the transmissibility of specific branding approaches.

From the intercultural communication perspective, culture must be seriously considered in global branding. Studies on this topic have provided significant insights into and perspective on the controversy. The basic logic is that global branding with the same cultural values may be differently interpreted and evaluated by consumers from various cultures. In other words,

global branding may meet perceptions different from the original intention. Hankinson and Cowking point out,

*“cultural barriers are seriously considered when discussing cross-national branding. Some even do not think global / international branding means extending a brand name into market segments which exhibit different needs and buying power, and where there are significant cultural barriers to entry” (1993:8).*

In a previous paper (Li 1999), I listed five cultural aspects that hinder the global standardization of branding in the world. They are values, symbols, nonverbal communication, life style, and the country-of-origin.

### (1) Values

Some values can be more significant to one group of people than to another group. Culture plays a crucial role here. A slogan globally adopted by a mobile phone company says, “connecting people”. It may have additional significance in cultures where people are accustomed to individualism but become more aware of the importance of interpersonal relationships. In traditional collective cultures such as China, however, the collectivistic value of “connecting people” has been a platitude for generations. Consumers in such cultures probably react to the message more indifferently. The copywriters and translators in China may have noticed that the Chinese paid less attention to the slogan because they attempted to reverse the slogan into “*Chenggong zaiyu lianxi*” which literally means, “success is because of connecting”. However, that is merely a variant on the same old tune because it is common knowledge in China. Recently, the slogan in China was again changed into “*Keji yi ren wei ben*”, which literally means, “science and technology depend on human beings”. The company is not using the literal translation. Their corresponding English slogan is “Human technology”. This example demonstrates how hard it is to globalize the added values in a brand because people decode and evaluate it in different ways.

### (2) Symbols

Nike encountered a serious problem in Arabic-speaking marketplaces because its logo (a hook-shaped pattern) conflicted with local religious symbols. Religious symbols even today convey deeply implanted symbolic associations in people’s minds. The logo, as the most common symbol in branding, therefore, takes a risk when globalizing. As Usunier says, “it is therefore crucial to choose the appropriate symbolic elements by which cultural meanings may be communicated to the audience” (1996:414).

### (3) Nonverbal communication

Nonverbal communication, such as people’s gestures, varies from culture to culture. Some gestures are culture-bound and thus understood in very

different ways, which makes them problematic. In global branding, Czinlota and Ronkainen (1990:616) offer a good example. It is about the Guy laroche perfume Drakkar Noir in France and in Saudi Arabia.

*“The original French advertisement showed a man’s nude forearm, held at the wrist by a woman’s hand, with the man’s hand holding a bottle of cologne. The Saudi advertisement showed the man’s forearm covered by a suit jacket, with only the cuff of the shirt showing, while the woman lightly touched his hand with one of her fingers.”*

It may also be claimed that some gestures are not global because of cultural differences. One of a series of a video commercial (AVSET 1996) used many typical Western gestures, for example, a man joyfully claps a woman’s hand over their heads. These kinds of commercials were viewed as typically Western and far from the life of the Chinese.<sup>6</sup>

#### (4) Life style

A combination of “books, paintings, antique furniture, whisky decanter, Labrador (gun-) dog, horse brasses, copper log basket” can be associated with “an upper-middle-class, traditional, country life” by people who are familiar with the life style (Dyer 1989:94-95). The life style in the ad is not familiar to the Chinese. It is difficult to predict the fate of this advertisement in countries with different life styles.

Life style, on the other hand, can hardly be unified. McDonald’s in French has to change its brand image from a fast-food restaurant to a place providing “cheap and pleasant food, with a modern American image” partly because of the regularity of French meal times (Usunier 1996:113).

#### (5) Country-of-origin

A conventional marketing strategy is to associate goods with their countries-of-origin. In global branding, there is a tendency to “erase” or at least not to mention the brand’s country-of-origin in order to build up a global image, for example, “Made by Sony” or “Made in the EU”. This can be a shock not only to Easterners but also Westerners because imported and exported products are traditionally associated with their countries-of-origin. A universal, global or rather broad regional image, such as that of the EU, could be vague and ambiguous to consumers. Some wonder whether producers have an axe to grind, that is, a product borrows its neighbor’s or an international image to avoid a weak image attributable to its country-of-origin. Some products are designed by developed countries but assembled in developing countries. Recent studies have argued that some categories of products still need to mention their country-of-origin, especially in the introduction phase and when

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<sup>6</sup> I did three small-scale interviews on the advertisement in Jyväskylä, Finland, in 1996, and found out that most of my Chinese interviewees did not like these gestures.

exported to developing countries or countries where people are less familiar with the product's country-of-origin (Niss 1996, Djursaa 1990). Thus, without being one-conservative, it may be concluded that it is too early to globalize all brands without careful consideration of their marketplaces and marketing phases.

In addition to the above, there are many other issues to be considered in international branding. Berry (1999) has constructed a comprehensive model of intercultural communication, which systematically lists all elements that will influence an instance of intercultural communication (Figure 3.4).

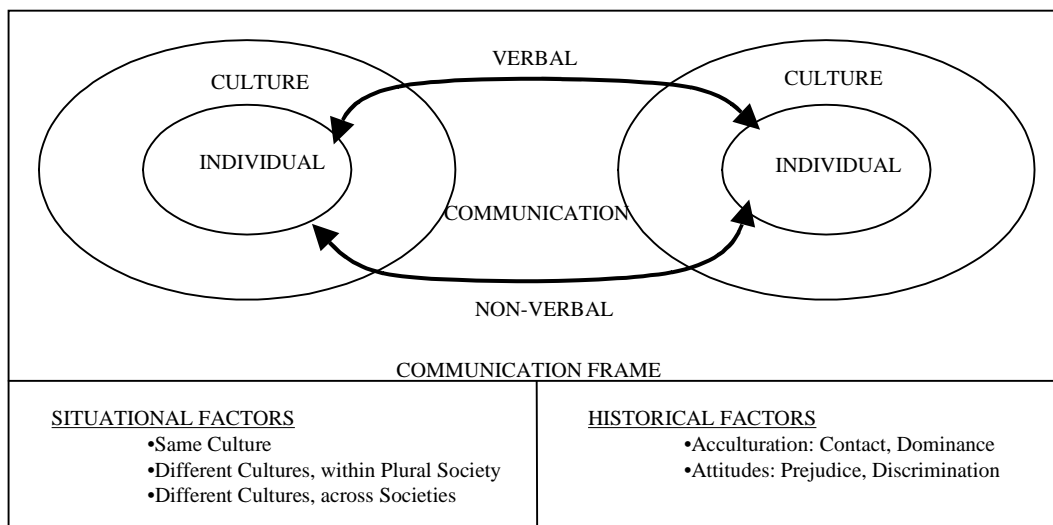


FIGURE 3.4 Framework for understanding Intercultural Communication (Berry 1999)

Every element should be taken into account when studying branding from the perspective of intercultural communication. Non-verbal communication, for example, has been discussed above. Non-verbal communication aside, there are various verbal, situational, and historical factors, which need careful investigation. Furthermore, Berry reminds us that every act of communication between two cultures is also communication between two individuals. Individual diversity should not be exaggerated. It is the task of scholars to distinguish between individual and cultural differences. A common way of avoiding bias is to interview many people from the same culture. In the present study one hundred Chinese interviewees are selected from five cities in North, West, South, and East China. Their background details are discussed in Chapter 5.

### 3.1.4 Definition and concept differentiation

No matter from what perspective cultural aspects are considered in branding, it is clear that branding is a kind of marketing communication in which non-material values are added to the product or service.

A restricted concept of branding regards branding as “an important part of international product marketing strategy”, and only includes brand naming, trademark registration, and brand name translation (Mueller 1996:34-35). An all-embracing concept of branding almost equals marketing communication, which has corporate strategic principles, positioning and marketing in every market throughout the world, brand name and logo, brand values, market share, brand loyalty, and distribution channels (Mooij 1998:16).

The present study does not accept either of the above-mentioned definitions of branding.

After a careful review of previous studies as mentioned above, branding is defined here as a kind of marketing communication for consumers which aims to set up an image by designing and promoting certain products or services, their brand names, and additional values and associations. It is accomplished mainly through product design, packaging, brand naming, pricing, distribution, sales promotion, point-of-sale display, after-sales service, advertising, direct mail, personal contact, sponsorship, public relations, exhibitions, and other marketing activities. (Christopher and McDonald 1995:202-204) The purpose of branding is to make a brand strong in competition. Marketing researchers have shown that strong brands need less repeat advertising than weak ones, and thus saving costs, at least in advertising. (Vuokko 1995)

Three interrelated concepts are usually found in the branding literature – brand association, brand equity, and brand image. In the present study these are considered as three different aspects of one thing – branding.

Mooij has coined the concept of brand association. She argues that “a brand is a network of associations in the mind of consumer” (Mooij 1998:34). According to Mooij (1998:34-35), the associations in the consumer’s mind relate to a number of aspects of the brand:

- *Brand name and signals*: the brand name, brand properties, and other recognizable aspects
- *Products*: the product or products linked with the name, product attributes, benefits or consequences
- *Places, occasions, moments, moods*: these elements relate to when the product is used
- *Users*: users and their aspiration groups
- *Values*: values added to the brand
- *Attributes*: e.g., quality
- *Visual images*: e.g., the package and logo



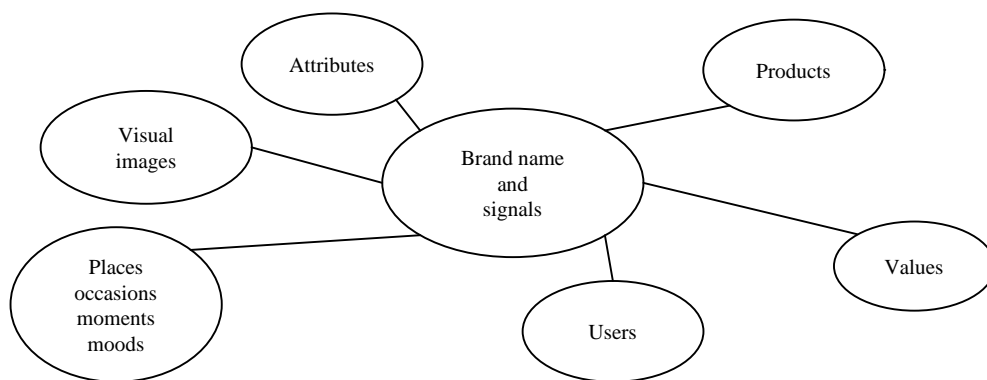


FIGURE 3.5 Brand associations (Mooij 1998:35)

Mooij attempts to describe branding in a simple way as illustrated in Figure 3.5. The figure may cause some misunderstandings since it regards brand name and signals as the only junction of the association network. Consumers may derive added values from products, the other users, and places. The convenience of the mobile phone, for example, is perceived mainly through its usage, and so is the social status of a luxury car; a brand name is not the only focus in that case.

Christopher and McDonald describe branding as follow:

*“[Branding] is the result of a whole gamut of influences, such as the places where it is sold, the price that is charged, other brands from the same manufacturer, how it is used, the kind of people who buy and use it, after-sales service, the name of the brand, advertising, point of sale material, PR, sponsorship and so on” (1995:201).*

Branding, therefore, is a complex network of associations, as Figure 3.6 illustrates. Elements link with each other. Christopher and McDonald comprehensively list these elements, but do not explain their internal relations. It is impossible to attend separately to each element of the association network. For example, one may not even be able to draw a clear line between the brand owner and consumer in Figure 3.6. Who adds values to a brand? Usually the marketer adds values, but sometimes consumers can do so as well. Sometimes marketers invite consumers to join the value-adding process, such as naming products together. For example, Samsung, a Korean mobile phone manufacturer, advertised in the major Chinese newspapers for a proper Chinese brand name for their “AnyCall” series. IKEA lets the consumers join in the logistics, product design and assembly of their furniture. It successfully invites their consumers to produce the brand together with them. (Norman and Rafael 1993) Ford, the automobile brand, has developed “a system with Microsoft to allow consumers to order cars to customised specifications over the Internet” (The Economist, 20<sup>th</sup> November 1999:4). In this example consumers contribute to the process of manufacture or design. Brand association thus forms a network. The internal relation among the elements needs to be explored further.

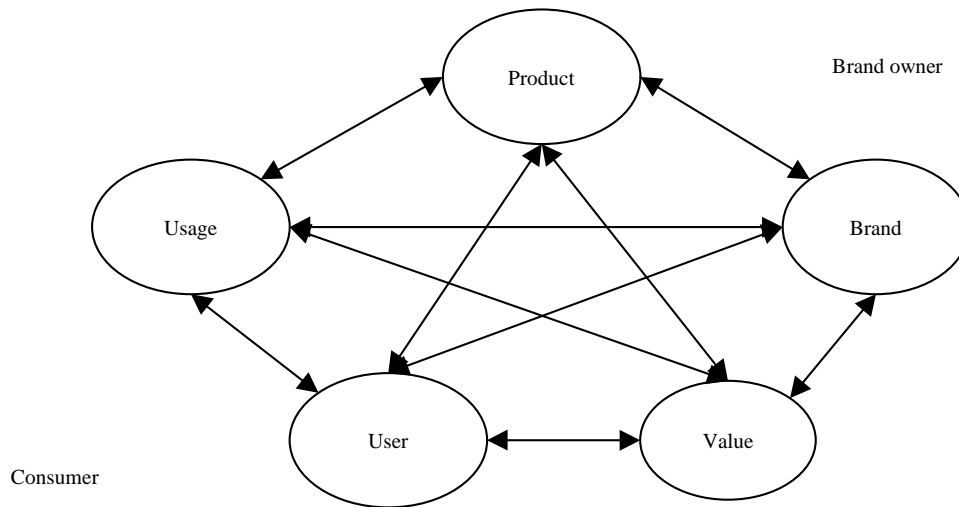


FIGURE 3.6 Branding is a network of associations

Brand equity is “a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers” (Aaker 1991:15). It is “the totality of what consumers, distributors, dealers – and even competitors – feel and think about the brand over an extended period of time” (Bové and Arens 1992:182) At first sight, brand equity would appear to be the same as brand association. However, this concept is broader than brand association because it is not restricted only to the consumers’ perspective. In other words, brand equity has a wider audience, including groups such as distributors and even competitors.

Both brand association and brand equity may be present in people’s minds, but not necessarily the brand image. Brand image is not something that is seen or associated with the brand. It is designed by the marketer in order to guide audience to see or associate the brand in the desired way (Aaker et al 1992:99). Image is usually linked with two other concepts – perception and identity. Brand identity is the brand as fact. Brand perception is what the consumers see. Brand image is what the marketer wants the brand to convey. Usually a marketer uses advertisements to create certain images of a brand, which is hoped the consumer will perceive.

These three concepts reflect the complexity but also importance of branding. However, previous studies have concentrated on establishing the topic and have done little to develop specific research approaches. For example, it is recognized that value adding is a characteristic of branding. “The differentiation between a brand and a commodity can be summed up in the phrase ‘added values’.” (Christopher and McDonald 1995:170) But how are values added? What kinds of values are added? More importantly, how can the effectiveness of additional values be evaluated? This requires a special approach to the study of branding.

## 3.2 Branding: the approach

Branding shifted its function in the twentieth century and became a trigger in marketing communication. It began to attract specific research. Branding is conceptualized as value-adding communication. Furthermore, intercultural communication studies argue that values are culture-bound. International marketing studies split into two schools; one believes it is possible and practicable to standardize branding globally, in particular, branding strategies can be unified, while the other advocates localization in all aspects of branding. Value studies are concerned with two questions: how the values are added and how to isolate values from branding. All these four areas– branding, intercultural communication, international marketing, and value studies – contribute to scope, methodology, research design, and data analysis of the present study. That is, to investigate how culture impacts on international branding by isolating the added values and comparing the values of marketers and consumers. This focus has not previously been explored in a systematic way.

Branding “could be insightfully examined by intercultural communication researchers” (Shuter 1989:401). Shuter regards international marketing communication, which includes international branding, as external intercultural organizational communication. He expects more systematic studies to be done in that field. However, intercultural communication studies mainly concentrate on interpersonal, that is, person-to-person communication. Branding, as a non-personal, that is, brand-to-person, communication has received limited attention in intercultural communication studies. Shuter himself also concentrates more on organizational communication than marketing, branding, or product orientation. His aim is to link organizational culture with national culture (1987). So far, only Hofstede’s 5-dimension model has been used to explain that people who have different values will perceive branding in different ways (Mooij 1998). Mooij attempts to attribute nearly all consumers’ perceptions to the five dimensions. This has the danger of leading to stereotypical generalizations. Her work has obviously been influenced by Hofstede’s research on work-related values and interpersonal communication. Consumer behavior, marketing communication and relevant values, however, may be different.

Marketing practitioners and researchers discuss the impact of culture on branding mainly within the controversy over globalization (Christopher and McDonald 1995:304, also see §3.13). No matter how their opinions differ from each other, one thing is generally agreed: culture is an inevitable factor in international branding. In the controversy both parties mainly gather instances to prove either the possibility or impossibility of globalization. With such

pragmatic purposes, most of them do not approach the issue in a systematic fashion.

Branding is a value-adding process. Value studies have been done by both psychologists and sociologists. Rokeach's (1973) construct of the value-attitude-behavior hierarchy is a step in connecting value studies with marketing. However, the focus was on consumer behavior and relevant values. On the other hand, Schwartz (1992) and Puohiniemi (1995, 1998) look at different national values and their impact on international marketing and advertising during the last ten years. These studies come the closest to an investigation on how culture impacts on international branding. However Schwartz and Puohiniemi do not take intercultural cases to investigate how consumers from one culture perceive branding from another culture.

### **3.2.1 An intercultural communication framework**

Culture studies, anthropology, communication studies, and intercultural studies contributed approaches to the observation and analysis of branding. Shuter (1989) includes branding research in his conceptual framework for organizational communication studies. Mooij (1998) adopts an intercultural communication perspective to study international branding.

Shuter (1989) was the first to suggest a conceptual framework that brought branding into the domain of intercultural organization communication studies. He says: "intercultural communication researchers have neglected to examine international marketing ... This neglect – albeit benign – has kept the field at a distance from the international marketplace." Therefore, he attempts "to close that gap by providing an intercultural communication framework for examining the international marketplace" (1989:402).

After reviewing the literature on communication and the international marketplace, Shuter introduced a new term, *intercultural organizational communication*, and a conceptual framework for conducting this type of analysis and research (1989:404). According to Shuter, intercultural organizational communication is defined as:

"communication that occurs within or between organizations that have one or more of these characteristics:

- communication on a regular basis across national borders;
- is composed of personnel from more than one national cultural or domestic coculture (that is, Black American/Hispanic American); and
- is located geographically in one culture but is controlled either partly or wholly by a parent company in a different national culture (e.g., parent company/foreign subsidiary relationship)" (1989:399-401).

So there are some kinds of “internal intercultural organizational communication” such as:

- organizational structure and communication
- role performance in an organizational culture
- human resource communication

And there are some types of “external intercultural organizational communication” like:

- communication between corporate headquarters and foreign subsidiaries,
- marketing communication across cultures, e.g.,
  - message development
  - message transmission, that is, media choice
  - message reception of international advertising

Both internal and external organizational communication are:

*“influenced by national culture. That is, the structure of an organization and its communication rules, role performance of organizational personnel, communication to human resources, and marketing communication reflect the values and traditions of the country in which the organization is situated” (Shuter 1989:403-404).*

Shuter did not reveal the real relationship between values and behavior, not only because he had no concrete examples but also because his interest was “internal organizational communication”. For example, Shuter’s (1985a, 1985b, 1987) studies on Scandinavian companies reveal the tight relationship between corporate hierarchy, communication rules, and a country’s values and traditions. However, it was Shuter who first noticed and predicted the tendency and potential for researching on international branding from an intercultural communication perspective.

### **3.2.2 Previous explorations**

Hofstede (1980) studied work-related values in one corporation (IBM) in over 40 countries. He compared different nations in four, later five, dimensions. The four dimensions are *power distance*, *individualism*, *uncertainty avoidance*, and *masculinity*. The additional fifth (Hofstede and Bond 1984) is *long-term perspective*. By these dimensions, Hofstede measured different nations and assigned them to various matrixes. Finland, for example, is a nation with low power distance, low masculinity, high uncertainty avoidance, and individualism. China was not in Hofstede’s first round survey. It is assumed to be in the same group as Singapore, Hong Kong, Thailand, and other East or Southeast Asian countries. Gradually,

Hofstede and others developed the study into a general cultural guide to the world. Hofstede's work has been the subject of considerable debate. The present study poses four questions about his dimensions.

First, Hofstede got his original data from IBM offices around the world and the employees of IBM sharing a common corporate culture. Did the latter fact influence the accuracy of reflection on national cultures? Secondly, was it a case of stereotyping or generalizing about national cultures? There are always exceptions, particularly in large nations like China, where regional diversities cannot be ignored. Each nation is only represented as one spot in his matrixes. Thirdly, when Japanese and American IBM employees answered Hofstede's questions by ticking the 1-7 scales, did they have the same scales in their minds? Was his questionnaire culture-free or biased? Schwartz (1992) argues that people use scales in different ways. He suggests that it is possible for a respondent to say which values are the most or least important to him or her, but it is quite difficult to compare individuals or groups in a strict sense with one another. Finally, and more relevant to branding study, what is the relation between work-related values and consumption-related values? Are they the same?

Mooij neglected the last question. She adopted Hofstede's dimensions in her branding studies. She said, "branding means adding values to products, and advertising is an important instrument for achieving this" (1998:116). For her study she collected a large number of examples to describe the appeals of advertisements according to these dimensions of values (1998:186-209). For example, a commercial for Libero diapers shows a baby taking off his grandfather's hairpiece. Mooij believed that the commercial could only be effective in small power distance cultures, but not in large power distance cultures (1998:187-188). China is a culture with large power distance in Hofstede's later findings. However, the Chinese may not disapprove of that commercial. On the contrary, Scarry (1997) finds that Chinese respondents like to see children as endorsers in advertising. I feel a little bit uncomfortable because Mooij's attribution seems far-fetched, and work-related values might not be the same as consumption-related values. However, Mooij's study was one of the first systematic explorations of branding from an intercultural communication perspective. In addition, many of her findings are correct and supported by other studies. For example, she found that Nordic people paid less attention to social status because of their feminism. In the Nordic countries, little emphasis is placed on status and status symbols. Worm (1997:95) also found this when he compared Nordic with Chinese people.

Other studies have been conducted from an intercultural communication point of view (e.g., Lazer et al 1985, Yau 1988, McCracken 1988, Yang 1989, Li 1999). However, they have not adopted a macro framework as Shuter did, nor are they as systematic as the study by Mooij. They do, to some extent, have many significant findings in common. This makes it possible to review them together. Some were mentioned in the previous section; therefore I shall only summarize their main viewpoints here:

- branding is communication,
- cultural values are added in branding
- to globalize branding is to standardize communication; this is difficult because values, symbols, and other issues do not easily bend themselves to unification

### 3.2.3 The framework of this study

How is branding to be approached? Branding is variously portrayed as a set of associations (Mooij 1998:34-35, Christopher and McDonald 1995), a value adding process (Mooij 1998:116, McCracken 1986, 1988a, 1991, 1993), economic shortcuts (Aaker 1991, De Chernatony 1991, Appelbaum and Halliburton 1993), and public relations (Kitchen 1993, Korlet 1991). These models, reviewed above, are good, but rather complex. In addition, they are not applicable or analytically viable in the present study.

Therefore the present study modifies the previous models and views branding as marketing communication, which consists of **three layers** (Figure 3.7). The three layers of branding are sent to the consumer through various channels, such as advertising, promotion, and public relations. The communication between consumer and marketer is **interactive**.

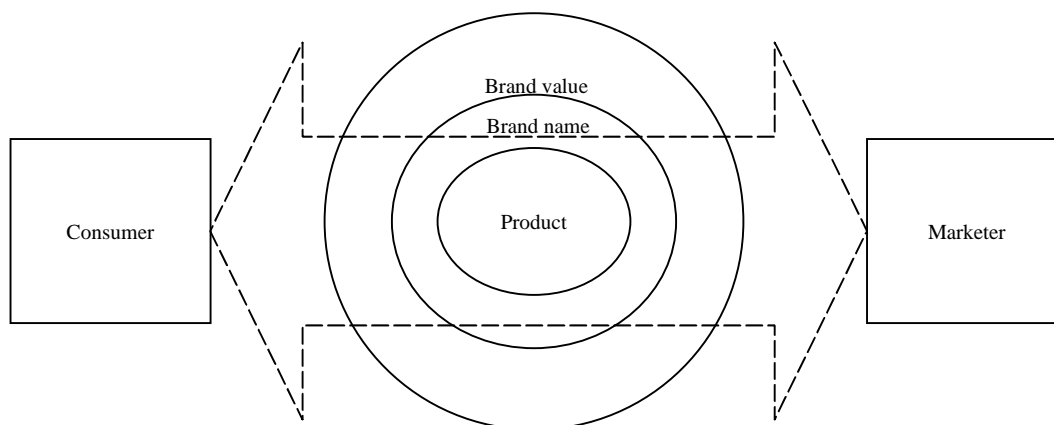


FIGURE 3.7 Branding is seen as 3-layered, 2-way communication

The three-layer model explains the two characteristics of branding – “value-adding” and “communication”. Some studies (e.g., Aaker 1991) partly discuss these three layers, although none of them systematically illustrates the three layers together. Therefore, it is worth discussing these layers here.

From a brand manager’s perspective, the first layer of branding is to think about the product or service itself. For example, what is its philosophy? What are its attributes? What are the rewards for the buyers or users? How about its

design and color in the consumer's eyes? The second layer of branding is to think about the brand name. Does it match the product or service philosophy? How does it translate into other languages? Are there any misunderstandings in foreign languages? The third layer of branding is to think about the values or associations of the brand. What values are necessary or useful to add? What kinds of associations are desired? How can those values be added? How can the associations be realized? What do consumers think about these values?

From the consumer's perspective, a branded product or service resembles a transparent ball with three layers. The core of the ball is the product or service. The additional values are less tangible and concrete than the core, although they are usually as crucial as the core. The brand name links them together. (Christopher and McDonald 1995:205)

These three layers, moving from the first to the third, become less and less controllable by the marketers. Brand managers generally have some strategies and solutions to the problems in Layers One and Two (Jeannet and Hennessey 1995:71-73). It is, however, difficult to ensure that the consumers perceive and view favorably the values added by the marketers. Therefore, a considerable amount of studies have focused on the third layer, such as Mooij's study.

However, researchers should not neglect Layers One and Two. They are the starting points and as the well-known Chinese saying puts it, "*shi zhi hao li, miu yi qian li* [a small discrepancy leads to a great error]". Some blunders may not be reparable without considering decisions in Layers One and Two. For example, a coffee maker is not a common appliance in many Chinese kitchens because many Chinese are used to drinking tea or instant coffee. They also do not have much knowledge about coffee and coffee making. A Western coffee-maker marketer in China might have paid sufficient attention to the translation of the brand name and to add values. However, this would not effect the performance of the brand because Layer One is neglected; the Chinese rarely want the product. Every study then needs to consider comprehensively all three layers and should not focus on just one.

The present study will look at all these three layers of branding. It helps to gain a comprehensive interpretation of the impact of culture on branding, particularly of the role and significance of added value in this matter. In the above example, the Chinese tea drinking habit impacts on Layer One. It is not a clash between added values and consumer values, and it is not reasonable to conclude that some of these values affect branding performance. Culture, however, still plays a key role here. It is the Chinese custom of tea drinking or the new fashion for instant coffee that hinders the branding coffee makers. Therefore, recognition of the three layers of branding separates out the impact of culture. It helps to examine the impact of culture more comprehensively.

The Chinese tea drinking habit, nevertheless, is obvious. In fact, there has not been such a clumsy launch of coffee makers in China. From a simple marketing survey, everyone knows it is not wise to expect good sales of coffee makers in China at present.



Naming, which affect on Layer Two, affects more attention when the languages are different. A good brand name in Country A may not perform as well in Country B. Motorola, for example, is pronounced as “*me de lou la*” in Cantonese, which means “nothing to take”. Even numbers can cause misunderstandings. Peugeot’s “416” is pronounced the same as “*si yi lu*” [die all along the road] in some South Chinese dialects. It is necessary to note that naming is not only a linguistic game. Meaningful names are valued in some cultures, while being named after one’s ancestors or giving Biblical names is practiced in some other cultures. This diversity can also been found in creating brand names. The Chinese like to give cherished meanings to their products. Two of the earliest automobile brands made in People’s Republic of China after 1949 were called “*Jiefang*” [to liberate] and “*Hong Qi*” [Red Flag]. In the 1990s, a line of kitchenware was called “*Wan Jia Le*” [ten thousands families are happy]. Many consulting service agents in Hong Kong bear the meaning of “luck”, “fortune”, or “happiness”.<sup>7</sup>

Compared with customs, value is even less tangible and observable. Therefore, what kind of value to add is a more difficult assignment than what kind of product or service to sell, as well as what kind of brand names to create. In this case study, value is definitely a focus because the company, particularly the export manager, might already avoided at least some blunders in production and brand naming.

Besides the three layers, this model reveals another important characteristic of branding, namely, branding is interactive. Branding, as well as marketing, is not a unidirectional flow from the marketer to the consumer, though for a long time many marketers thought so. Dahlman (1994) argued that branding should push the marketer and pull the end-user to the same point – the market. Chinese says, “*zhi ji zhi bi, bai zhan bu dai* [know yourself and know your opponent, you will win hundreds of times]”. This applies to marketing research. Holstius (1985) finds airline marketers, out of their own wishful thinking, had invested a large number of advertisements with tangible appeals, while consumers preferred intangible appeals. Therefore, without giving consideration to both parties in the two-way interaction, branding research can hardly be comprehensive.

Branding, as interactive communication, requires research to take into account both marketer and consumer. Branding research without adequate knowledge of either the marketer or consumer is incomplete. The researcher would not find the points of match or mismatch and the reasons behind them without investigating both parties. The present study, therefore, pays attention to the characteristics that branding is 3-layered and interactive in designing the study and analyzing the data.

The present study proposes the three-layer model for the analysis of branding because this model can be used to check whether globalization is applicable from the marketing perspective as well. By dividing branding into three layers, it is easy to find out whether products, names, and additional

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<sup>7</sup> From a lecture by Dr. Liisa Salo-Lee.

values are likely to the effectiveness of global branding. This also answers the global branding debate from intercultural communication perspective.

This first layer of branding is the product. Jeannet and Hennessey quote one story from business magazine about why product has to adapt in different cultures (1995:337):

*Procter & Gamble, the large U.S.-based consumer products company, found it had to adapt the formulation of its Cheer laundry detergent to fit Japanese market requirements. Cheer, initially promoted as an all-temperature product, ran into trouble because many Japanese consumers washed their clothes in cold tap water or used leftover bath water. The Japanese also liked to add fabric softeners, which tend to cut down on the suds produced by the detergent. P&G reformulated the product to work effectively in cold water with fabric softeners added and changed the positioning to superior cleaning in cold water. The brand is now one of P&G's best-selling products in Japan. (Original article: "After Early Stumbles, P&G is making inroads overseas". Wall Street Journal. February 6<sup>th</sup>, 1989. page B1)*

Benerjee (1994) uses the credit card as an example and argued that a seemingly similar product would be used in different ways. Credit cards may seem a universal product, but they are not used for the same needs. In the United States they are used to borrow money; in continental Europe they are used mainly as a means of payment, thus more as a debit card. The question remains: are these issues specific to laundry detergents and credit cards or are they generally applicable to all kinds of products? What if the product is a mobile phone, new to the Westerners and the Easterners alike? The literature did not answer these questions; hence the present study attempts to supply this need.

The second layer is the brand name. A brand name is culturally bounded. "Typically, a brand name is rooted in a given language and, if used elsewhere, may have either a different meaning or none at all." (Jeannet and Hennessey 1995:342) It is particularly hard to find brand names that evoke similar emotions or images around the world. Furthermore, naming cultures are different among nations and languages. For example, linguistically, Chinese has many more homonyms than many Western languages; every Chinese character carries a variety of meanings, although a combination of a few characters is usually meaningful even if it is not grammatically a sentence. Culturally, the Chinese prefer names which express goodwill, while Western names are usually viewed simply as codes to label people.<sup>8</sup> Therefore, according to Schmitt (1994a), brand names in the West tend to be short, distinctive, memorable and indicative of the product's functions. While these factors also matter in selecting brand names in Asia, there are additional considerations. For example, in China, it is of significance that the name should be "lucky". Also, considerations should be given to pronunciation, as Chinese is rich in homonyms (see also McDonald and Roberts 1990). To those marketing researchers with little linguistic background, Chinese naming seems a complex enigma. Nevertheless, the present study attempts to illustrate Chinese brand naming in a systematic way.

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<sup>8</sup> I will discuss naming practices in more detail in Chapter 7.

The third layer of branding is additional values, which are less likely to be the same across cultures. In the next section will discuss this aspect from the perspective of value studies. Here, I only raise two examples. First is about country of origin. Zhang (1996:60) finds that “it appears that the Chinese consumers may be particularly sensitive to COO [country of origin]”. The second example concerns endorsers. Scarry (1997) finds that Chinese consumers prefer to trust elders, modern tycoons, athletes, and children without siblings. He points out there are fundamental differences between Western and Chinese values, particularly in the tendency toward individualism versus collectivism. Both of these examples reveal the strong influence of the family in the Chinese culture, which will be discussed in more detail in Chapter 7.

In sum, marketing has changed its orientation during the last century. Branding has “grown” from a small routine operation – such as trademark registration – to occupying a key role in a company. With the globalization of world trade, the ensuing controversy over global branding has provided many examples, cases, and viewpoints and called more attention from researchers. An attempt to separate branding into the three layers outlined above can help in diagnosing international branding blunders, and lead marketing research into a more systematic direction.

The three-layer model and its contribution to global branding has been presented. From our deliberations, we may already feel that product and brand name are easier to investigate than added values. How do we approach the problem of added values? In particular, how can we find out what kind of values are added and what kind of values consumers perceive from branding? It is necessary to review the value studies.

There are two notions of value. Firstly, value means the quality of being useful or desirable. It is a standard that guides our selection or evaluation of behaviors and events. We will say “it is good” or “I do not like it” according to our values. Secondly, value also refers to the worth of something in terms of money. A value of a car may be represented as a certain price so that we can compare it with others. We will say “it is worth buying” or “it is too expensive” according to how we perceive the value of the goods. They can both appear in business literature. A sales manager thinks about the value of his goods – how much to sell – and the value of the brand – whether it is desirable to consumers. “Value” in the present study refers to the first notion of value and does not mean the worth of something in terms of money or price unless otherwise indicated.

Value studies have developed independently of marketing or branding studies. Only after Rokeach (1968) were value and consumer behavior linked together, and there have been some overlaps between these two fields. However, the majority of value studies, usually in socio-psychology, still has a limited connection with marketing or branding studies. It is also worth pointing out that value itself is not the theme of the present study, and the present study does not intend to describe in detail the Chinese value system. The focal issue of the present study is Chinese perceptions of Finnish branding and how these

perceptions are affected by Chinese cultural values. It is, however, worthwhile reviewing these studies as the present study can adopt their ways of isolating values in looking at how Chinese values impacted in a case of Finnish branding in China.

Compared with culture, which has a great number of definitions, value, however, is most difficult to define because it is easy to fall into circular reasoning. It is not easy to give a definition although value as a conception is not unfamiliar. It seems a rather simple matter to describe value; we may say it is the standards we apply in evaluating something. But it is hard to define value per se. Wittgenstein raises one philosophically profound example:

*“If I say A has beautiful eyes someone may ask me: what do you find beautiful about his eyes, and perhaps I shall reply: the almond shape, long eye-lashes, delicate lids. What do these eyes have in common with a gothic church that I find beautiful too? Should I say they make a similar impression on me? What if I were to say that in both cases my hand feels tempted to draw them? That at any rate would be a narrow definition of the beautiful.*

*“It will often be possible to say: seek your reasons for calling something good or beautiful and then the peculiar grammar of the word ‘good’ in this instance will be evident.” (1933[1980]:24e)*

Rokeach might have answered Wittgenstein’s question by saying:

*“to state that an individual ‘has a value’ is to say that he has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence” (1968:15).*

*“A value system is a learned organization of principles and rules to help one choose between alternatives, resolve conflicts, and make decisions.” (1973:5)*

In his classic book titled “The Nature of Human Values”, Milton Rokeach define value as “an enduring belief that one mode of conduct or end-state of existence is preferable to an opposing mode of conduct or end-state of existence” (1973:5).

This definition may be one of the most precise and appropriate epitomes of value because it satisfies four scientific criteria, is also laid down by Rokeach.<sup>9</sup>

What is the relation between value and culture? Lessig (1975:328) points out, that values are “abstract beliefs centrally located within [a person’s] belief system”. Wittgenstein’s philosophical musing, as quoted above, also revealed the fact that value does not have explicit expression.

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<sup>9</sup> “It should be intuitively appealing yet capable of operational definition. It should clearly distinguish the value concept from other concepts with which it might be confused – such concepts as attitude, social norm, and need – and yet it should be systematically related to such concepts. It should avoid circular terms that are themselves undefined, such terms as ‘ought’, ‘should’, or ‘conceptions of the desirable’. It should, moreover, represent a value-free approach to the study of human values; that is, an approach that would enable independent investigators to replicate reliably one another’s empirical findings and conclusions despite differences in values.” (Rokeach 1973:3)

Hofstede's model is a useful description of the relation between value and culture. He (1991:9) distinguished four manifestations of culture: symbols, rituals, heroes, and values. In Figure 3.8, these are depicted like the layers of an onion. Symbols represent the most superficial manifestation of culture, values the deepest, while heroes and rituals are somewhere in between. Hofstede defined these concepts as follows:

- **Symbols** are words, gestures, pictures, or objects that carry a particular meaning recognized only by those who share a culture.
- **Heroes** are persons, alive or dead, real or imaginary, who possess characteristics that are highly prized in a society, and thus serve as role models for behavior.
- **Rituals** are the collective activities considered socially essential within a culture: they are carried out for their own sake.
- **Values** are broad tendencies to prefer a certain state of affairs to others. Values are learned implicitly but not consciously. People are not consciously aware of the values they hold, so it is difficult to discuss or observe them.

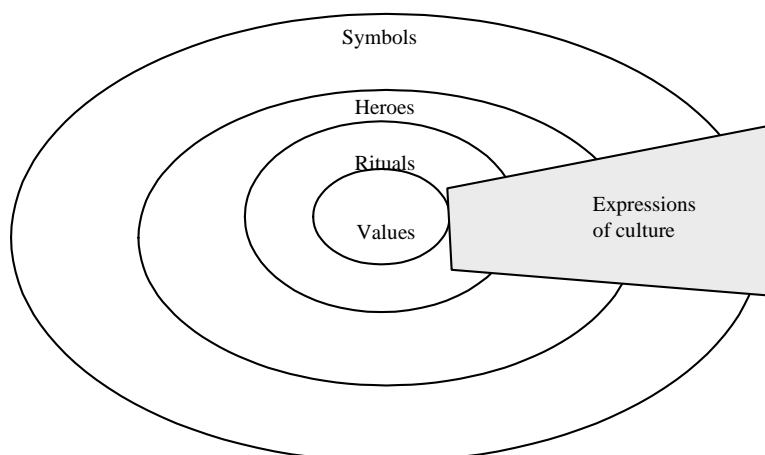


FIGURE 3.8 Values are imbedded deeply in culture (Hofstede 1991:9)

In addition to the feature of being deep inside culture, value is enduring, stable, and limited by culture. Values are enduring because “they are initially taught and learned in isolation from other values in an absolute, all-or-none manner” (Rokeach 1973:5). Lessig argues that “values are not directed toward any specific object, idea, or situation; rather they provide standards relating to modes of conduct, goals and evaluations. As a result, values lead to a certain amount of stability across an individual’s attitudes and behavior” (1975:228). Values, therefore, do not change too much. Therefore, it is possible for marketers to segment consumers by their values. Such value information could be used to either segment markets, or to explain behavior in previously segmented markets. Before Rokeach’s time (1968, 1973), the links between value studies and consumer research were almost non-existent. In those days,

marketing was practically a synonym for selling. (Puohiniemi 1995) Values, after Rokeach, are used as the criteria for segmenting populations into homogeneous groups.

Clearly, consumer behavior research has benefited much from value studies. Yankelovich (1964) proposes that markets could be effectively segmented on the basis of how the consumer viewed value in a product. He concludes after examining ten markets, that value segmentation – based on product attributes – is a better way to segment markets than the traditional method of segmentation based on demographic characteristics. According to Rokeach (1973), attitudes play central role in understanding the relationship between values and behavior. Values help a person to adjust to his or her society, to defend his or her ego against threat, and to test reality. Rokeach then suggested the value-attitude-behavior (VAB) hierarchy, which was extensively used in consumer behavior studies. For example, in a study on furnishing, Rajaniemi and Laaksonen (1989:123) find that “values affect lifestyles and lifestyles affect purchasing decisions, which are apt to reinforce the existing situation.” Coulter (1985) studies on segmenting outdoor recreation users in Arkansas by utilizing personal values.

From another perspective, based on an understanding of a consumer’s culture or value system, value studies can also help marketers to choose values to add into their brands. In order to understand human value systems, a number of value models have been constructed.

As mentioned above, Rokeach (1968a) was the first to link value, attitude, and behavior – particularly consumer behavior – to a value-attitude-behavior (VAB) hierarchy. The VAB hierarchy helps marketers to segment their target groups by investigating consumer behavior and to add values desired by the consumers. Marketing is two-way communication. That is to say, marketers study consumer behavior, find their values, and add these values into their marketing communication. Before Rokeach’s VAB hierarchy, it was rather hard to determine consumers’ values because people are not generally able to list their values explicitly. Using the VAB hierarchy, researchers try to describe values by asking people to state a preference among alternatives. However, one of the difficulties in studying values is interpreting what people say. Another question is whether values are the same across cultures.

Schwartz (1992) develops the theory of the universal content and structure of values in order to establish universals in their meanings. If they are not universal, comparisons of value priorities become worthless. He drew up a value map based on a survey of over 20 countries. He found that there are two categories of values: one serves individual interests and another serves collective interests. In addition, people have different attitudes toward time and changes. Schwartz then set up two sets of bipolar dimensions: self-transcendence versus self-enhancement, openness to change versus conservation. (Figure 3.9) He put eight value types into this matrix and these are in binary opposition to each other. He argued that the value map is culture-free and continued to test its validity in different countries.

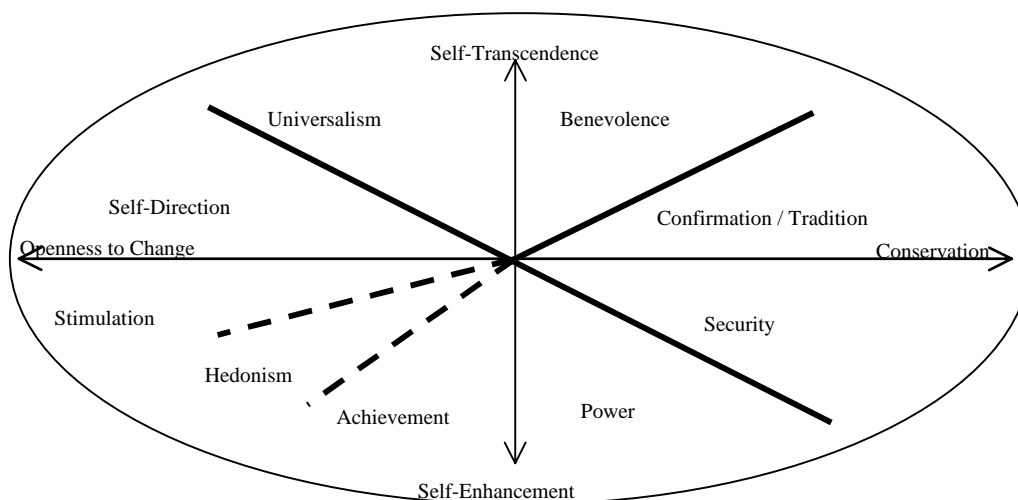


FIGURE 3.9 Value structure (Schwartz 1992)

Schwartz's value map describes the relations between values. It shows conflicting (opposite) and compatible (adjacent) types of values. This helps the marketer to choose values to add into their brands. However, it does not simply mean that opposite types of values should not be vested in branding. Puohiniemi (1998) studied award-winning advertisements and argued that effective advertisements spoke about values. He argued that advertisements could be designed to persuade or motivate consumers to do things or think about them in new ways when advertisers use the nature of values as guiding principles. He adopted Schwartz's theory of the universal structure and content of values in his analyses. He found all ten dimensions of values were used in the award-winning advertisements and that a couple of contrast values were used in combination.

Puohiniemi's research proves that marketers need to be conscious of the values contained in their advertisements. However, the award-winning advertisements were mainly evaluated by Westerners. Some advertisements shown in Puohiniemi's presentation would not be easily accepted or seen favorably by the Chinese, or regarded as the best. In other words, Puohiniemi found a link between values and advertising but he was hardly aware of the intercultural issues.

Alber (1994) also attempted to look at the relation between values and advertising. She studied advertising appeals in order to check whether the appeals that were most commonly used in eleven different countries actually related to the values, which were most salient in those cultures in Hofstede's cultural model. The eleven countries were Brazil, Chile, Finland, France, Japan, India, Israel, Mexico, South Africa, Taiwan, and the United States. She found that the values and the appeals were not necessarily relative. Mooij (1998:222-223) criticized her findings. According to Mooij, Alber was influenced by American values and did not have a comprehensive understanding of Hofstede's dimensions. Nevertheless, categorizing human values is a

complicated task and some values can be put into various categories. The differences between Alber and Mooij are therefore understandable.

Other researchers have looked for the values added in branding for a particular market. Mooij (1998:283) found the specific values in Chinese advertising. They were modernity, quality, technology, courtesy, “magic”, prosperity, wealth, economy, “neatness”, social status, respect for the elderly, and tradition in the sense of respect for customs and conventions. She concluded that it was because the Chinese were long-term oriented and collectivist as Hofstede and Bond (1984) argued. Based on her own experience in China in September 1996, Mooij noticed the use of nature symbols such as skies and clouds, which are perceived as auspicious.<sup>10</sup> Furthermore, she found that television commercials made frequent use of special effects, graphics, and computer animation, and that they play with words, characters, and sounds. Her arguments may not be valid since she may not have understood the factors of homonymic quality of Chinese language and Chinese attitudes or expectations towards foreign advertisements.<sup>11</sup>

Cheng (1994) paid attention to the cultural content of advertising in China. Cheng and Schweitzer (1996) argued that Chinese advertising was more symbolic, and that there was an assimilation of Eastern and Western cultural values in commercials. They found that a typical Western value – “modernity” and a typical Eastern value – “tradition” were the most common values in advertising in China for both imported and joint venture brands. Family was the third most dominant value used in Chinese television commercials.

The studies reviewed above – Rokeach (1968), Schwartz (1992), Puohiniemi (1998), Alber (1994), Mooij (1998), Cheng (1994), and Cheng and Schweitzer (1996) – focus on what kind of values might be added into brands. They did, however, answer the question of how values are added. McCracken (1988) suggested that values were coded by the marketer and sent to consumers in a linear manner. This is called the “value chain”. It is easy to understand, but it may not be the whole truth, as consumers can also add values into brands. The Sony Walkman, for example, was originally produced as an audio set not to disturb others. However, Du Gay and his colleagues (Du Gay et al 1997) found that in some countries the Sony Walkman was used to avoid disturbances caused by others. As Figure 3.3 shows, consumers may reply to the marketer that they perceive the added values – even when they might differ from the marketer’s intention. In general, added values mismatch with the consumer’s expectation (Holstius 1985). Furthermore, the value chain strategy is weak in competition because it can easily be imitated and duplicated. Two rivals may sometimes hire the same advertising or distribution agent, not to mention

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<sup>10</sup> The present study found that the Chinese expect human beings and activities to occur in such scenery. See Chapter 7.

<sup>11</sup> Homonyms are discussed in Chapter 7. The present study found the Chinese prefer a direct approach in advertising although they are thought to be indirect in communication; however, Mooij (1998:283) concluded, “an advertising style befitting Chinese culture will include the indirect approach, a general characteristic of collectivist cultures”.



fighting for outstanding personnel. A recent model constructed by Norman and Ramirez (1993) shows more characteristics of interactive communication between consumer and marketer.

Norman and Ramirez (1993) suggested the co-producing of values by reconfiguring of the relationship between marketers and consumers. They termed the resulting interactive strategy a “value constellation”. In the constellation, values are co-produced by marketers and consumers, as well as advertising and distribution agents. Each party is active in value adding. It is not like a chain that may easily be broken. It also avoids making anyone the key person on whom the whole system depends. On the other side, it invites more consumer participation, which could lead to more brand loyalty. They raised the example of IKEA, a Swedish furniture brand. IKEA uses the value constellation strategy and turns its consumers into be “designers”, “assemblers”, “transporters”, and “self-entertainers”. Its consumers are no longer simply taking values from IKEA, but creating values for the brand together with the marketer. IKEA has been successful in China.

The present case study also applied the value constellation strategy. The manufacturer designed a kind of computer software that allows consumers to compose their own ringing tone melody. Thus it was thought that it would be interesting to look at the effect of a value constellation strategy in mobile phone branding in China.<sup>12</sup> Would it be different from IKEA? What would Chinese think about it? Anyway, value studies remind researchers to investigate not only the values but also the way of value adding.

To summarize, Rokeach first linked value and marketing together. Schwartz tried to make a culture-free value structure. Some studies pointed out the significance of value in advertising or marketing. Two models have been developed to illustrate how values are added. Although these studies represented only a small proportion of the total, they were particularly helpful for the present study.

Intercultural communication studies conceived of branding as communication and put branding research into an extensive intercultural organizational communication research framework. Some research adopt intercultural communication approaches to analyze international branding.

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<sup>12</sup> It was found that the Chinese, however, did not respond positively to the software. On the one hand, few Chinese used a computer together with their mobile phone, not need to mention the fact that there were few people who knew how to compose and the software itself was rather complicated. On the other hand, and this may be the more important reason, more than half of the Chinese were not interested in the software, that is, they were not fond of co-producing values. It does not mean that Chinese are not used to value constellations. The reason could be what kinds of values to co-produce. The melody composer allows more free choice and space to be individual in a crowd. Some Chinese might not desire to go this far. It may happen in Guangzhou, Shanghai, and Beijing that young people tend to express their own personal tastes and individuality. There may be such a tendency in Huhhot and Lanzhou in a few years. Nevertheless, the melody composer and its possibility of co-produce the values of individuality are not popularly favored. A few interviewees who liked such a feature also said it was too minor to attract and persuade them.

Some identified various impacts of culture on international branding, showing that intercultural communication offers a promising perspective on branding. The problem is, first of all, that intercultural communication studies have for a considerable time concentrated on interpersonal communication studies. As for a branding is concerned, resources and materials are limited in intercultural communication studies. Secondly, intercultural communication studies recognized the impact of different values on communication. But most of the values they found and talked about were work-related values, which are not exactly the same as consumption-related values. Fortunately, international marketing and value studies, as reviewed above, compensated to these two weaknesses to a certain extent.

## **4 THE DESIGN OF THIS STUDY**

### **4.1 The research questions**

Branding is value-adding communication; culture is a way of communication by a group of people; and value imbeds deeply in culture. Value-adding communication, such as branding, therefore, is culturally bound. International branding requires insights and approaches from the intercultural communication perspective.

The present study looks at the impact of culture on international branding. It is necessary to take both marketer and consumer into account, because branding is a form of interaction between them. Branding is marketing communication in which marketers add value to a product or service. Meanwhile, consumers respond to branding on the basis of their predispositions, which include values. (Sandage and Fryburger 1967:253) Misunderstandings can take place if the values of marketer and consumer are different. Some misunderstandings are not easy to observe because, for example, simple feedback may be misleading (see Figure 3.3).

It is necessary to examine all elements of branding, namely, product, brand name, and additional values. Nevertheless, product and brand name were less important than the added values in this case study. Firstly, the product – an imported mobile phone, was in demand in China when the present study was conducted. It was not like selling a coffee maker in China, as we discussed above, in which the product is less wanted. Secondly, the brand name, although looked at in the present study since different naming practices and translation influence branding, was less important than the additional values. We discussed the example of Motorola in Chapter 3. The brand name has a negative association when pronounced in some Chinese dialects.

However, it does not mean there will not be any sales in those regions. The influence of naming is limited. The added values, however, are more intangible and subjective. Value is deeply embedded in culture (e.g., Hofstede 1991:9, Figure 3.8) and is thus less observable.

The research question of the present study is “how does culture impact on international branding and what specifically are these impacts?” Branding is seen as culture-bound, three-layered, and two-way communication. This framework makes it possible to answer the research question of the present study by posing a few sub-questions:

- Sub-question #1: What are the marketer’s ideas in branding the product?
- Sub-question #2: What do the consumers think about the branding?
- Sub-question #3: Are there any differences between the marketer’s intentions and consumers’ perceptions?
- Sub-question #4: If there are differences, what are they?
- Sub-question #5: Are these differences culture-bound?
- Sub-question #6: Do these culture-bound differences affect the branding performance?

First of all, the marketer’s intention and the consumers’ perceptions of branding are collected and compared. If there are differences between them, what are these differences? Are they all culture-bound? Do those culture-bound differences affect the branding performance? If the answer to sub-question #6 is positive, then it proves that culture impacts on branding. From the answer to sub-question #4, the detailed impacts are known. These impacts are located in the different layers of branding; therefore, how they affect the branding performance is also found revealed. It is, nevertheless, necessary to be aware that the positive answers do not mean that culture will be the only factor to impact on international branding. There are many other influential factors, such as the category and life phase of the product, the competition, and the economic situation, which are beyond the range and interest of the present study.

## **4.2 Methodology of the study**

In the present study, branding is seen as two-way and three-layered communication. When collecting data, it is important to investigate both the

marketer and consumers. When analyzing data, it is necessary to categorize the data according to the three layers of branding.

Firstly, I will discuss the data collection methodology. Branding is two-way interactive communication, which mainly consists of marketer, consumer, and branding. As Figure 4.1 illustrates, the marketer has the initial branding conception and puts it into operation. That is, the company has some ideas and realizes these in branding, which include product design, packaging, brand naming, logo design, and additional values.

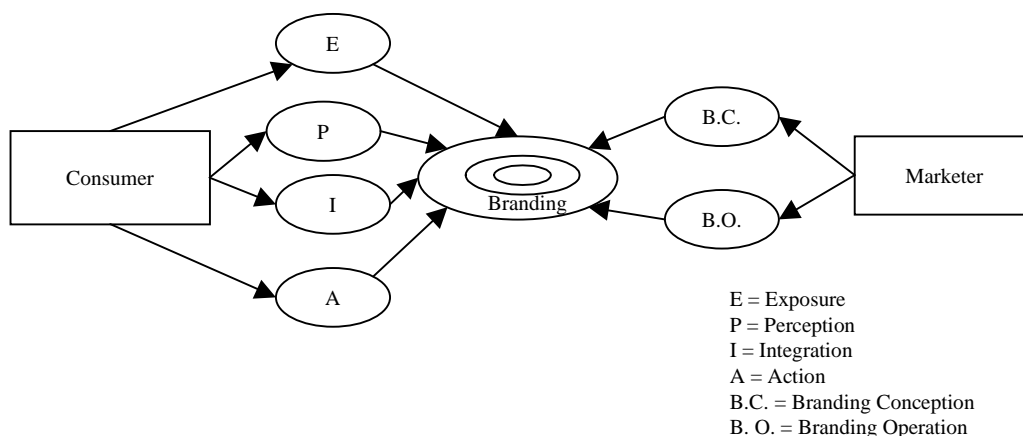


FIGURE 4.1 Branding as communication

To understand the marketer's branding conception and operation involves (1) in-depth interviews with the general manager, the export manager, the corporate communication manager, and other company personnel; and (2) collection of existing branding materials.

To understand the consumers' responses to the branding is more complex. There are several aspects to be considered. Firstly, who are going to be interviewed? Secondly, what is the focus in the interviews?

There are three questions to answer concerning the interviewees and the interviews. Who are the interviewees? How is the sampling to be done? How are the interviews going to be conducted? Mobile phones were desired products in China, but Chinese population as a whole was not targeted when the study was done. The target groups were people aged between 18 and 64, living in big cities with relatively high personal and family income. Moreover, the mobile phone is a durable and rather expensive product and requires higher involvement in the purchase decision. It will hardly be a one-second impulsive purchase action. People are used to discussing such purchase with friends before buying. Therefore, a focus group interview is suitable for the present study. Four to six people with a similar demographic background would feel more free and natural in discussing their perceptions of the branding. Snowball sampling is a more ideal way of organizing the focus groups than random selection of the residents in a city.

There are two other reasons for choosing the focus group interview method.

First, it is a common practice that marketing researchers often use to determine consumers' values. (Mooij 1998:117) In the marketing literature, it is described as follows:

*"In focus group interviews, some seven to ten members of the target audience are invited to discuss a specific topic related to the marketer's or advertiser's research question, typically in a home or laboratory setting. A focus group moderator guides the discussion, which can last from two to four hours. Participants may be more willing to discuss certain issues in such a group setting than they would be in a one-to-one interview. While focus group interviews do not provide statistically significant data due to the small sample size, they help provide insights into underlying consumer motives and attitudes. Focus group interviews are particularly effective in studying positioning, packaging, and advertising themes and diagnosing the possible need for changes in advertising strategy." (Douglas and Craig 1983:47)*

Second, focus group interviews function better in collectivist cultures (Mueller 1996:210). Respondents are more willing to discuss the topic as a group if they share a similar background or know each other. As mentioned above, a mobile phone is a high-involvement consumer product, which means that people usually spend more time searching for information, talking with others, and making the purchase decision. Bearden and Etzel (1982) suggest focus group interviews, in such cases, simulate the reality of looking for in-depth reasons.

Due to the small sample size, focus group interviews, however, are not amenable to statistical analysis. (Mueller 1996:210) This, to a certain extent, limits the data analysis from the quantitative viewpoint.

The focus groups in the present study consist of 4 to 6 persons. This is slightly less than the numbers Douglas and Craig (1983) suggest. The smaller group size, however, allows each interviewee the chance to express an individual viewpoint besides the group discussion. It is also a more flexible way of organizing the group and arranging the settings for the focus groups.

The present study mainly used small conference rooms in hotels or office buildings in order to provide for convenient transportation and a business atmosphere. The home or laboratory setting does not suit this case. The home is too casual and the laboratory too formal. The Chinese generally associate mobile phone use with office buildings and business interactions.

The second aspect in designing the interview concerns the focus of the interviews. Consumers' responses to branding fall into four components (Figure 4.1), but they are not all focused in the present study. The four components are exposure, perception, integration, and action, according to Sandage and Fryburger (1967:253). Exposure means the audience is within range and is capable of seeing and / or hearing the message. Perception includes the responses made to, such as attention, cognition, comprehension, distortion, and meaning. Integration includes acceptance, rejection, or memory. Action refers to audience purchase behaviors, such as try, buy, repeat purchase, advocate, etc.

Consumers' perceptions and integration are the focus of the present study. The focus group interview also allows for free discussion between the interviewees. I record all the interviews in videotapes so that the interviewees' nonverbal behaviors, such as how many seconds they took to read each advertisement, could be reviewed.

Consumer exposure and action are not the focus of the present study. Consumer exposure to branding in the present case refers to how much the marketer invested in advertising and promotion in public media and stores. This was something that could be checked with the export manager of the company. In case the interviewees had not seen any advertising or branding materials before, I would show a few samples to them during the interviews. In focus group interviews, it is not possible to simulate reality up to one hundred percent. Consumer actions, including try, buy, and repeat purchase, are not easy to investigate in interviews. Nevertheless, the question would be asked.

The data analyses focus on the three layers of branding. First of all, the intentions behind the product design, packaging, brand naming, and logo design are compared with the interviewees' perceptions of these matters. Attention is then focused on added values, which is not as tangible as the product and brand name. On the one hand, value is not explicit: a person might not be able to tell the others that "I have the following values: 1, 2, 3..." However, as Rokeach's hierarchy tells us, values can be seen through attitudes and behavior. Researchers are then able to ask about people's perceptions and attitudes in order to determine their values (Puohiniemi 1995:25). On another hand, marketers add values into brands deliberately. They do not, of course, state in their advertisements that they contain values A, B, and C. They generally have a branding philosophy or guidebook that list these values clearly. Advertising and promotion simply apply the values designed by the marketers, sometimes, in a relatively strict way. Thus, it is possible to gather values from both marketers and consumers and to compare them.

After data collection and comparison, it is possible to answer the sub-questions from one to four. In order to answer the last two sub-questions, two things need to be done. One is to find out if these differences are culture-bound. Another is to compare the interviewees' responses with the real performance of the brand to check whether the differences are the reasons for poor performance.

## **5 IMPLEMENTATION OF THIS STUDY**

This chapter is an overview of the procedure adopted in pursuit of the aims of the present study. The following discussion describes the case in question and the data collection.

### **5.1 The case**

The case study was done in 1998. It concerned the branding of a Finnish mobile phone in China<sup>13</sup>.

The manufacturer in this case had been producing mobile phones for ten years at the time of the study (1988-1998). The corporation's headquarters are located in Finland, and 90% of its products are exported to 14 different countries. China, Southeast Asia, Russia, and East European countries are the main targets. Africa and Nordic countries are secondary markets. North and South America as well as Japan do not constitute markets owing to different mobile communication protocols.

The manufacturer uses one name as its corporate name and brand name in the world. All the corporation's mobile phones bear the same brand name. They are differentiated from each other by various sub-names such as "Gold" or "Vega". In China, exceptionally, the manufacturer and the local distributor give an additional name in Chinese. It is the transliteration of the original brand name.

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<sup>13</sup> China in the present study refers to Mainland China, which does not include Hong Kong, Macao, or Taiwan; similarly, the term Chinese also only refers to the inhabitants of Mainland China –unless otherwise stated.



The manufacturer allows its worldwide agents and distributors to use the same name in their local markets. The manufacturer acts as the marketer in those markets since it decides all marketing activities.

The brand in question was in a weak position and under in severe competition in the late 1990s in China. There were several thousands of users in Beijing and in some North China cities such as Huhhot in 1998. However, millions of Chinese had bought rival brands. The manufacturer tested the market in the East and South China cities but did not expand sales in those regions. The mobile phone manufacturer provided extremely limited services in China and nearly all repairs were sent back to the headquarters in Finland.

The marketer had three types of products on the Chinese market in 1998. Compared with rival brands, the variation was limited. The marketer, however, was actively seeking an opportunity in China. The marketer believed that apart from the millions of rival brand users, there were still hundreds of millions of potential buyers in China. Therefore, it invested more in advertising in 1998. The rival manufacturers, however, also invested heavily in advertising at the same time. One giant brand put an extremely big billboard in front of the checkpoint of the Beijing Airport Express Way – a place where one thousand million people would pass in a year. Thus, not only the product competition but also the advertising competition was severe in 1998.

The marketer mainly invested in printed advertisements in professional magazines in China. The same advertisements were also done as brochures for in-store display. Finnish advertising agents<sup>14</sup> created all the advertisements for the marketer's global operation, and only the English or Finnish texts were translated into Chinese by the local distributor. The Chinese brand name stood beside or under the original brand name in the advertisements. All the brochures were printed in Finland and sent to China. The Chinese printing houses had to obtain the digitally formatted advertisements from Finland. Besides advertising, the marketer and the Chinese distributor organized a couple of seminars and participated in a few trade fairs in China every year.

The marketer did not have a direct channel of information about the market in China, depending mainly on reports from the Chinese distributor, and the export manager who traveled frequently between Finland and China. In fact, on the basis of casual observation by the distributor and export manager, the marketer had little feedback from Chinese consumers or potential buyers. No systematic marketing survey was done until this case study, which was also the first time the marketer had organized a direct investigation. In order to learn about their branding effectiveness in China, the marketer

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<sup>14</sup> The marketer changed agents in 1998. Before 1998, it used two agents. The first one made a branding plan. The second one followed the plan and created most of the advertisements used in this case study. The marketer changed to a third agent during the preparation of this case study and, following the original branding plan, the third agent created the tenth advertisement. All these three agents were in Finland. They were relatively small and local. They did not have subordinates or agents abroad.

supplied the author of this paper with the relevant marketing materials and equipment and assisted the author in preparing the case study.

## 5.2 Procedure

The study adopted the following procedure:

- (1) constructing the research schedule
- (2) selecting a set of branding materials with the marketer in Finland
- (3) holding discussions with the company and constructing the interview questions
- (4) compiling a folder for the interviews
- (5) pre-testing in the company
- (6) choosing sample cities in China
- (7) conducting focus group interviews with Chinese persons in different cities in China
- (8) analyzing the data and reporting back to the marketer in Finland

The interviews were conducted from April to August 1998. It was a period that did not have many festivals, holidays, or promotion seasons in China. It thus represented a normal segment of time. The marketer intended to launch the new product in October 1998, and it was hoped that the results of the study would be just in time to designing the launch program.

The branding materials included:

- the brand name and its Chinese translation
- the logo
- the slogan and its Chinese translation
- the products
- selected advertisements
- company gifts

The marketer provided all these materials. The brand name, logo, and slogan were printed together on a piece of paper in their original colors and in standard sizes. The Chinese translations were not printed separately but they were contained in advertisements. I read out both the original and translated brand names so that the interviewees could also comment on the pronunciation aspect. There were two working mobile phones and eight dummies. They represented the three types of mobile phone available on the Chinese market and the ten different colors of handsets available.

Advertising, as mentioned above, is the key component of the collection of branding materials because it presents the added values visually. (See also

Mooij 1998:220-221) The values added by the marketer were sought in the interviews with the company's managers. The values ascribed to the advertisements by the interviewees can be discovered by in-depth analysis of their perceptions.

As mentioned above, the marketer only invested in printed advertisements in China. This was the main branding strategy of the marketer. Ten printed advertisements were used in the present study. They were chosen from dozens of advertisements used globally by the marketer. Five of them had already been used in China and five of them were going onto the Chinese market. Those five did not have Chinese versions yet; two were in Finnish and three in English. The Finnish export manager and I translated them into Chinese and attached the translations to the original advertisements. Two agents created these ten advertisements, with a few subtle differences. They followed the same branding plan the marketer had designed. The branding plan decided the advertising style so that the ten advertisements had a similar appearance. The export manager arranged the order, and the principle was to put the Chinese advertisements before the English or Finnish ones, to group advertisements of the same product together.

Table 5.1 summarizes these ten advertisements. All the advertisements were printed in color. They were all designed for publishing in professional magazines. In the present study, these ten advertisements are nicknamed according to the pictures because the requirement of anonymity means that they cannot be revealed in the present study; however, I was permitted to describe them in words here. I have also constructed 10 similar, but not identical, ones to present the basic visual elements, as the rules allowed. (See Appendix 2. Ten Advertisements) All the advertisements consist of a picture and a mobile phone on the main page. Six of them directly addressed the reader with questions such as "why not follow your instinct?" Most of the original words in the advertisements cannot be revealed in the present study. Four of them do not directly address the readers. All the advertisements apply the dual motif style, which was decided in the branding plan. The dual motif means having two themes in the same advertisement via dividing the paper into two parts. The style standardizes the graphic design – half in black and half in white divided vertically. The picture and mobile phone occupy the respective halves, and do not overlap. Advertisement Number 7 has a slightly different graphic design. The product stands in the middle of the paper and below the picture. In all cases, the phone and picture never overlap. The eight advertisements are in parallel format. There are similarities between the phones and the themes of the pictures. The horse (Ad. 2) is purebred, suggesting the phone is purely manufactured in its original country. The squirrel (Ad. 6) moves freely and smartly in the forest, suggesting the phone can receive codes wherever it is. The mountaineering (Ad. 3), freezing weather (Ad. 4), sailing (Ad. 5), and playing chess (Ad. 7) are challenging and demanding. Using the phone seems trouble-free. A woman kicks a man. (Ad. 10) There must be humor, so on the phone. There are two pictures have no parallels with the phone. One is a dragon kite

(Ad.1) and one shows the Great Wall (Ad. 9). The tones of the selected advertisements are similar: no use of humor, no competitive, and no aggressive. The only exception is advertisement Number 10 which contains humor. The appeal elements are similar in the ten advertisements as well. Country-of-origin is stressed or implied in eight of them, except advertisements Number 3 and 6. The performance is emphasized in seven of them, except for advertisements Number 3, 4 and 10. The unique design of the mobile phone is the theme in eight of them, except for advertisements Number 4 and 9. There are minor differences in these advertisements. These details are described next.

TABLE 5.1a The advertisements (1-5)

Ad Number		1	2	3	4	5
Nick name		Dragon	Horse	Mountaineer	Landscape	Boat
Content	In the front cover	Dragon kite + m.p. <sup>15</sup>	Horse + m.p.	Mountaineer + m.p.	Landscape + m.p.	Sailing boat + m.p.
	Addressing readers	Yes	Yes	No	No	Yes
Style	Dual motif	Yes	Yes	Yes	Yes	Yes
Format	Parallel (P) or not (N)?	N	P	P	P	P
Tones	The use of humor	No	No	No	No	No
	Non-competitive	Yes	Yes	Yes	Yes	Yes
	Soft-sell	Yes	Yes	Yes	Yes	Yes
Appeals	Country-of-origin	Stressed	Implied	No	Implied	Implied
	Performance	Yes	Yes	No	No	Yes
	Quality	Yes	Yes	No	No	Yes
	Look/design	Yes	Yes	Yes	No	Yes
Medium	Printed, colorful, professional magazine	Yes	Yes	Yes	Yes	Yes

The first advertisement is called the “**dragon**”. It is printed on two sides of one sheet. In the front, a dragon kite is the main picture next to a mobile phone and the back cover shows a full list of technical data and the contact information of the marketer. The advertisement in the appendix only shows the front page of the original. It emphasizes the phone is “made in Finland” and includes the company address in Finland. The advertisement is in Chinese.

The second advertisement is called the “**horse**”. It is printed on one side of a sheet and shows a horse with its head and forelegs next to a mobile phone. The advertisement emphasizes the phone is “imported”. Once more, the

<sup>15</sup> M.p. = mobile phone.

company address in Finland is printed and there is a list of Asian distributors' addresses at the bottom. The advertisement is in Chinese.

The third advertisement is called the “**mountaineer**”. It is printed on one side of a sheet and shows a mountaineer with the mobile phone climbing a cliff. The advertisement is in English and includes the company web site.

The fourth advertisement is called the “**landscape**”. It is printed on one side of a sheet with a picture of snow-covered road and empty landscape – which is typical and common in Finland - next to a mobile phone. This advertisement is in Finnish and the company web site is also printed.

The fifth advertisement is called the “**boat**”. It is printed on one side of a sheet with a sailing boat in a dark sea next to the phone. The advertisement is in English and includes the company address.

TABLE 5.1b The advertisements (6-10)

Ad Number		6	7	8	9	10
Nick name		Squirrel	Chess	Goldfish	Great Wall	Vega
Content	In the front cover	Squirrel + m.p.	Chess + m.p.	Goldfish + m.p.	Great Wall + m.p.	Woman and man + m.p.
	Addressing readers	Yes	Yes	Yes	No	No
Style	Dual motif	Yes	Yes (modified)	Yes	Yes	Yes
Format	Parallel (P) or not (N)?	P	P	P	N	P
Tones	The use of humor	No	No	No	No	Yes
	Non-competitive	Yes	Yes	Yes	Yes	Yes
	Soft-sell	Yes	Yes	Yes	Yes	Yes
Appeals	Country-of-origin	Implied	No	Stressed	Implied	Implied
	Performance	Yes	Yes	Yes	Yes	No
	Quality	Yes	Yes	Yes	Yes	No
	Look/design	Yes	Yes	Yes	No	Yes
Medium	Printed, colorful, professional magazine	Yes	Yes	Yes	Yes	Yes

The sixth one is also a one-side printed advertisement and is called the “**squirrel**” with a squirrel in a tree next to the phone. It is titled “the rhythm of nature” and at the bottom of the advertisement there is a text saying “joy in the woods”. The advertisement is in Finnish and includes the company address and Finnish key-flag.

The seventh advertisement is called the “**chess**”. It is printed on one side of a sheet with upper half showing a picture of a chessboard and six chess

pieces: three white on the left, a knight, a king, and a castle, and three black on the right, a queen, a king, and a bishop. A headline saying “a premeditated performance” crosses the chessboard and pieces. The lower half has the subheading “why not follow your instinct?” on the left and a text on the right, with a phone standing in the middle of them. The advertisement is a slight modification of the dual-motif style. The advertisement is in English and includes the company web site.

The eighth advertisement is called the “**goldfish**”. It is a folded brochure, the cover of which includes a picture of five goldfish surrounding a piece of pure gold (99.99%) on the left and the phone on the right. “Made in Finland” is printed on the face. The back cover lists technical data and the brochure spreads from the middle of the front cover. Inside, there is a picture of the phone with detailed information. The advertisement in the appendix only shows the cover page of the original. The advertisement is in Chinese.

The ninth one is called the “**Great Wall**”. It is a tri-folded brochure, the cover page featuring a picture of the Great Wall of China with a large number of people on it on the right and the phone on the left. The other pages show the phone and accessories with detailed text illustrating the features of the product. The advertisement in the appendix only shows the cover page of the original. The three-year guarantee is highlighted and Finland is mentioned in the distributor’s contact information. The advertisement is in Chinese.

Finally, the tenth advertisement is called “**Vega**”. It is a folded brochure, the cover of which includes a picture of a man and a woman on the left and the phone on the right. In the picture, a woman is kicking the keyboard of a mobile phone, while a man stands behind a mobile-phone-like door. The woman seems to be kicking the key to open the door for him. The back cover lists full information of technical data. The inside spreads from the middle of the folder face. A couple of pictures and texts illustrate detailed functions of the mobile phone. The advertisement in the appendix only shows the cover page of the original. Both the company address and web site are printed, and the advertisement is in English.

The printed advertisements were selected because they were convenient to present in the interviews. They are one of the major branding materials used in the interviews. In addition, advertising researchers believe that advertising is “clearly an important” branding strategy (Christopher and McDonald 1995). Cat Saleeby says, “I love, really love, ... the advertisements.... I’ve found nothings tells about a society like its advertisements – they tend to show the idealized picture, the stereotypes, the dreams and assumptions it is founded on” (John W. Hartman Center 1999). The selected advertisements visually convey the brand to the interviewees. After the interviews, I found that the interviewees discussed these advertisements more than the other branding materials.

The marketer ordered company ties, waist belts, pens, and T-shirts, which were used as company gifts on different occasions. The gifts were shown to the

interviewees for commentary and were given to the interviewees for their participation at the end of each interview.

I designed the case study and prepared the questions on the basis of my research framework. The questions include:

- Chinese perceptions of the brand name, logo, slogan, and the Chinese translations
- Chinese perceptions of the products
- Chinese perceptions of the advertisements
- Chinese perceptions of Finland and Finnish products in general
- Demographic data about the interviewees

The questions do not ask directly “what is your perception”, but “what do you think” in a more open and relaxing way. Academic terms, or abstract words, such as value and perception, are not used.

In the interviews, there was no focus on a set number of predetermined “themes” or “values” to prevent bias in the results. The aim was to look for those aspects that naturally come to the fore. If a small number of values were most often repeated, I stimulated group discussion to discover why these values were most often mentioned.

Each interviewee was asked to write down their impressions of the advertisements. The interviewee also individually ranked the advertisements according to the simple likeability criteria, such as “does it appeal to me?”, “do I like it?”, or “does it repel?” Then the interviewees were encouraged to talk to each other and explain “why does it attract or repel me?” I as the interviewer facilitated the discussion but did not interfere.

Besides collecting Chinese perceptions of the brand, products, and advertisements, the marketer wanted to know Chinese impression of Finland and if they associated Finland with any particular Finns. They selected nine<sup>16</sup> internationally famous Finns to test if Chinese knew about them and how much they liked them because these Finns could be used as endorsers if the Chinese liked them very much. They included a musician (Jean Sibelius), an architect (Alvar Aalto), a president (Martti Ahtisaari), five sports men (Mika Häkkinen, Juha Kankkunen, Jari Litmanen, Mika Myllylä, Tommi Mäkinen), and a mythological figure (Santa Claus, Joulupukki) (Appendix 1). In the list, Joulupukki – the Finnish name for Santa Claus – and Santa Claus were both asked about so that the marketer could see whether the Chinese knew that Santa Claus is from Finland. There were other ways of checking Chinese knowledge and impression about Finland. For example, I asked them to draw a map of world by indicating China and Finland in a blank frame and to write down three words or phrases that come to their mind immediately when talking about Finland.

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<sup>16</sup> There are ten names but nine people because Joulupukki and Santa Claus are two names for one person.

Their discussions were recorded on videotape. So not only their words, but also their facial expressions, were recorded for further analysis.

The interviewees were asked for their demographic data at the end of each interview. Some interviewees refused to disclose their personal information.<sup>17</sup> However, I had already recorded their responses to the branding, which was the most important issue. Their age and sex information was known since they attended the interviews. In addition, I was able to call someone in the same group to obtain more demographic data about those individuals. Thus, there were not too many lacunae in the background data.

The questions were printed and put together with the advertisements in a plastic folder. The interviewees were not supposed to write down their answers. They only needed to say what they thought and their words were recorded. However, if they wanted to write something down or draw some pictures, they were allowed to do so as it would be a focus group interview and some of them might not find the opportunity to speak. This was the reason for printing the questions. Only the demographic question sheet at the end of the folder was supposed to be filled in by all the interviewees. (See Appendix 1: Questions)



FIGURE 5.1 Location of the 5 cities in China

<sup>17</sup> The marketer provided a digital video camera for recording all interviews. Only one focus group in Guangzhou refused to be recorded. Written notes were made on that occasion. The others all agreed to be recorded.



One trial interview was done within the company in Finland. Five company employees participated in a focus group interview, and they commented on the interview after it was done. After that, the marketer and I revised the interview design and constructed the Chinese version together.

Five cities were chosen in order to explore regional diversity. Each of them represented a special market place for the brand. Beijing was the largest market, Huhhot had been successful, Lanzhou was new, and Shanghai and Guangzhou were the potential markets in the east and south. These five cities also represented geographic, economic, and dialect variety. Table 5.2 distinguishes them from location, population, per capita GDP, and per capita consumption. Beijing and Huhhot are in North China. Lanzhou is located in West China. People living in these three cities often speak the North Chinese dialect with slight differences. Guangzhou is in South China close to Hong Kong. The people of Guangzhou mainly speak Cantonese dialect. Shanghai, in East China, has a population of nearly 15 million people who generally speak Shanghai dialect. Beijing, Shanghai, and Guangzhou are much richer than Huhhot and Lanzhou. The average distance between each city is about 2,000 kilometers.

TABLE 5.2 The 5 cities

	Location	Population of the region (million, 1998)	Per-capita GDP ( <i>yuan</i> <sup>18</sup> , 1998)	Per-capita consumption ( <i>yuan</i> , 1998)
Beijing	North China Capital of the nation	13.05 <u>Municipality</u>	17, 044	3, 719
Huhhot	North China Capital of Inner Mongolia Autonomous Region	23.67 <u>Inner Mongolia Autonomous Region</u>	4, 459	1, 729
Lanzhou	West China Capital of Gansu Province	24.98 <u>Gansu Province</u>	3, 023	1, 190
Guangzhou	South China Capital of Guangdong Province	69.86 <u>Guangdong Province</u>	9, 531	4, 122
Shanghai	East China Municipality	14.98 <u>Municipality</u>	25, 755	4, 706

Source: China Statistical Yearbook (1998), Beijing: China Statistical Publishing House.

In the final analyses, every focus group discussion was reviewed and often-repeated values were written down. The values were compared with those

<sup>18</sup> 8.3 *yuan* is about 1 US dollar.

from the other focus group discussion analyses. The most often-mentioned values were regarded as the core values that were most influential in branding. Chinese classic philosophical texts were also consulted to determine the original meanings of these values, and they were also discussed with professors, experts, and scholars in the field of Chinese cultural studies to understand their influence on contemporary Chinese people. The last step was to compare the different focus groups regionally and look for regional differences.

In sum, as it was designed, the study aimed to interview and record the perception of 100 Chinese respondents in 20 focus groups (in 5 cities) on the branding materials during April to August 1998.

## **6 DATA ANALYSES**

The focus group interviews provided an enormous amount of data. Some of these data are confidential and cannot be disclosed here. In some cases these data do not relate to the focus of the present study since the initial purpose of the fieldwork survey was to serve the branding purpose of the marketer. In other cases, the data were not of direct relevance in the present study but might, nevertheless, be of some interest, such as the data on the demographic background of the interviewees, which will be discussed in the last chapter.

Two types of data are analyzed here. These are the branding concept and the mode of operation of the marketer – collected through discussions with the relevant managers and the branding plan of the company, and the Chinese responses to the branding – obtained in the fieldwork.

### **6.1 Branding from the marketer's perspective**

The marketer developed the branding concept. In this case, The marketer, together with the first advertising agent, drew up a branding plan to carry out the brand naming, logo designing, brand image planning, product designing, and advertising. The major mode of operation was advertising, particularly printed advertisements in professional magazines.

In the branding plan, the marketer said that the concept of the brand was three-fold “professional quality”, “unique design”, and “consumer satisfaction”. All marketing activities should represent this concept. I became familiar with the concept through discussions with the managers in charge of production, exporting, and PR. The marketer also gave me one copy of the

branding plan, but I am not allowed to quote or reveal more about the branding concept in this paper.

“Professional quality” is a key element in the branding concept. For example, every mobile phone is checked in extreme high and cold temperatures to ensure it represents “professional quality”. In printed advertisements, the marketer publishes a long list of technical data to demonstrate its expertise as well.

A unique piece of software in the phone allows consumers to design their own ringing tone melody. This is one example of “unique design” emphasizing users’ individuality. Another example is the design of the loudspeaker, which is not the usual two or three holes; but in this case is the brand logo.

“Consumer satisfaction” is represented by three aspects: localization, environment care, and addressing with consumers.

Firstly, the marketer stresses localization. In China, translation of the brand name is adapted to Chinese naming practices, which are discussed in detail in Chapter 7. Two advertisements contain pictures of a dragon kite and the Great Wall respectively. The intention is to show friendliness and goodwill to Chinese consumers by using local cultural symbols. Another matter of localization, not only in China but also in other Southeast Asian countries, is that the wording of the advertisements is not aggressive or direct. The marketer takes into account the politeness and indirectness typical of these local cultures. China and Southeast Asians are assumed to communicate indirectly and humbly.

The second aspect is environmental friendliness. The brand name is in black letters. In addition, it contains a square, a circle, and a triangle, all in green. Green suggests the environmental concern of the marketer. In one advertisement, a picture of squirrel in the tree is used to associate the rhythm of nature with the mobile phone.

The third way to show the concern for the consumer is to address the consumer. “You” (single form) is often found in the text; usually it is “you will have it” or “you will enjoy it”.

In the advertisements, these concepts are coded as well. Quality, performance, and design are important appeals. The advertising style was generally clean, rational, and serious. Both the product’s benefits to the user and the technical details of how the product works are important items in the messages. The manufacturer’s competence is demonstrated by detailed data. It is sometimes indicated by a Finnish country-of-origin symbol (flag-key) – which is only awarded to the approved manufacturer in Finland. In some advertisements, country-of-origin is mentioned (Table 5.1). This is done in three ways:

- by stressing the image of the country-of-origin by words “Made in Finland” or “imported”
- by implying the image of the country-of-origin by showing a picture of Finnish landscape
- by implying the image of Finland by the flag-key

What are the values in the brand? The marketer adds values to brands after careful consideration of the product category, its position, and its target consumers. In order to learn about the values added into the brand from the marketer in this case, I visited the company for five times and talked with the general manager, the export manager for China, the corporate communication manager, the product managers, and the after-sales service manager. I also collected the company publications about the brand, advertising, and products. All these people and materials presented ways of adding values. However, they did not give me a list of the values added into the brand. For example, the corporate communication manager told me how they selected pictures for advertising. She said, "These pictures are good, those do not fit us." But why were some unsuitable? Instead of the value of the brand, she told me of the three major elements in the branding concept, namely, "professional quality", "unique design", and "consumer satisfaction".

Fortunately, the marketer's values are limited, distinctive, and constant. It is a common practice in marketing communication to add only a few values to a given brand. The brand is then characterized by those few distinctive values in competition. This makes the brand easy to notice, recognize, and remember. (Bové and Arens 1992:300-312) A successful brand carries its values continuously, as it is not productive to change added values frequently. On the contrary, it is neither realistic nor economic to add all values possible into a brand, as this only gives a brand an ambiguous personality or face.

What are the values behind the branding concept? After close studying of the branding materials, I concluded that the main value of the marketer was promoting in this case was "individualism". The marketer agreed while some managers said they had not been thinking so deeply. Two years after this study, interestingly, the company directly mentioned the word "individualism" on their homepage, which says: "the call of the individualism, introducing XXX<sup>19</sup> newest Communication Instruments".

It serves in the interests of individualism that the design is seen as pursuing uniqueness. The ringing tone software is also designed to express individual identity. The unique idea of using the logo as the hole of the loudspeaker is another example. At a more deep level, individualism aims at achieve self-enhancement. It stresses individual responsibility for one's behavior, expertise, and high quality, which are manifestations of this value. Individualism does not refuse friendliness, but friendliness is built on a mutual respect for individuality. When talking about consumer satisfaction, it is manifest in wording such as "you", "your own mobile phone", and "unique performance only for you".

Figure 6.1 summarizes the branding conception, operation, and the added value. The marketer has a branding concept, that is, the brand represents "professional quality", "unique design", and "consumer satisfaction". After that, the concept is realized in the branding operation by reference to, such factors as quality control, localization, and so on. Both concept and operation

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<sup>19</sup> XXX stands for the brand name.

originate in the value “individualism”, which is deliberately added into the brand.

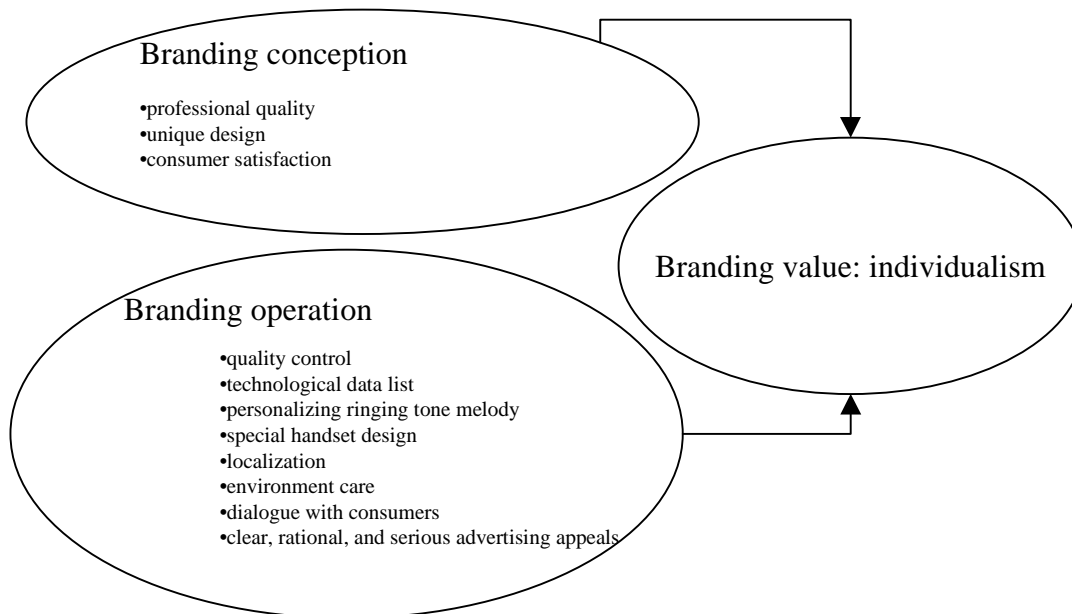


FIGURE 6.1 Added value: individualism

## 6.2 Branding from the consumers' perspective

### 6.2.1 The Chinese answers to the questions

First of all, I will present the interviewees' responses in the focus group discussions in the same order as the questions (see Appendix 1. Questions).

The first set of questions was about the brand name. I pronounced the original name and translated it for the interviewees before I showed them the written form. When they heard the pronunciation, most of them did not have comments on the original name, however, they thought the translated name sounded like a fruit store name in China, because they have the word “*feng* [harvest]” which is often used as part of the name of a fruit store.

After that, I showed them the printed brand name and the translation, as well as the logo and slogan in English and Chinese. Not many of the interviewees associated the green color in the logo with being environmentally friendly. They did not like the slogan, which cannot be quoted here. They thought it was not differentiated from the others and was rather conventional. Some of the interviewees thought the green color led them associate further

with the fruit store idea. They did not think the brand name was suitable for a mobile phone.

The next discussion was about the product. Most of the interviewees thought the handset was too heavy and big. They argued that a mobile phone should be fashionable. "We express our idea and fashion by owning it," said one of them. The possibility to compose ones own ringing tone melody was ignored by most of them. Those who noticed the function thought it was too complex and not convenient although it was a unique design.<sup>20</sup> They thought the product was designed for men older than 40 with average incomes and ordinary occupations. They personalized the product consumer as a regular engineer, male and married, with a stable and happy family, not ambitious or imaginative. Most of them did not notice the car-kit for the mobile phone. They reported that there was not particular regulations as yet about making phone calls when driving. Not all of them had cars or often drove.

I showed them an example of comparing brands by quality and design, using a reference grid to compare automobile brands. I put Lada as an example of poor design and poor quality, Volkswagen as one of better design and more satisfying quality, and Mercedes-Benz as a top brand with excellent design and highest quality. After all the interviewees showed they understood the idea, they began to compare the given brand with all the other mobile phone brands they remembered. This is a basic marketing survey technique for checking the position of a brand in relation to the competition.

The majority thought the given brand's quality was good but its design was unsatisfying. The rival brands, nevertheless, were thought to have better quality and satisfying design. The details cannot be disclosed here. Fortunately, they do not influence the analyses and discussion in the present study. In general, the distance between the given brand and rival brands was greater than the marketer's expectations. It was obvious that the given brand ranked the last in design. When talking about quality, however, there were different opinions. The given brand was among top three in some regions. It was the last in other regions. The result corresponded with the poor performance of the brand in China.

Would all the interviewees buy the best brand? No. One idea was dominant: "I would buy the most popular brand even if it might not be the best one". This was interesting and I will discuss it in detail in the next chapter.

I asked them about the general trend in mobile phone consumption after specific questions about the given brand. They thought mobile phones were most popular in some countries in Northern Europe because telecommunications were developed over there and the population was rather small in those countries. This was correct. In the sense of users, some of them believed the United States had the biggest number, while some thought it might be Japan. This was also generally correct. In China, they thought business people and government officials were mobile phone users, while more and more young people would buy mobile phones soon. This matched the

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<sup>20</sup> Two years later (2000), nearly all mobile phones have that function.

professional prediction. Hence, nearly all the interviewees had quite a good understanding of the trend in mobile phone consumption.

How can Chinese consumers be reached via media? What kind of advertising was the most welcomed and popular? The marketer was interested in these questions. The answers would guide the next step to improve the branding performance. Generally, the interviewees liked watching TV advertisements, or it might be said that TV advertisements guided consumption in China. The interviewees expressed this kind of logic: TV advertising is very expensive and only the strongest marketers have enough money to buy that medium; at the same time, the strongest marketers must be the most reliable ones; therefore, we will buy that brand. Another medium enjoyed the same logic and had become influential. This was the outdoor billboard, which was also a costly investment. This reasoning sounded rather simple and childlike. However, it was the reality. The other media could not compete with TV. Some regional diversity was found. For example, young women in the bigger and richer cities like Beijing and Shanghai particularly liked illuminated advertising stands in the street.

When the interviewees were considering buying a mobile phone, they were not only influenced by TV advertisements. They would firstly seek information from their relatives and friends who used mobile phones, then go to stores or markets to inquire further. After comparing quality and price, they then sat down in front of the TV to see which brand was popular in advertising. Newspaper advertisements about technical specifications or price discounts helped them to choose a certain brand if more than one brand were advertised in the TV. Usually they spent about one month surveying the market. Expertise was not a special issue for the Chinese. They would not very often consult experts. Before they went to buy one, they would, nevertheless, again consult their relatives and friends about their choices of brands. They would also check which brand their colleagues and leaders were using. "Naturally," thought some interviewees, "we will buy the same brand our leaders are using. We must respect them." It turned out that groups and groups of Chinese were using the same brand. The popularity of certain brands developed in this way. The marketer had not expected this outcome. I will discuss this in the next chapter.

The ten advertisements were one of the most important tools with which to check the interviewees' responses to the marketer's branding program. They were objectively described in the previous chapter. What did the Chinese think about them?

First of all, they did not like reading printed advertisements, since most of them preferred watching TV advertisements. This was, however, not the key point, as the marketer had the ability to create TV advertisements based on the printed ones if the interviewees liked them.

Secondly, it was observed that some of the interviewees were reluctant to criticize because they knew I would give them some gifts on behalf of the marketer. They would not cause the host to lose face once they had been kindly



invited. However, I encouraged them to say whatever they wanted and told them the marketer would treasure all kinds of opinions. That partly solved the problem.

Their evaluation of the ten advertisements was not high. In general, they did not show special interest in the dual motif style, of which the marketer was proud. Neither did they understand or respond positively to the metaphor or parallel format. The “soft-sell” and non-competitive tones were disliked. Most interviewees suggested a more aggressive and direct tone. They did not take a positively attitude to the use of humor, which only appeared in the last advertisement. They thought a woman who opened her legs wide was not acceptable in China.

On the content, the interviewees did not notice the words addressing readers. As mentioned above, they did not seek professional consultation very much. The front cover pictures were controversial. Some thought the dragon and the Great Wall were symbols of Chinese culture and had nothing to do with a foreign mobile phone brand. So it was a mistake to use these symbols. On the contrary, some other interviewees liked the idea because it showed friendship between the marketer and Chinese consumer, as well as the marketer’s understanding of Chinese culture. The horse and boat were not liked because there were no human beings riding or sailing. Many interviewees wondered what the association between these objects and a mobile phone was. They did not understand that the horse was a metaphor for power and a sailing boat was a symbol of a free and well-to-do life style. The mountaineer was also a life style symbol: individual freedom and adventure. Most Chinese thought it was dangerous to climb a mountain without any help or support from other people and it was only a sport for professionals. They then viewed the mobile phone he was carrying as a sign of bad luck, which constituted a risk. They did not agree that the picture showed power, courage, and adventure. The landscape of freezing countryside was seen as odd by most interviewees. They found nobody in the picture and were puzzled. They asked me if it indicated the mobile phone could not be used and all the people in the village had frozen and died. I told them it was common landscape in Finland. Then they suggested not using it in China. The squirrel symbolized good reception and free movement in a deep and distant forest. The animal could be seen in many places in Finland, even sometimes in cities. However, the interviewees thought it was an animal that lived far away from people. Therefore, they did not understand the metaphor. Some interviewees made a joke. They suggested putting a mobile phone in the hand of the squirrel as if it was making a phone call. Chess showed wisdom in manufacturing and designing the mobile phone. The interviewees understood it although most of them thought that it was a conventional metaphor for all kinds of high-tech products. “It could be used for a computer, for example,” said one of them. The goldfish was the most liked advertisement. Many Chinese liked the association between the “goldfish” and the product name, which also had the word “gold”. On the other hand, the goldfish is a common pet in China, which means many families in China feed

goldfish at home and view it as a part of family. This might not be a habit in many Western countries, where dogs and cats are the most common pets. The last advertisement was not liked, such a body movement would rarely occur in China, as mentioned above.

The appeal of these advertisements received various comments. The interviewees responded positively to those advertisements, in which country-of-origin was stressed. They suggested that the marketer should emphasize about the country-of-origin more in those advertisements, where the theme was only implied or not mentioned. They thought that country-of-origin was one of the most important appeals in all kinds of products. "It is like a person's family background. I must know where you come from and what your background is." This sort of comment was heard in several focus groups. I will discuss it in the next chapter.

Appeals such as performance, quality, and design, which were stressed in many of these advertisements, were ignored. This was far from the expectation of the marketer, as performance, quality, and design were the three key branding elements the company would like to promote everywhere. The Chinese neglected them not because they were not interested in the good performance, quality, and design, but because they believed that all mobile phone manufacturers, particularly Western marketers, should be good at these.

The interviewees gave a general impression score to all of the ten advertisements after they had commented on them one by one. The average score in all of the 20 focus groups was 8 on a scale from 0, which represented the worst, to 10, which represented the best. There was not much correspondence between their comments and general impression score. Their comments were more revealing. The difference was understandable. When discussing the advertisements, they expressed their real thoughts. When they gave a score, they were thinking more about the face of the marketer and gave a relatively high but not the highest score simply to satisfy the marketer. This indicated the poor validity of a simple quantitative survey, because a simple number on a scale could be misleading. Eight was a moderately high score. It expressed a complimentary and dissatisfied attitude at the same time.

The marketer wanted to know if Finland enjoyed a positive image in China and if they should use some international celebrities to promote their brand in the future. Therefore, the last but one section of the questions focused on Chinese impressions of Finland.

I asked all interviewees to draw a map of world and indicate the position of China and Finland, in order to check their basic geographical knowledge about the two countries. All the answers were correct in sense of the relative position of China and Finland. They all put Finland in the left-upper corner of the map and China in the middle. This is a common way of drawing a map of the world in China. Nearly all maps published by China put China in the middle of the world, Europe in the upper left-hand corner, and North and South America on the right. It is different from many maps published in Europe or America, which put the Atlantic Ocean and Europe in the middle, the

American continent to the left, and Asia to the right. Anyway, the relative positions and directions of China and Finland were correct when the interviewees drew the maps. Not many interviewees, however, drew the size and shape of Finland correctly. It was often too big. Astonishingly, they drew the shape of Italy quite correctly. It was because many Chinese knew about Italian football and the shape of the country is also like a leg – the peninsula, and a football – Sicily.

Not many interviewees were able to think quickly of three adjectives for Finland. Many of them wrote down one or two. The most frequent ones were friendly, peaceful, beautiful, and blue. They did not know much about Finnish symbols either. Some interviewees wrote down sauna and asked me if it was correct that sauna comes from Finland and not Turkey. Some wrote down symbols like a polar bear, ice, snow, and a windmill (sic). They had obviously mixed Finland with Holland, since the two countries' names were translated as "*Fenlan*" and "*Helan*" and sounded so close to each other.

These internationally famous Finns selected by the marketer were not familiar to the interviewees. Santa Claus was the most well known celebrity but the Chinese did not think of him as a Finn known as Joulupukki. Jari Litmanen was known by a group of young men, who only knew him as a member of a football team. The other sportsmen were not very well known because their sports, such as skiing, rally driving, and formula one racing, were not popular in China. Martti Ahtisaari was the third most well-known Finn since he had just visited China and his name had appeared on TV and in the newspapers. The designer Alvar Aalto and the musician Jean Sibelius, who were known by some interviewees, shared the fourth position. Usually those interviewees were interested in art and music. Many interviewees did not think that it was a good idea to promote the brand with those celebrities, except for Santa Claus. They also suspected that an advertisement showing Santa Claus holding a mobile phone would only be interesting to children, who would not be the target group of the marketer for some time to come.

What was the interviewees' impression of Finnish products in general and Finnish mobile phones in particular? They thought that Finnish products must be as high quality as the other Western products because Finland is a Western developed country. That was their general impression. They did not, however, know any particular details about Finnish production quality. Nor did they know about Finland's leading position on mobile phone manufacturing. In short, all the interviewees had a general positive impression about Finnish products and mobile phones. They put Finland in the circle of Western developed countries.

Finally I collected their demographic data, which will be presented when I discuss the whole case study in the next chapter.

### 6.2.2 Summary of the Chinese responses

In the focus group interviews, it was not possible to replay every component of the consumer responses to branding. In particular, exposure and action could not be simulated. The present study only knew that the exposure in this case, that is, the marketer's investment in advertising, was limited. Action, as represented by market share, was poor.

The major outcome of the fieldwork was the interviewees' perceptions of the branding. On the basis of their perceptions, I was able to extract their values, as we perceive what we expect to perceive according to our cultural map. Culture filters our perceptions. As Adler says:

*"Perception is the process by which each individual selects, organizes, and evaluates stimuli from the external environment to provide meaningful experiences for him- or herself. Selective perception means that people focus on certain features of their environment to the exclusion of others. Our interests, values, experience act as filters and lead us to distort, block, and even create what we choose to see and hear" (1991:63).*

Branding, in which the values do not match those of the culture of the receivers, will be less noted or misunderstood and will subsequently be less effective. Successful branding, on the contrary, there is a larger overlap part between the brand image and the consumer perceptions of the brand (Figure 6.2).

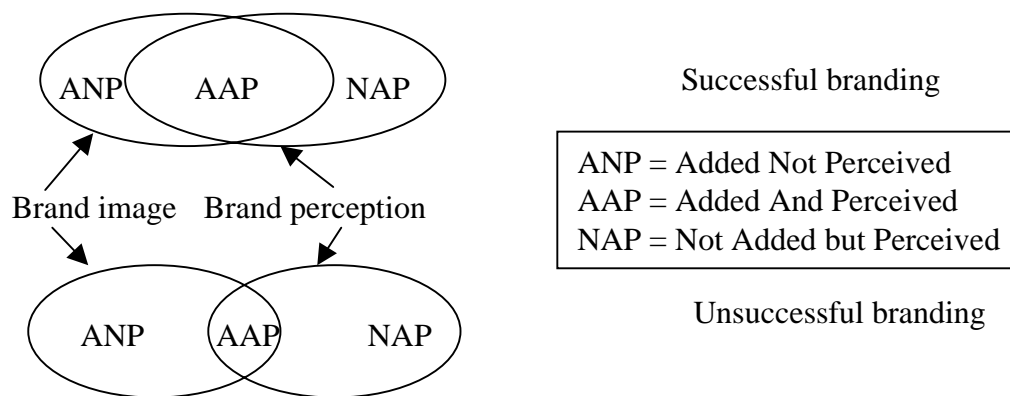


FIGURE 6.2 Brand image and perception

The perceptions can be divided into three parts: (1) what was added into the branding but not perceived, (2) what was added into the branding and perceived, and (3) what was not added into the branding but was perceived. Thus, in this paper, the Chinese perceptions are summarized into three parts.<sup>21</sup>

<sup>21</sup> It is not possible to disclose details of the Chinese perceptions in this paper owing to the research agreement with the company. The videotapes and transcripts should be sealed for five years. Therefore, in this paper, no direct quotation from the Chinese perceptions is used, but I was permitted to summarize the perceptions and analyze the values behind the perceptions in detail for academic purposes.

The interviewees all neglected the full page of technical data in some advertisements, as well as the personal address in the advertisements. They also ignored the ringing tone melody software.

Nevertheless, the interviewees noticed many things, and they were eager to see the products and the advertisements. They talked to each other actively and liked some things but also disliked some others.

On the one hand, quality, country-of-origin, and the Finnish quality symbol, the “flag-key”, were noticed and liked. The interviewees usually took it for granted that the quality of imported goods was high and country-of-origin was always discussed. Finland was a friendly, peaceful, and beautiful country producing high quality goods with advanced technology in the interviewees’ eyes. There was not a strong association between the mobile phone and the country-of-origin, however. The interviewees were curious about the flag-key. When they were told that Finnish standard authority awards the flag-key only to products meeting a certain standard of quality, they suggested emphasizing it in advertising.

On the other hand, they did not respond positively to the brand name, advertising medium, the advertisements, or the handset design. The original brand name did not get much attention, but its Chinese translation was disliked because of its association with many fruit stores. Printed advertisements in professional magazines were the main advertising strategy used by the marketer, but the interviewees did not think it was the right way to show “professional quality”. All of them listed TV as the most ideal medium. They did not think very much of the ten advertisements, particularly the “squirrel” because they did not see any association between the rhythm of nature and the mobile phone. They were not satisfied when they did not see human beings in eight of the ten advertisements. The “mountaineer”, with a human, however, was thought to be a lonely man in danger – not a hero. The “vega” with a man and woman was thought weird because the woman was kicking the man with widely spread thighs. The interviewees did not show a great deal of appreciation of the branding operations of “unique design” because they thought the handset was too big and heavy and not fashionable. Not many of them thought there was any relationship between a mobile phone and environmental protection either.

Apart from these shared thoughts, they had different opinions on the other operations of “consumer satisfaction”, particularly on the localization aspects. Nearly half of them liked the idea of using the Chinese national symbols of the dragon and the Great Wall in the advertisements, while the other half disagreed with this. They did not understand or respond positively to the metaphors and parallels except for the “goldfish”. They all expected advertisements to have a more direct and aggressive style.

In short, the design of the software, data, and dialogue were ignored, while the quality, country-of-origin, and the flag-key were noticed and liked. The brand name, media, design of handsets, and environmental concerns were

noticed but not liked. A more direct and aggressive style with human being was what appealed to them in advertisements.

What are the values behind these perceptions? The software has been designed to promote the idea of individual uniqueness and a full page of data was used to show technical expertise. The personal address was meant to be friendly; all of these were, however, not perceived. At the same time, the medium, a trade magazine, was selected to demonstrate expertise, the handset design to show individualism, and the environmental concerns to show friendliness; none of these aroused any interest. The interviewees did not regard technical expertise as the same thing as authority. As they suggested, TV, which is a more popular medium, led the consumption trend. On the contrary, the flag-key, issued by standard authority, was welcomed. Could that mean that the Chinese look at authority or popularity rather than expertise? The friendliness shown by the marketer suggested equality and mutual respect; it was either ignored or disagreed. This could mean that the Chinese were used to hierarchical and situations of inequality; the upper part of the pyramid, authority, was respected more. These clashes indicate Chinese people must hold different, and often opposite, values from those of the marketer.

The Chinese liked the quality, country-of-origin, but they wanted to see a more aggressive and direct style of approach. It showed another kind of admiration or respect for the upper part of the pyramid – which was now a foreign marketer. Imported goods from Western countries were almost blindly admired. The interviewees did not know much about Finland, of which they had an ambiguous picture. They did not know if Finland was good at telecommunications – fortunately it was, and they did not know much about Finns and Finnish culture in general – most of them knew even less about the ten famous Finns. Nevertheless, Finland was a Western country in their mind and that guaranteed everything. The translation of the brand name had close association with fruit stores so that it looked like a Chinese domestic brand name then. The advertising style was modest and not aggressive – this was disliked by the interviewees because they expected foreign advertising to be direct and aggressive. In fact, Chinese are now creating foreign-like brand names for their domestic products now. This has also led the Chinese to show blind faith in Western goods without specific association with country-of-origin.

Besides their perceptions of the branding, the interviewees also discussed whether they were going to buy the brand. Most of them did not want to buy it because their leaders, friends, and popular people in the streets were not using the brand. This revealed that they were very much concerned about their relationships with the others when they were going to buy something. They tended to follow the others and buy the most popular brand, or buy by “the word of mouth”.

Therefore, the present study found that the main value held by the Chinese was “hierarchical harmonious collectivism with big power distance”, or “collectivism” in brief. It was because of collectivism that the interviewees

did not like to be the only one using the uniquely designed mobile phone with the special ringing tone software. It was because of the respect for hierarchy that the Chinese said that they preferred to buy the same brand as their leaders in the same work unit. More profoundly, it was because of the big power distance in Chinese society that the Chinese are used to unequal respect for those in authority. At the same time, Western goods represented high quality, which was also respected by the Chinese. It was also because of the harmony, that the Chinese attempted to avoid conflicts in their daily life as well as in their brand consumption. The Chinese understanding of harmony between humans and nature made them dislike the “squirrel” and the other advertisements; no human beings appeared in most of them. Chinese have a great number of natural, supernatural, and linguistic symbols, and, they see themselves in terms of these symbols. That means the Chinese way of life is also influenced or determined by these symbols. This complex respect for Chinese national symbols led some interviewees to disagree with the usage of the dragon or the Great Wall in the advertisements. On the other hand, others thought this usage just showed friendship and goodwill to China and an understanding of Chinese culture. A nation without such a strong symbolic tradition may not react so strongly in focus group discussions.

### **6.3 Summary**

There were differences between the marketer’s ideas and consumers’ responses about the branding. In particular, “hierarchical harmonious collectivism with big power distance” was the dominant cultural value behind the Chinese perceptions of the Finnish branding, which was coded with the value “individualism” by the marketer. In other words, they mismatched or conflicted with each other. Many intercultural communication scholars have discussed collectivism. However, they did not look at it from the international marketing communication perspective. In the next chapter, I will discuss this value in more detail, compare it with individualism, and explore the contributing factors from social, cultural, historical, and linguistic viewpoints.

The mismatch was fatal. The interviewees put the brand in a weak position, while putting the other rival brands in much stronger positions. The interviewees’ perceptions and integration, as well as action, to a certain extent, echoed the poor branding performance of the marketer in China.

Culture played a key role in this mismatch. The product was supposed to be culture-free since mobile phones were wanted in Finland and China. However, their usage could well be different. In Lanzhou, a less developed city in West China, using a mobile phone was not only to make a call but also to show social status. The design of the product faced different cultural values as

well. The interviewees, for example, did not respond positively to the melody function, which stressed individualism.

The brand naming and additional values were much more culture-bound. These are discussed in detail in the next chapter.

A number of other issues, which did not relate very much to culture, influenced the branding. For example, the interviewees were not familiar with Finland. That led them to have less expectations and interest in the brand. Using Mooij's term, brand associations were poor.

Regional diversity was outstanding in some aspects in the present study – this is elaborated on in the next chapter. There are two other remarkable phenomena that will also be discussed in the next chapter. On the one hand, not all values impacted on branding in this case; for example, the advertising style of the dual motif was straightforward and static. It was contrary to the dynamic traditional Chinese Taoist Yin-Yang. However, the interviewees did not associate them, nor did they think it influenced their perceptions. On the other hand, some issues not related to values impacted on the branding. For example, the product itself, its position, and its design were all influential to the Chinese perceptions. There was hardly any the impact of culture or value clash.



## **7 THE RESULTS AND DISCUSSIONS**

### **7.1 The results**

The purpose of the present study is to investigate how culture impacts on international branding. A particular focus is on the influence of Chinese culture on Finnish branding in China. In the framework of the present study branding is seen as a 3-layered, 2-way communication. Cultural differences between the marketer and consumer could influence the performance of branding in the aspects of product, brand name, and the additional values. (Figure 3.7 and Figure 4.1) Accordingly, the present study set up six sub-questions.

- Sub-question #1: What are the marketer's ideas in branding the product?
- Sub-question #2: What do the consumers think about the branding?
- Sub-question #3: Are there any differences between the marketer's intentions and consumers' perceptions?
- Sub-question #4: If there are differences, what are they?
- Sub-question #5: Are these differences culture-bound?
- Sub-question #6: Do these culture-bound differences affect the branding performance?

The case study was designed to answer these questions. The intention of the marketer and the responses of the Chinese were qualitatively analyzed. The marketer stressed the value of “individualism” in the branding, from product design to the added values. In China, the marketer localized the naming strategy and translated the brand name according to Chinese native naming practices. Unfortunately, the interviewees did not like these. They expected a different value, “collectivism”, be added into the branding. They also expected the translated brand name to sound “foreign”. The differences in values and naming practices are culture-bound and impact on the performance of the branding. The result of the present study show that culture impacts on international branding at different layers of branding, particularly in the layers of brand naming and value-adding. The results are discussed in detail below.

## 7.2 Collectivism

The value of the marketer is “individualism”, and the value of the Chinese interviewees is “hierarchical harmonious collectivism with big power distance”. The obvious differences between the marketer and interviews’ values impact on branding performance and effectiveness. The Chinese ignore the codes of “individualism” in the branding, such as the independent mountaineer in the advertisement or the personalized ringing tone melody in the product design. This lowers the Chinese awareness of the brand. On this side, the Chinese, because of their “collectivism”, expect appeals that are not stressed in the product designing, brand naming and translation, or advertising, such as the theme of country-of-origin. In short, the branding is not effective owing to the clash between the values projected by the marketer and the values held by the Chinese.

The collectivism found in the present study means that individual interest and will are subordinated to interest and will of a group. As the Chinese interviewees report, they tend to buy the well-known and popular brands, to stay in the main stream of society, and to pursue harmony with others. They usually follow their leaders, obey orders, respect authorities, admire Western marketers, and pay attention to social status symbols. In the following sections, those aspects are discussed in-depth with some examples of their impact on social, cultural, and individual life, as well as on consumer behavior, particularly on the branding perceptions in this case.

Collectivism has four aspects. In the relationship between oneself and the group, collectivism means minimizing the self. This is Aspect One. Aspect Two is that collectivism means following others. Aspect Three is that collectivism means respect for the leaders, authority, and Western marketers. These last two aspects concern order inside the group. How does one get along with the others? Finally, Aspect Four is that collectivism means harmonizing the *Guanxi*

(relationships) among people as well as the relationship between humans and nature.

### 7.2.1 Collectivism means minimizing self

To minimize oneself means not to reveal one's personal interest, will, or passion. It also warns everyone to give up the ambition of being a hero without the support of others. In this respect, there is a big difference between the Chinese and Westerners.

According to Worm (1997:79), when people are together, the commonly accepted Western ways of treating one another and maintaining harmony include:

- respect for / trust in the judgment of the individual
- tolerating of other opinions and of those who are different, for example, one is expected to have the courage to express one's opinions and stick to them, no matter what one's superior thinks
- maintaining a horizontal distribution of power by informal behavior and dress, egalitarian social convention, or use of the first name without a title

These are different from the ways of Chinese hierarchical collectivism. The Chinese ways include:

- not expressing an individual opinion if, most likely, it does not seem to be agreed or accepted by the others
- not expecting / taking for granted that the others will tolerate you, especially when you are a junior member in the group
- being sensitive to codes of dress, behavior, and address in order to adjust one's own conduct

The Chinese are used to sacrificing individual will, independence, and innovation in organizations. On the contrary, Western organizations are based on the co-existence of different individuals. When Chinese pupils are trained to write characters in the same stroke order,<sup>22</sup> Western students are encouraged to develop their individual abilities. Teachers appeal to the children's sensibility and interests, and encourage children's independence and humanity. For

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<sup>22</sup> To write a Chinese character perfectly means not only to make character identical to the standard one, but also write it in the same stroke order. The stroke is the basic component of a Chinese character. There are eight basic rules that determine the stroke orders in each Chinese character, such as a horizontal stroke shall be written before a vertical stroke. Nevertheless, a vertical stroke shall be written before a horizontal one on some occasions, according to some sub-rules. It is demanding for a Chinese pupil to remember all these rules. But teachers never allow free handwriting and individual habits in primary school.

example, “the Danish Primary Education Act, (which is fairly similar to other Scandinavian education acts), states that the school must attempt to develop the pupil’s abilities for independent evaluation and attitude.” (Worm 1997:76) From early on, Chinese pupils learn that they are under strict rules, which they have to obey. A Finnish child may not be aware of these. Many left-handed Chinese changed their habits because they are supposed to minimize themselves in the society, where the norm is to write with the right hand.

Being an insider in China also means not to express individual emotions. Chinese national music, for example, does not have symphonies with a great rise and fall as most Western music does. Chinese music is usually slow and it seems to tell the listeners “calm down and follow the order”. Thus Chinese music, too, stresses internal reflection in quietness.

According to the well-known Chinese essayist Bin Xin (1996), real tragedy has never existed in Chinese literature because the Chinese hardly had any struggles in their minds. She claims that the internal struggle of the hero in drama is the essence of a tragedy. However, Chinese culture has produced obedient people for centuries. There are clear orders to follow, or there are collective trends to join. Bin Xin thinks that Westerners have tragedies because individuals respect each others’ free choices. Many heroes in Western drama cannot avoid questions such as “to be or not to be”. They are not like the Chinese and have no conventions to follow, or more accurately, they do not want to follow them. They then experience a lot of struggles and have to bear the responsibilities of individual choices and decisions. This can lead to tragedy, says Bin Xin.

A recent movie made by a group of young Chinese in 2000 under the title “A sigh”, might represent one of the first real tragedies in China according to the criteria of Bin Xin. The film expresses the internal struggle of a middle-aged man and his individual will against the Chinese convention. The Chinese tradition, which might be summed up simply as “one must hide one’s individual passion”, finally, wins out and the man returns to his routine after a slice of romance with a sigh. We might view this sigh as a national sigh over Chinese collectivism, which has been loved and hated for centuries. More and more Chinese would perhaps like to challenge it or even change it. It might, however, be a long struggle, since it has lasted for more than 2000 years. Collectivism, which can be found in many classic Chinese philosophic books, is thus still a dominant value, even in today’s China.

Chinese express little of their personal individual ideas, attitudes, and wills in public. In consumer behavior, this makes for a clear collective buying habit. When choosing brands, Chinese are used to thinking about the brands their leaders, parents, or friends use. Marketers who know this habit invest heavily in advertisements to persuade Chinese consumers by demonstrating the product usage and users. One Hong Kong advertisement says, “I buy Toyota because most people in Hong Kong people do.” A recent mobile phone campaign in Europe claims that “everyone has one’s own color”. The contrast is big.

I did another similar branding effectiveness study for a Finnish cosmetics company in 1999. Cosmetics ought to be individual and personal, with women not wanting to look the same or use the same brand. However, the study found that many Chinese women are still following the others when they choose brands. One reason might be that Chinese women are not familiar with Western brands and they do not know much about skin-care and make-up products and services. However, the collective buying habit is definitely a reason. Even young women in Beijing, Shanghai, or Guangzhou, the three most developed and internationalized cities, say that they will change their brands in favor of those used by film stars in cosmetics advertisements.

The Chinese are used to minimizing individual interest in the group. This leads to two other phenomena. One is that the Chinese are used to making collective decisions; another is that the Chinese are often reluctant to bear responsibility. As discussed above, the Chinese are taught to follow but not to be individuals. This means that the Chinese wait for a collective decision or their leaders' conclusion. Because they see it as a the group decision they do not want to take responsibility for the consequences.

The Chinese approach to organization does not suit or produce individual heroes. In Chinese history, the government has been highly centralized for centuries. However, there have been very few dictators. Xunzi, a Chinese philosopher more than two thousand years ago, warned all emperors to be aware of the importance of internal harmony in the hierarchical pyramid by the well-known metaphor, "*Jun zhe, zhou ye; shuren zhe, shui ye. Shui ze zai zhou, shui ze fu zhou*" [The relationship between a king and the common people is similar to that between a boat and water. It is water on which a boat floats, and it is water on which the boat capsizes] (Gong and Feng 1994:219). However, this does not mean each one should be treated equally. Chinese leaders are only warned to bear mind that they are not alone. They are still advised to use their great authority and power to control and exploit their subordinates. They are still the boat and the common people are still the water; it is not mutual respect as in Western societies.

Individual heroes, thus, may not appeal to the Chinese consumer. For example, most of the Chinese interviewees did not like the "mountaineer" advertisement in the present study. The mountaineer was perceived as a lonely and helpless man taking risks – an image, which is totally different from the marketer's intention. Mountaineering in the West is a hobby of yuppies'. The message of the advertisement is a high quality mobile phone with its yuppie owner showing "the power of lightness". However, the Chinese do not read this message because an individual person without helpers could hardly be a hero in China. International marketing studies found the following characteristic. "In most collectivistic cultures, showing people alone in an advertisement would mean they have no identity, they do not belong, or to use a Western saying: They have no friends." (Mooij 1998:115) A Chinese saying echoes this: "*Dan ze yi she, zong ze nan cui. Lu li yi xin, ranhou sheji ke gu ye.*" [Isolation is the reason for defeat whereas a united force is hard to destroy.

Only when the people of a country are one in heart can its stability be ensured] (Gong and Feng 1994:131).

It is not only the Chinese people who value collectivism. Mooij (1998) listed a few other examples, such as when Levi's changed their advertising for the Hispanic market and downplayed individualism. She commented, "in collectivistic societies people do not like being alone or eating alone, while in individualistic societies people cherish their privacy. In collectivistic cultures, being alone means you have no friends, no identity. If alone, one is outside the group to which one belongs" (Mooij 1998:189). This "to-be-an-insider" consumption trait connects with the next aspect of the collectivist ideology – to follow the others (§7.2.2).

The family, the basic social unit, is a good subject with which to compare the differences between a Chinese individual in a group and a Western individual in a group.

The family is a small society. Confucius says, "govern yourself, family, nation, and the world". It reveals that he does not see any differences between a family and a society in China. "The structure of Chinese society is hierarchical, and its model is the Chinese extended family." (Worm 1997:91) The Chinese family, as well as society, is hierarchical. For example, the family members are not often treated equally. In a traditional Chinese family, a son must obey his father. Until now, there is still such a saying, "I am your father", to order the others to obey the person who said so. "I am your father" is also the title of a novel and a film by a popular Chinese novelist Wang Shuo, made in 1999. We can see how predominant this value is in contemporary China through this example. This issue will be discussed more in the following section on hierarchy (§7.2.3).

Finns and Chinese both value the family, but in a different way. (Figure 7.1) The structure inside a Chinese family is a more hierarchical and interrelated social unit. Chinese families are closed to each other and exhibit a clear boundary between in-group and out-group. The family is more active, crucial, influential in Chinese social life. In the past decade, more and more Chinese have visited Finland. They find major differences between Chinese and Finns in the sense of family, even though Finns also value the family. For example, the relation between parents and children in a Finnish family is usually looser than that in China. Chinese parents usually place great hopes on their children. They even wish their children to realize their dreams and ambitions. Many Chinese parents sacrifice their own time and efforts to "help" their children to study harder and get the best education and later occupation. At the same time, parents also hope their children will remember them and support them in their old age. They would like to live with their children when they are old. Meanwhile, they often help their children to take care of the third generation – their grandchildren – at home. Therefore, many middle-aged Chinese do not have hobbies since they usually have to take care of their parents and children at the same time and possibly under the same roof. These phenomena are not as often seen in Finland. In a study on the Chinese experience in Finland, Xie

(1999) finds that the deepest impression or dominant cultural shock the Chinese experience in Finland is the different way of family life in Finland.

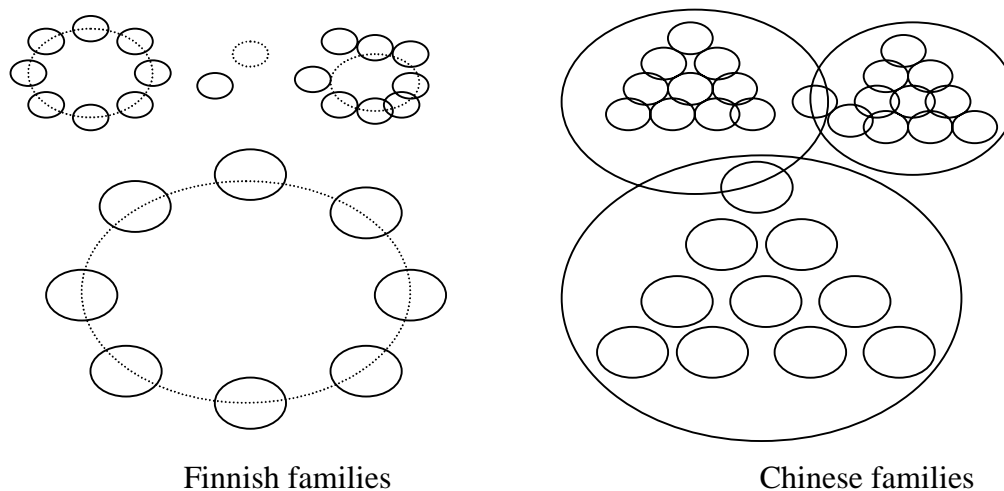


FIGURE 7.1 Families

Worm argues that Scandinavian people are individualistic although they may not be so extreme in this as Americans are:

*“... the Scandinavian countries would appear to have a relatively high degree of individualism combined with very strong female traits. There is also an absence of significant power being placed in the hands of a few. Thus, Scandinavian individualism includes a sense of caring for the weak and a general rejection of self-promoting impetuous individuals. Therefore, in Scandinavian countries, individualism points towards self-realization rather than towards selfishness. Self-realization implies that the Scandinavians attach great importance to their working conditions and to their leisure time, much of which is spent with the family in a cheerful atmosphere. The latter is an almost unknown phenomenon in China, where spending time with the family most often means doing practical things and helping the child with its homework. The closest resemblance to this phenomenon in China is a family walk in a public park in connection with festivals.” (1997:75-76)*

An example of how family values are reflected in a Hong Kong campaign for Ericsson is the commercial in which a well-meaning son buys his father a remote-control TV set and a microwave oven, but declines to stay for dinner. On reflection, the son changes his mind and chooses to spend the time with his father rather than his friends. The tagline is “Communication is caring”. (Mooij 1998:283) Many advertisements in Asia boast that their products are good for the young, the old, and everyone in the family. The Nordic situation, however, is different:

*“[The] society is designed in a way that makes individual independent of help from family, neighbours, or friends, because there’re no intimate groups such as the clans or extended families existing in more collectivist societies. It is considered a positive social objective that the state secures the individual” (Worm 1997:81).*

So advertising appeals are also more individual-oriented. The Finnish Tupla (in English “Double”) chocolate bar was designed for two people to share. However, its target group, young Finns, tends to be more individualistic and the company has decided not to emphasize the sharing idea any more.<sup>23</sup>

### 7.2.2 Collectivism means following others

To be an insider is crucial in a collectivist culture. Once a man joins a group, he needs to obey orders. When there is no obvious order, the safest way is to follow the others.

Chinese has a phrase, “*sui da liu*”, which means to follow the main trend. It is the way to be an insider. To warn off those people who would prefer to keep their own ideas, Chinese has another saying, “*qiang da chu tou niao* [the gun shoots the first bird that flies out from the nest]”. “Do not be the only one, otherwise, you will be the stranger” is another common saying in China.

The Chinese are particularly keen on a corporate image. The rule is, the more famous the better. It is also “*sui da liu*” – being well known means leading the mainstream. It guarantees market leadership because Chinese tends to follow the mainstream. Lasserre and Ching (1997:4) find that:

*“Chinese ... are very concerned about a company’s image. They pay attention to a company’s size, industrial ranking, and visibility. They will choose ... a foreign multinational company that is well-known. In this way they earn ‘face’ among their family members, relatives, and friends.” (1997:4)*

They also point out that:

*“foreign companies, with few exceptions, should not assume that they are well-known in China, even if their name has gained an international reputation, they have to make their identity visible. This can be done through general corporate advertising, the sponsoring of sports, cultural and charitable activities, and the granting of scholarships. ... Consumer product companies have particular advantages as their products are directly purchased by end-users and thus have high visibility. Their advertising campaigns also promote their image with potential recruits.” (1997:4)*

Some consumer product brands, for example, are not internationally well known. However, as they have been the “word-of-mouth” in China, they enjoy very good market leadership. On the contrary, to various reasons, many Chinese have not yet noticed some really famous international brands due to various reasons. They then face a strange question that they may not have met in other marketplaces – why are these minor rivals doing better than we do in China? Hence in China, it is vital for a brand to guide the mainstream by setting up a well-known image.

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<sup>23</sup> Based on a conversation with a Finnish promotion agent manager.



The insider ideology means that the Chinese concept of fashion is different from that of the Westerners. In the present case, most of the interviewees did not like the mobile phone design. They thought it too big, heavy, and square-like. They preferred a smaller, lighter, and streamlined design. Some of them thought that was because Chinese hands are smaller than Finnish hands. Is it that simple? This study finds more reasons for this attitude.

Many interviewees mentioned that the big design was not fashionable. They would be viewed as fools if they had relatively bigger and heavier mobile phones. Many of them said that one should be alert to the fashion, otherwise one would be a *xiangxiaren* [country person]. Some of them tested the mobile phone. They thought the quality was quite good or even better than that of other smaller and streamlined ones. They acknowledged it was particularly practical for drivers, as the keyboard was bigger so that it was easy to dial. However, they showed less willingness to buy it.

Why are the Chinese so reluctant to have something different from the fashion? What does fashion mean in China? This research supposes it is because of Chinese collectivism. The frequent mention of *xiangxiaren* [country person] reminded me about the conflict between *xiangxia* [country or countryside], and *chengli* [city or urban] in China. This has been a sociological problem troubling China for a long time, especially during the last hundred years along with urbanization and modernization. City dwellers look down upon country people and think everything they do is out-of-date and stupid. Country people, against their will, attempt to be urbanized with relatively low self-confidence. When making purchasing decisions, urban people are used to considering whether country people will buy it as well. If so, they will avoid doing the same.

When discussing the meaning of "fashion", most Chinese are not referring to anything pioneering such as post-modern design, very unusual but unique thoughts, or individual ideas. The Chinese are used to Western fashion shows, and there are Chinese models international catwalks. However, the interviewees viewed fashion as what one can see in the streets, what is realized among others, and what is different from last year. In short, these reflected a typical Chinese tradition: to be an insider.

Chinese do not like being alone; families or other collective groups are more valued than the individual. Even in a relatively modern society, in Beijing, Shanghai, and Guangzhou, which are quite international cities, the Chinese are still observing others and trying to be one of them. Individual ideas exist in many Chinese minds. However, most of them do not want to express their ideas directly and completely to the others. Therefore an outsider sees millions of people buying similar goods and giving up last year's "fashion" together. Few want to be *xiangxiaren*. A mobile phone seller says that one can earn a lot if he knows next year's fashion by the end of this year, but lose a lot if he does not. There are few classic designs welcomed every year in China. One interviewee said she changed her phone every year just because of the fashion. She actually liked another design more but had to give it up. Inner Mongolian people bought only one brand of mobile phone, and even then only one model

of that brand. They think, “if the mayor buys that brand, nothing will make you buy another brand” [an interviewee]. Nearly everyone is pushed by the fashion and also pushing it.

“To be an insider” is not strange to intercultural communication researchers. However, its impact on Chinese consumption behavior has been less studied. It is also helpful to understand the Chinese conception of “fashion”. The Western conception of “brand loyalty” rather reflects an individual preference. Some Chinese, like the Inner Mongolian people, are loyal to a brand collectively. Culture is thus playing a role in consumer behavior.

### 7.2.3 Collectivism means respect

The collective group is hierarchical with big power distance. The members of the group respect their leaders. It makes status symbols more important than in an egalitarian organization. It is necessary for each one in the group to know his or her own position, the positions of others, and the organization hierarchy. Country-of-origin states the identity of a brand. It is, therefore, vital that it be introduced and emphasized. The Western countries are seen as more advanced than China; everything from the West is better. Brand naming, following this logic, is also the better the more Western.

Chinese collectivism is hierarchical at all times, in places, and for all people. For example, in the Tang Dynasty, Guo Ziyi, a general and close friend of the Emperor, married his son to the Emperor’s daughter. The young couple quarreled once. The wife said, “I would like to remind you that my father is the Emperor.” “Please also remember,” replied the husband, “your father is only emperor because my father did not want to be an emperor, your father got his turn.” Guo Ziyi heard that and was scared. He apologized to the Emperor and criticized his son in order to save his family and title. The Emperor said, “that was a causal quarrel and they were joking. The young couple might have forgotten it. You do not need to take it seriously.” However, the Emperor remembered this for a long time indeed.

This story reveals no matter how close the relationship is, or how causal the occasion is, collectivism is hierarchical. Confucius says:

*“Jun jun, chen chen, fu fu, zi zi. [Let the prince be a prince, the minister a minister, the father a father and the son a son.]” (The Analects, Chapter 12, verse 11)*

The Chinese family is hierarchical with the grandfather at the top and grandchildren at the bottom. For a long time, if a grandfather beat his grandchildren, he did not violate the law. But if a grandfather were sentenced, his grandson, no matter how innocent he was, would be sentenced as well.

Chinese society then is also hierarchical. The life goal of a traditional Chinese is to approach the top of the pyramid, or at least, got as high as possible. This has been taught generation by generation in many classic texts.

For example, the Book of Ritual [Li] writes, “*Zhi suoyi xiusheng, ze zhi suoyi zhiren; zhi suoyi zhiren, ze zhi suoyi zhi tianxia guojia yi.*” [Knowing how to cultivate himself, he will know how to manage people. Knowing how to manage people, he will know how to rule the world] (Gong and Feng 1994:27). The well-known historian Sima Qian says:

“Junzi hao xue bu yan, zi qiang bu xi, tui zhi shi yuan, kuo zhi shi da, song zhi shi gao, yan zhi shi shen, fa yu xin, xing yu sheng, yu yu jia, shi yu guo, ge yu shangxia, bei yu si biao.” [*A gentleman is eager and tireless in learning and makes unremitting efforts to improve himself. He always tries to extend the knowledge he has learned further, to expand it greater, to exalt it higher, and to explore it deeper. The knowledge that comes out of his mind will be formed in his behavior, fulfilled in his family, applied to his country, presented to above and below, and endowed in all directions.*] (Gong and Feng 1994:55)

It points out the basis of the achievement – knowledge. It also clearly draws out the Chinese popular ambition – from governing oneself to governing the world.

Inside the pyramid, orders are followed to maintain harmony. Chinese historical texts record a large body of model subjects who were good at following orders without consideration for their individual wills. There have never been successful reformations or revolutions that have turned hierarchical harmony completely upside down in China. The contemporary Chinese government still takes a cautious attitude to reformation. Disobeying orders or turning them upside down is not liked or expected in China. Russia, which shared the same communist revolution experience with China, tried to construct a new order by totally dismantling existing order. The Chinese, on the other hand, prefer hierarchical harmony, which requires stability and continuity. These two words, stability and continuity, are not only used by today’s government but were also used by Chinese governments two thousands years ago. A Chinese idiom says, “*Xiao shui Chao gui*” [Premier Xiao followed Premier Chao]. After Premier Chao’s death, Premier Xiao succeeded. He followed all the orders issued by Chao; and he was praised by generations of Chinese as a model premier.

Stability and continuity can also be seen in Chinese architecture. Chinese houses have been built in a symmetrical pattern for thousands of years. In the Forbidden City, one of the largest palaces in the world, everything is symmetrical. Ordinary people’s houses are also symmetrical; this has been a pattern of order followed by the Chinese for centuries.

Chinese characters are written in a fixed order of strokes, which is taught by teachers. This is different from the idea of handwriting in many languages. *Cao Su*, a fast-moving calligraphy, seems to be written in a free style. But actually, there are plenty of orders to follow and one has to learn them in order to grasp *Cao Su*. Calligraphers look down upon innovative ideas on writing. There are many families or schools of calligraphy as well as many masters of calligraphy. It seems that the past masters have reached the highest level of artist achievement and the learners do not need to improve on it. Art, the most creative and innovative field, in China, exhibits order.

As mentioned above, in the Chinese hierarchical pyramid, a leader is a leader, which means a need for symbols to show dominant status. Worm says:

*“status refers to differences of social honour and prestige assigned to social groups by others. In China, personalized relationships combined with great power distance tend to result in greater emphasis on status and status symbols than in Scandinavian countries where status symbols are viewed as suspicious and negative by other employees.” (1997:116-117)*

Some Chinese business people wear rather heavy 24-carat gold jewelry in order to show their wealth and status. In China, some products are purchased primarily for their symbolic role. They may symbolize a particular social class position or status. Still others, particularly in the clothing and fashion industry, are heavily influenced by the decision-maker’s judgement of “what other people might think” or “how I will look to the Zhang’s” and so on. Many products are purchased so as to be “first with the latest thing” (Batra et al 1996:347).

The mobile phone, to take another example, is suitable as a status symbol in public when it was expensive and not popular in China in the 1980s and early 1990s. Some Chinese buy mobile phones even only for that purpose. When this study was done in 1998, the mobile phone was quite popular in big cities and became less of a luxury when the price decreased sharply. However, this phenomenon was still current in Huhhot and Lanzhou, the two less advanced cities among the five. Different from Chinese, “in general, visible status symbols are of little importance in the Scandinavian societies” (Worm 1997:95). Finland is an egalitarian society with small power distance:

*“The femininity of the Scandinavians implies care for the weak and rejection of the individualist. On the other hand, collaboration between employees is widespread both horizontally and vertically. Femininity combined with low uncertainty avoidance and small power distance generates the basis for mediocrity. Also, as a result of the above combination, little emphasis is placed on status and status symbols. Wealth is almost concealed in Scandinavian societies.”<sup>24</sup> (Worm 1997:95)*

Consumer behavior studies have also found that the degree of publicity given to a product is defined according to the situation of use. Publicly consumed products are seen by others, while privately consumed ones are not. In using public products, the user exposes his or her choices to everyone. To rate as luxuries, the product must be exclusive in some way and, at the same time, outstanding in the sense that not everyone owns it. (Bearden and Etzel 1982) The mobile phone in China was viewed as a public-consumed product in 1998. That reveals both the Chinese concern with status and the hierarchical collectivism.

We have mentioned that the Chinese tend to follow the mainstream. Who sets the main trend? The answer is those authority and powerful celebrities, those at the top of the hierarchy. It is safe to follow them. Scarry (1997) looks for what

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<sup>24</sup> This is changing now in Finland, according to current thinking in Finland.

kinds of image types are influential on Chinese consumer behavior. He finds that four specific types have a strong influence on consumer behavior and purchasing patterns. They are the elders (particularly deceased ancestors), the modern tycoon, the athlete, and the new generation of Chinese children without siblings, or “little emperors”. The elders and children point to the Chinese family orientation, while the rich tycoon and strong athlete represent hopes of a wealthy and healthy life.

Following authority is the way the Chinese pursue harmony. It is the reason that the interviewees paid more attention to approval of the authority than expertise in the present study. The Chinese are used to seeing words or signs issued to the company or brand by state, government, or authority. In the present study, they were more interested in the flag-key symbol than the long list of the technical data. The Finnish government issues the flag-key to products meeting quality standards. Unfortunately, the flag-key was not used as a predominant source of appeal in the present branding case. It was printed only on one advertisement –in the upper corner, which is not a very attractive position. However, it received nearly all of the Chinese attention. They asked about its meaning and the authority that issues it. In China many advertisements bear similar signs – but these are usually put in a central position. On the contrary, the interviewees did not read technical data. In his analyses on Scandinavians, Worm finds something similar:

*“Scandinavian managers tend to search for pragmatic or practical solutions based on expertise, which is why Scandinavia harbours many ‘experts’. Authority which cannot be grounded in the manager as a person can only be grounded in competence which in principle everyone can achieve, thus making knowledge the only acceptable basis for classifying people. Decision based on knowledge and competence give no cause for discussion since they are indisputable due to objective circumstances” (1997:86).*

Western countries, since they are generally more advanced than China, are at the top of the pyramid as well. A Western brand name is thus admired. This hierarchical collectivism impacts on naming as well. I will discuss this issue in the next section, focusing on naming practices (§7.3).

Chinese hierarchical collectivism means that the Chinese are used to respecting everything higher, more advanced, or developed than them. This makes the strategy of mentioning country-of-origin not merely as an option in marketing communication but a must. Here we first review the Western viewpoints on country-of-origin, then we will look at its impact on Chinese culture.

The tendency for consumers to evaluate goods manufactured in some countries more favorably than others may encourage a marketer to highlight the country of origin when promoting those goods. The use of the appeal “made in” in advertising falls into three categories according to Head (1988).

*Appeals to the patriotism or national pride of consumers to motivate the purchase of products manufactured in the home country. For instance, Chevrolet long used the advertising slogan*

*“Baseball, apple pie and Chevrolet”. “Buy American” themes also surface regularly in U.S. advertising messages.*

*Appeals that highlight for the audience positive and usually stereotypic attributes of another country and then imbue the product or service originating from that country with those image-enhancing qualities. For example, the Marlboro cigarette campaign portrays the image of American cowboy and the freedom of the west to consumers all around the world.*

*Appeals that allude to a particular expertise that are associated with the country and that, if promoted in advertising messages, might still be confident in the product. Advertisements for watches that communicate that the manufacturer is Swiss would be an example of this category.*

Country-of-origin strategy is gradually disappearing in the Western world. One major reason that some companies decide not to mention country-of-origin is that their brands are powerful enough. Coca-Cola has built its kingdom worldwide; Xerox is a synonym for photocopy; and the Japanese Sony Corporation even invented an English word – Walkman. Country-of-origin is only a strategy to many business people. Another reason some companies hesitate to mention their country-of-origin is they are from relatively not well known countries or countries with relatively poor image. An often-quoted example, although somewhat unrealistic, is that a carpet “made in Afghanistan” will sell much better than a television made in the same country does. In the Western world, “country-of-origin” is now only used for certain products like American jeans, French perfume, and German vehicles mainly due to their excellent craftsmanship and technology. Many others may not adopt such a strategy, and the recent tendency is to focus on brand itself because multinational companies actually manufacture many products in different countries. In fact, it may be really hard to determine the country-of-origin.

However, country-of-origin is vital in China. Chinese past advertisements may not be as attractive as recent advertisements for multinational companies. Simple enough, they were usually a few Chinese characters on billboards. The words on the board shared a common structure: X *ji* Y, where X is the family name of the boss, and Y is the product. *Ji* in Chinese means a mark, a note, or a record. For example, *Wang Ji Mian* [Wang’s noodle] meant the noodle is made by Mr. Wang. The Chinese gradually travelled and ran businesses all over the country, dynasty after dynasty. Then, chain stores and special local products adopted another structure: P Y, where P is the place, and Y is the product. A few such phrases are still used today, such as *Beijing Kao Ya* [Peking roasted duck]. One can eat it in Shanghai or even Los Angeles. The place only guarantees the way of cooking it, its quality, and the taste. The word “China” (in Chinese, *Zhongguo*, *Zhonghua*, *Shenzhou*, *Jiuzhou*, *Chixian*, etc.) is used to brand some products now that Chinese has entered international business. These products are usually among the best. Thus *Zhonghua Yagao* [China Toothpaste] does not equal “toothpaste made in China”. This tendency coincidentally matched the “country-of-origin” marketing approach adopted extensively in Western countries for years. However, it should be noted that the roots of this approach are different between Chinese and Westerners. Therefore,

their application and effectiveness will be different. As mentioned above, the Chinese simply assumed every product should be from some family and some place; only then would they believe it trustworthy and even be loyal to it. A product made by nobody and from nowhere is suspicious, just like someone without a family name and his or her town-of-origin. The first question the Chinese usually ask strangers is “what is your family name”, and they introduce themselves first with the statement “my family name is...” Therefore, the Chinese believe that products should do the same. The Chinese are concerned with family because for the Chinese the family is more vital than the individual. An obvious cultural phenomenon is that the Chinese write their names starting with their family names and only then their given names. The Japanese, Koreans, and some other Asians that have been influenced by Chinese culture do the same. Therefore, it is not surprising that such a “country-of-origin” myth is also found in Japan.

“Where does it come from?” That was the first question of the interviewees in each focus group. It seemed that quality, design, brand itself, and many other aspects were not so important when I showed them the product and let them use it. They kept asking, “where does it come from?” before they tested it. Some interviewees quickly checked the other branding materials and found out it was made in Finland.

Culture talks this time. The Chinese place a lot of importance on “country-of-origin”, just the same as they treasure their family name. The Chinese promise by saying: “please trust me, I can do it, if I cannot, I will write my family name upside-down”. Jokes are made about this kind of promise because some Chinese characters in family names are the same whether written normally or upside-down. A product with a “country-of-origin” is like a person with family name; it is a kind of promise. Without mentioning the “country-of-origin”, the product does not seem trustworthy.

What did the Chinese interviewees think about Finland, the country-of-origin in this case? According to a study done by an international marketing and advertising agency in 1990, Finland did not enjoy a favorable image in Europe. Therefore, one major mobile phone producer decided not to mention “made in Finland” in its campaign in Europe. The decision was right and the company dominated the market in Europe. However, it provoked head-scratching when the company copied its experience on the Chinese market. The Chinese hardly accepted it at first. Fortunately, the brand has become more and more famous in China now and may no longer depend on the image of its “country-of-origin”. Nevertheless, the initial loss was significant and allowed its rival with stated country-of-origin to dominate the South China market. A similar problem was found in the present study as well.

This research found that most Chinese interviewees were not familiar with Finland. They knew little and confused it with Holland – the translation of which is similarly pronounced. They knew Finland was a country with thousands of lakes, that it was cold in Finland, and that Finland was a part of Europe. Some remembered that there were lots of forests in Finland and

Finland was near Russia. Some liked Sibelius and his Finlandia and some even knew that sauna was from Finland. A few people knew that Finnish telecommunications technology was highly advanced, but these people tend to be either telecommunications researchers or mobile phone business people. Everybody knew about Santa Claus but no one believed that he was from Finland. Young men knew of Jari Litmanen or Mika Häkkinen but seldom associated them with Finland. No one believed Nokia was from Finland except telecommunications experts,<sup>25</sup> and no one knew about Finnish history or the Kalevala epic. Nevertheless, all Chinese thought Finland was a peaceful land, Finns were friendly, the standard of living was high, roads were clean, and the sky was blue in Finland. There was neither negative impression nor hostility. It is similar as Worm's finding that:

*"... almost no Chinese were able to characterize what distinguishes Scandinavians from other Europeans, which is why the Chinese tend to view Scandinavian culture as part of European culture" (1997:73).*

So, Finland is rather a blank sheet in the Chinese mind. This presents numerous possibilities and excellent commercial opportunities. There is no image repair but only improvement. It is much simpler and easier than it is with some countries that have complex perceptions in the Chinese mind, such as Japan. Meanwhile, as mentioned above, many Finnish companies do need the help of the image of Finland when they mention "made in Finland". It could be a double victory for the country and its business because the Chinese ask, "where does it come from" and they generally like Finland.

In sum, Chinese collectivism means to respect – respect their leaders, Western countries, and Western brand names. It is an influential factor on Chinese consumer behavior; for example, the Chinese tend to buy what others buy, what is made in Western countries, or what has a Western brand name. Some Chinese domestic companies have noticed this and boast in their advertisements with phrases such as "American technology", "most popular in the world", or "designed in Italy". Western marketers should pay proper attention to this phenomenon.

#### **7.2.4 Collectivism means harmonizing**

Chinese harmony is collective, and individuals are subordinated to the overall interest, or the interest of the group. In other words, people avoid conflicts in their groups. Direct critics or insults are not favored. The Chinese family is a typical example of this kind of collective harmony. Between groups, harmony is also stressed. *Guanxi* [relationship] is the well-known practice based on this collective harmony.

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<sup>25</sup> This has changed rapidly. By 2000, many Chinese knew Nokia a Finnish company.



The most influential value in Chinese daily life is the interpersonal relationship, or in Chinese, *Guanxi*. Chinese consider their own face and that of others, the relation between them and others, the context of the communication, their history and tradition, and so on. These features are variously called high-context, collectivism, long-term orientation, and Confucianism in the literature. In consumer behavior, the Chinese also think about *Guanxi*. They think about the social status symbol of the commodity. If it is a mobile phone, it may imply a wealthy life in Huhhot and Lanzhou, a convenient life in Beijing and Shanghai, a busy life in Guangzhou. They think about the relation between their purchase and the choice of their immediate group. In other words, if their leaders buy brand A mobile phone, they may not buy brand B in order to maintain in-group harmony and maintain *Guanxi*.

*Guanxi* is more complex than the Western relationship, more personal, and more relevant to “face”. Some Chinese argued that Chinese *Guanxi* is different from its Western counterpart even if they may lead to the same result. One article on the Internet compares these two concepts.<sup>26</sup>

*Bill Gates, the boss of Microsoft, recommends one young guy to another computer company. If that is an American company and the boss is an American, he will think about “relation”. He hires the young guy because he knows about Bill Gates and trust his recommendation. If that is a Chinese company and the boss is Chinese, he will think about the face of Bill Gates and his Guanxi with him. If he does not hire the young guy, the Chinese may think, Bill Gates will lose face and it may harm their Guanxi. So he hires the young guy.*

So both bosses hire the young guy and both of them think about the “relation” or “*Guanxi*”. However, the Chinese thought more about his own face, Bill Gates’ face, and their *Guanxi*, but less about the young guy than the Western boss did. It reveals *Guanxi* is more personal and relevant to face. As Worm says:

*“Comparing Chinese guanxi-net to Western networking reveals numerous similarities, but also a great many differences. The most conspicuous dissimilarities are the pervasiveness of Chinese guanxis and the degree of reciprocity. ... In Scandinavia, networks are often tied to firms, whereas in China they are rather tied to certain persons. That is, in Scandinavia reciprocity exists between firms and are not transferable if one leaves the firm.” (Worm 1997:130-131)*

*Guanxi* is defined as relationships – connections or networks – that are cultivated with business associates, officials or others based on mutual interest together with a heavy emphasis on obligations and instrumentalism. “Personal relationships are a characteristic feature of Chinese culture.” (Worm 1997:125) Comparing the Western relationship with the Chinese *Guanxi*, Worm (1997) finds that the Chinese *Guanxi* is more personal, extensive, pervasive, and widely used in everyday life and all kinds of social activities. “*Guanxi* connects individuals through exchange of favours.” (Worm 1997:126) Chinese emphasize *Guanxi* because lack of resources calls for stronger interdependency. Worm

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<sup>26</sup> <http://www.cnd.org/hxwz>

quotes one Scandinavian manager's words, "In China it is a question of know-who, not know-how." (Worm 1997:134)

"Like other people from collectivist cultures, the Chinese are much more prone to divide people into two categories: people with who they have established relationships, and people with whom they have not." (Worm 1997:126) In other words, the Chinese tend to emphasize on the difference between in-group members and out-group members more. We have discussed the concept of being an insider and *Xiangxiaren* above. (§7.2.2)

*Guanxi* has three features: it keeps insiders together, it is long term oriented, and it stresses harmony. It keeps insiders together as Chinese says: "*Xiongdi ni yu qiang, wai yu qi wu.*" (The Book of Songs) [Brothers, though quarreling at home, should fight together against the insult from outside.] (Gong and Feng 1994:111) A long term *Guanxi* is esteemed – "*Pinjian zhi jiao bu ke wang.*" (Later Han) [When a person becomes rich and ranks high, he should by no means forget the old friends he made when he was still poor and humble.] (Gong and Feng 1994:129) Chinese *Guanxi* stresses harmony. It is not limited only to interpersonal relationships. Chinese viewpoints on the relationship between the human and nature also emphasize harmony. This harmony, however, is hierarchical with humans at the top of the pyramid. It is also associative by emphasizing human participation.

Hierarchical harmony is the Chinese viewpoint on human-nature harmony. The present study finds that the Chinese interviewees ignored the environmental friendship when they saw the advertisements with a squirrel in the forest and the text about the rhythm of nature. This seems unreasonable at first because Chinese Taoist philosophy stresses human-nature harmony. Taoism, along with Confucianism and Buddhism, has influenced China for centuries. The theory of *Yin* (female, negative, passive, etc.) *Yang* (male, positive, active, etc.) also derives from Taoism. Many Chinese paintings put a small man in high mountains or a great river – it is the idea of human-nature harmony. But why do the Chinese ignore the rhythm of nature? It is because Chinese harmony is hierarchical. Humans are at the top of the hierarchy; without human beings, there is no harmony. Furthermore, humans should govern nature because only humans know the way (in Chinese, this is *Tao*, the origin of Taoism). If we have a close look at Chinese paintings, they always feature human beings and their activities in nature. Even pictures with only birds and plants, the birds, flowers, bamboo, or pine tree are not usually painted from nature; they are images in the painters' minds. Once in a museum in Shanghai, an American professor asked me, "where are the mountain and river in that [traditional Chinese] painting?" I answered that they were from the painter's mind. This was not immediately understandable to the professor. A Westerner is used to thinking that painters draw natural landscapes like a camera, but few Chinese painters who draw landscapes, flowers, fishes, and horses from life. They may visit the scene many times and keep the impression in their minds. Then they return home and start to draw the harmonious scenery. Liu Haisu, a well-know contemporary painter, went to Huang

Mountain ten times. He drew many pictures of the Mountain in his studio after these trips. Many Chinese like his paintings and say that he captured the spirit of the Mountain. Xu Beihong was good at drawing horses, Zhang Daqian tigers, and Shen Shijia bamboo. They all drew what was in their minds, but not from life. A picture of squirrel in the forest, therefore, does not go along with the Chinese idea of human-nature harmony; the rhythm of nature should have a human voice.

This value difference is found on other occasions. For example, a group of Chinese visited a national park in Finland. They complained that they had not seen anything that day. “How about the forest?” I asked. “It’s nothing,” they replied. There were a couple of Finnish groups who visiting the park at the same time. They were excited to see the well-protected forest and peat land precisely because there were very limited human activities and influences. For the Chinese tourists, it was the absence of the human that disappointed them. If we look at Chinese tourist sights, there are temples, palaces, tombs, and modern TV towers that are full of human activities. The West Lake in Hangzhou is a well-known lake park. However, it is not only a lake. It is also folklore, fairy tales, allusions, as well as man-made buildings, bridges, and banks. Taking a cruise on the West Lake, the guide will tell you many stories. It is the Chinese understanding of enjoying a tour. I took a cruise on Lake Päijänne in 1998 with many Europeans. No stories were told, and everyone looked around and enjoyed the scenery. I guess that if the Chinese group in the forest attended the cruise, they might think of it as a dish without salt.

Chinese cuisine is another example of man-nature harmony. Many famous dishes have stories behind them; it seems a must. Some are obviously artificial in order to make the dishes well known. The stories are nearly the same – a warm-hearted fairy helped a good but poor cook to make a fortune by this very special dish. The stories are told again and again, and few Chinese are tired of them – they form part of the dish. This again shows that the involvement of human beings is valued.

Everything is human-oriented. Nokia even changed their slogan from “connecting people” to “human technology” in China. The Chinese also associate things from the human participation perspective. In other words, human stories should be involved. In appreciating a painting, the Chinese, like the Japanese, Chinese are used to making extensive associations between the painter, the story of the paint, and the symbolic meaning of colors, shapes, and figures. The Japanese novelist Watanabe Jun’ichi (1999:8) says that few Japanese like Henri Matisse (1869 – 1954) because he only expressed colors per se. He drew color for the sake of color. In addition, Matisse lived a luxurious and painless life with hardly anything to sympathize. The Japanese prefer associations of painters with colors, landscape, and portrait. Therefore, Pablo Picasso (1881 – 1973), with his thousands of myths, is more popular in Japan, as well as in China. In Chinese and Nordic people, certain cognitive differences emerge between the cultures. Worm’s words may conclude this section:

*“The Chinese way of thinking is rather associative, whereas the Scandinavian is abstract. Chinese associative thinking allows them to see connections between events that are not necessarily founded in logic. Context is very important, and their way of thinking is basically holistic. The Chinese tend to emphasize what is concrete, specific, and practical, which is why they prefer new things to be visualized. Contrary to this, the Scandinavian way of thinking is more abstract and analytical, categorizing phenomena and viewing them as separate. As opposed to the Chinese, Scandinavians combine the parts into a whole. Thus, pragmatism characterizes both China and Scandinavia, but the kinds of pragmatism are quite dissimilar. One similarity, however, is that both cultures are founded on the practical and the concrete. Differences stem from contrasting attitudes toward harmony and face.” (Worm 1997:98)*

### **7.2.5 Summary**

Chinese collectivism is harmonious and hierarchical; hence subordinates obey orders issued from above. In the absence of an alternative order, the Chinese tend to follow the mainstream, led by those in authority or celebrities. The structure of Chinese organization is also hierarchical and group-oriented. In other words, the Chinese pursue harmony inside a group that is closed. At the same time, inter-group harmony is also stressed. Therefore, the Chinese pay attention to *Guanxi* (social relationships) although they strive for status, but harmony is the basis. Thus Chinese *Guanxi* and striving are group-oriented, as opposed to Western individual-oriented social relations and striving. In a harmonious group, the leader has total influence over the trend or direction. The Chinese also emphasizes harmony between human beings and the nature. However, harmony is also hierarchical and human beings are at the top of the pyramid. These characteristics of the value of harmony not only influence Chinese perceptions of the hero but also habits of brand consumption. These are manifested in three aspects: (1) Chinese consume brands for the social status they bestow, (2) the Chinese admire words or signs from those in authority, (3) Chinese follow the mainstream to consume.

## **7.3 Naming practices**

The present study found that the Chinese interviewees did not respond positively to the Chinese translation of the brand name. They associated it with a fruit store. Why? Different naming practices influence Chinese perceptions of a brand name and its translation. This represents a conflict in the second layer of branding: brand naming.

In this section, I firstly compare Chinese and Western naming practices for people and brands. Then I discuss four ways of translating brand names into Chinese. Finally, I summarize the reasons why the interviewees did not like the translation.

It is common knowledge that the Chinese put their family names in front of their given names, while Finns and Western people generally put their given names before their family names. However, this is not the difference in naming practices referred to in the present study.

Instead, I focus on the following aspects of naming practices:

- How many syllables are there in one's given name?
- Does one care about the meaning in the given name or is it just viewed it as a sign?
- Does one try to avoid giving children the same the same given name from others or not?

In general, Chinese given names have one or two syllables only and specific meanings. The Chinese do not like to be called by the same names. Finnish given names usually have more syllables. Many Finns view their given names as signs. They usually do not care or know about the meanings embedded in their given names. Many Finns have the same given names but this is not seen as something to avoid. This is also true of other Western peoples, such as the British, Germans, and Russians.

The following true story is a good example of the differences between Chinese and Western naming practices: a Chinese woman called Tian He wrote an article on the Internet.<sup>27</sup> Her surname is Tian and given name is He. She married a German and lives in Germany. She went to a German clinic and the nurse asked her name. She told the nurse that her given name was "H" and "E". The nurse looked at her surprisingly. "That's all?" asked the nurse. "Yes. Isn't it funny?" "It is," admitted the nurse. Ms Tian has frequently encountered this response in Germany where people have longer given names.

Ms Tian's husband wanted to have a Chinese name. He wanted to be called "*Da* [big] *Long* [dragon]". However, Ms Tian was reluctant to call him "Da Long" because one of her relatives has this a name.

From Ms Tian's account, we can vividly see three features of Chinese naming practices. Firstly, the Chinese only use one syllable or two syllables as given name. Western multi-syllable given names therefore also surprise the Chinese. Secondly, the Chinese prefer meaningful names, as her husband knew. But, thirdly, the Chinese do not like to having the same name as others, especially among their relatives, friends, acquaintances and colleagues. Westerners, however, usually do not mind if they have the same given names.

The first feature is due to linguistic differences. Some languages allow multi-syllable names, such as English, Finnish, and Russian. Some do not, as in the Chinese, Japanese, and Korean languages. Martti Ahtisaari is a normal name in Finland, meaning that it is not extraordinarily long. When the Chinese transliterate it, it becomes extremely long: *Ma er di* as the given name, and *A he di sa li* as the surname. On the contrary, Ms. Tian He's name sounds rather short to the German ear.

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<sup>27</sup> <http://www.cnd.org/hxwz>

The second difference is due to national naming customs. Some like to include special meanings in given names, while some view given names simply as signs for people. Pan (1994) has studied Western and Chinese naming practices. He argues that both Western and Chinese names were originally meaningful. However, Westerners gradually paid less and less attention to the meanings of their names. They tend to think their names are only codes for the others to address them. They have to check etymologies as most of them do not remember or know the original meanings.

On the contrary, Pan (1994) argues, in China, everyone knows the meanings of their names because Chinese characters bear meanings without strict syntax. It is also because the Chinese have the tradition of giving meaningful names to their offspring and asking them to remember the meanings: they are usually cherished desires.

The Chinese like to include cherished desires in their given names. That is also a reason for the third difference. The Chinese avoid giving the same name, preferring to bear a unique cherished desire, while not every Westerner cares if he or she has the same name another one since the meaning or cherished desire is not so dominant in the name.

This finding might raise a question in this connection. The present study found that the Chinese tended to be more collectivist than the Finns did. The Chinese preferred to buy and use the same brand of mobile phone. They preferred to stay within a group and keep harmony with each other. Does this feature conflict with the Chinese habit of avoiding the same name?

The answer is no. There is no conflict here. First of all, there is a difference between naming a person and buying something from the market. The same value might or might not inhere in these behaviors. We cannot draw a simple conclusion on this issue. A Chinese may ask an American similar question, "Americans are individualistic, but why there are so many people called 'John' and 'Jean'?"

Secondly, naming practices, as we can see from the above example, have three important aspects – number of syllables, meanings of the name, and the attitude to having the same name. The number of syllables is attributable to the language. To care about the meanings of a name or not is a cultural issue. Outside the general trend, there may be some American families who care about meanings and some Chinese families who do not. The attitude to having the same name relates to cultural values. In this aspect, interestingly, we see that the value behind the Chinese attitude relates to the value of "collectivism".

To avoid the same name in a group or society means to identify oneself clearly in a hierarchical collective. This phenomenon will take place more often in a culture that emphasizes collectivism. A father is a father, and a son is a son. Their different names repeat this reality. In China, so far as I know, there is no grandson who is named after his grandfather. In Finland, at least, the habit exists of naming a grandchild after his or her their grandparents. This is not imaginable to a Chinese family, which is used to hierarchical organization. In addition, many Chinese emperors ordered their subjects not to use the Chinese

characters in their names. These characters were called the forbidden characters, such as *shi* in the Tang Dynasty and *zhu* in the Ming Dynasty. They were usually replaced by synonyms. Until now, not many Chinese will call their children by the same name as a famous governor. *Mao Zedong* is the founder of People's Republic of China. It is unlikely that any other Chinese male has the same name at present in China. However, there are Americans called Bill Clinton and Finns called Tarja Halonen. Those people may not feel embarrassed only because they have the same name as their presidents. There is no social taboo forbidding the use of these names.

Furthermore, the Chinese, in order to maintain order in the family, used to operate a series of naming codes, which could be a character or a part of a character. This tradition was broken in the twentieth century in many parts of China. However, some families and communities still adhere to it. The family of Confucius, for example, has kept the tradition for more than seventy generations over 2,500 years. Their recent twenty generations strictly follow the naming code series. Every man in the family is called *Kong* [the family name] *X* *Y*. *X* represents the generation because all men in the same generation have the same word. *Y* is different from each other and given by their families. *X* and *Y* comprises the given name. It is easy for them to know their relation to each other as soon as they know the given names.

Mobile phone consumption, as mentioned above, can also be seen in terms of social order. Therefore, some Chinese, who are rather sensitive to hierarchy and power distance, will select a brand, which expresses their social status perfectly. Does this correspond to the naming practices of the Chinese? I have to say that collectivism is such a dominant value that it penetrates every corner of Chinese life.

It is of course different to name a person and name a brand. Chinese and Finns, however, to a great extent continue their naming practices respectively.

First of all, the Chinese prefer shorter brand names, which are usually two to four syllables. Finnish brand names may be longer, such as UPM-Kymmene, although the trend is to create a brand name within four syllables. It is easy for people to remember, as Kleppner (1979:444) argues (see below).

Secondly, what do Chinese and Westerners think about the meanings in a brand?

According to Kleppner (1979:441), in Western countries, there are a few basic rules in creating a brand name:

- it must be used in connection with an actual product;
- it must not be confusingly similar to trademarks on similar goods;
- it must not be deceptive;
- it must not be merely descriptive.

A good brand name in West should be (Kleppner 1979:444):

- distinctive
- simple, crisp, short
- easy to pronounce, and in one way only
- a functional design
- free of unpleasant connotations, at home or abroad

The forms of Western trademarks include (Kleppner 1979:441-443):

- dictionary words, e.g., *Shell* oil;
- coined words, e.g., *Kodak* film;
- personal names, e.g., *Ford* cars;
- geographical names, e.g., *Finlandia* Vodka;
- initials and numbers, e.g., *J & B* whisky.

In sum, there are three basic ways of naming a commodity:

- to reveal the commodity directly
- to project one's own wishes onto the commodity (or to reveal the commodity indirectly)
- to name the commodity after the family or country-of-origin

On one hand, there are many similarities in naming a brand between Westerners and Chinese. The Chinese are also used to identifying the commodity or its function from the brand name, especially when there are fewer visual logos and advertisements. *Guobuli* is a brand name for steamed stuffed buns and *Liushenwan* for a Chinese medicine. Chinese think dogs [*guo*] are thought to like [*li*] steamed stuffed buns very much. So it is humorous to name a kind of bun as something that dogs dislike [*Guobuli*]. Every herb medicine brings its own life spirit [*shen*]. Therefore, Chinese know there are six kinds of herbs used in *Liushenwan* because *liu* means six. Many Chinese brands are also named after the bosses' family names or country-of-origin. The *Zhonghua* [China] bike is made in Shenzhen, a town near Hong Kong. *Suzhou luzhi doufugan* thick gravy dried bean curd is made in Suzhou with local flavor.

On the other hand, the Chinese are used to adding cherished desires to brand names. (Pan 1994) Many brand names include meanings like "lucky", "gold", "good". Even during the Cultural Revolution (1966-1976), when an extreme communist movement claimed to destroy all traditions, most brand names still bore cherished desires and had words such as "red", "revolution", or "liberate". At that time, the Chinese drove a "Red Flag" car, and bought "Red Lantern" radio from the "Forever Red" department store. After the Cultural Revolution, these brands disappeared. However, the tradition of adding cherished desires to brand names is still predominant in China. For example, many business people give their brands more extensive meanings. *Quan* [full] *Ju* [together] *De* [virtue] is a brand of Beijing roasted duck. *Yongjiu* [forever] is a brand of bike.



The third aspect of naming practices does not constitute a problem in brand naming, since every brand name should be unique and avoid copying another. Finland, China, and many countries have similar laws to prohibit naming the same product with the same or even similar names.

In sum, to the Chinese, a name may be more significant than it is in many other countries. It is because the Chinese language makes every word or character meaningful without strict syntactic rules; and the Chinese usually put one or two words together with their family names, so that they are meaningful. Parents or family members therefore choose words carefully for their children's names. These words usually carry best wishes from the family. Some Chinese even believe there are positive effects from hearing others addressing them by their names – which carries positive meanings. This tradition dominates all naming, from a child's name, to an emperor's name, to the name of a city, a state, a thing, a commodity, and a brand. Hence, most Chinese brands have names containing cherished desires, as do the Chinese people. These are the major differences between Chinese and Western naming and brand naming practices.

The problem is far more than one of noticing differences in naming. However, one should be aware of the fact that there has been a huge gap between China and the Western consumption, as China has only recently opened the door to Western consumer products and brands, following its isolation from 1949 to 1978. Most ordinary people have not been familiar with foreign cultures or foreign brands. During the period of isolation, consumer goods were usually distributed and the competition virtually did not exist. So the Chinese were suddenly exposed to various brands in the late 1970s and early 1980s. Advertising was also new to Chinese at that time. (Cheng and Schweitzer 1996) For their part, Western marketers need to make great efforts to familiarize themselves with the market and the people. Their brands have to be translated, and that is a cultural challenge as well. This is an example through which we will see how much different and difficult it is to market in China.

First of all, nearly all Western brands how to be translated, because many Chinese are not used to “pure foreign brand names” in Latin letters and cannot read the alphabet. Some of them even cannot read Chinese characters – the native written language. So, most Western brands are translated into Chinese for convenience. A few Japanese and Korean brands are exceptions because they are written in the same or similar characters (see Table 7.1). Only recently, Coca-Cola and Pepsi-Cola have begun to use their “pure foreign brand names” without Chinese characters on billboards in Shanghai and Beijing. But they both have Chinese brand names, which have been used for a long time. Furthermore, they are using the Chinese brand names together with the original brand names on their bottles and in nearly all their ads.

When translating, marketers need to know something about the Chinese language. In Chinese, a word usually has one or two consonants. It limits the possibility of having several consonants pronounced together. Chinese has only 22 initials and 37 finals. Theoretically it can have 814 syllables, but in reality, it

only has 417 syllables as the others do not exist. Furthermore, Chinese is not spelled but written in characters. There are about 100,000 Chinese characters, of which about two to three thousand are frequently used. This means there is an inevitable phenomenon: a large number of homonyms. To translate a Western brand name one has to choose suitable characters among those homonyms. Besides the consideration concerning on homonyms, one has to think about the meanings of characters because in Chinese, every character is a word or a stem of a word, and it still contains some meaning in the latter case. A combination of a couple of characters is usually meaningful even if it is not grammatically a sentence.

In addition to linguistic concerns, Chinese has a long tradition of naming practices, which means that most Chinese names are used to express cherished desire, as discussed above. That is, the Chinese choose the best meaning for the names of their children, shops, and brands.

The above three factors – no alphabetic name, linguistic concerns, and the Chinese naming culture – force Western marketers to translate their brand names and to consider:

- whether the translation should sound the same as or similar to the original ones;
- whether the translation should carry some meanings;
- to select which character from a long list of homonyms.

These considerations are not common elsewhere in international marketing. Even in Japan and the Arab world, Coca-Cola and other well-known brand names do not need to think so much and in such a complex way. They at most transliterate the pronunciation in Japanese hiragana or Arabic letters. But in China, Coca-Cola is replaced by four characters<sup>28</sup>, *ke kou ke le*, which mean tasty and happy – a meaning Coca-Cola may only have in the Chinese market. More often, such as in Japan, the brand names are just the same as the original ones. McDonald's in Tokyo does not bear another “local name”, but it uses “*Mai* [wheat] *dang* [deserve] *lao* [labor]” as an additional name for Chinese market in China.

Millions of brand names have been translated into Chinese. However, there are only a few ways of doing this. I would suggest that there are four approaches to translating brand names into Chinese:

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<sup>28</sup> There has been a rumor about the translation. It said the four characters meant tadpole [*ke dou*]. First of all, Coca-Cola has never used this name. Secondly, as we can see, the Chinese emphasize the meaning of a name very much. A tadpole is neither a fortune symbol nor a lovely animal. Even if the company had chosen that, their Chinese dealer would have stopped them immediately, no matter whether it was in the 1930s or 1980s. However, the rumor spread widely in academic circles as a classic cultural blunder of international marketing. As a Chinese, I do not understand why but can only guess that the first person who told the story did not know about the Chinese language and culture.

- (1) to translate the syllables of the original name
- (2) to create a meaningful name based on the pronunciation of the original
- (3) to change to another name, totally different from the original one
- (4) to paraphrase, if the original name is meaningful

*1. To translate the syllables of the original name*

A common practice is to translate foreign names, cities, and countries. Tom is called *Tangmu* in Chinese. Jyväskylä is *Yuweisiqulai* in Chinese, and Finland is *Fenlan*<sup>29</sup>. This kind of pronunciation-oriented way aims at approaching the pronunciation of the original with less intention of carrying meanings. Because Chinese word combinations more or less carrying meanings, officially, people decide on the translations sets of words (English-Chinese dictionary) in order to avoid negative associations. These words, however, are so frequently used in translating foreign names that the Chinese are starting to take for granted that they are only used for foreign words. We may call them “foreign” words. For example, Nokia uses this possibility and it is pronounced *Nuojiya* with nearly no meaning.<sup>30</sup>

*2. To create a meaningful name based on the pronunciation of the original*

The difference between this and the above one is that this one adopts “normal” Chinese words and attempt to make meanings. It is more meaning-oriented so that many “translations” are rather far from their origin. However, there are always at least one or two similar syllables as clues leading back to the origin. This is also the difference between this approach and the following one. *Maidanglao* is McDonald’s, *Bishengke* is Pizza Hut, *Kengdeji* is Kentucky Fried Chicken. There are several lucky examples, in which not only is the pronunciation similar but also the meaning is appropriate in Chinese. Coca-Cola is *Kekou* [tasty] *Kele* [happy]. Ericsson is *Ai* [love, like to] *li* [to set, to establish] *xin* [trust]. Hewlett & Packard is *Hui* [benefit] *pu* [popular]. The Finnish paper machinery brand “Valmet” is translated into Chinese as *Wei Mei De*, which sounds similar and means “to keep good virtue”.

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<sup>29</sup> *Fen* [sweet smell, fragrance] *lan* [orchid] could mean “fragrant orchid”. However, it is just because Chinese words can be meaningful without strict syntax. It has nothing to do with the original meaning of “Finland”. Many foreign countries, names are translated in this way and Chinese are skilled at choosing good words when translate. For example, the USA is *Mei* [beautiful] *guo* [country], UK is *Ying* [handsome] *guo*, France is *Fa* [law] *guo*, and Germany is *De* [virtue] *guo*.

<sup>30</sup> It is possible to develop meanings. This is discussed by the end of this section.

3. *To change to another name, totally different from the original one*

This approach is motivated by the Chinese tradition mentioned above of incorporating cherished desires into names. Acer is called *Hong* [grand] *ji* [base]. The Chinese brand *Liangxiang* [associate something with] is registered as “Legend” in English worldwide. The Finnish machinery brand “Kone” [in English: machine] has a Chinese brand name *Tong Li* [general power]. It is different from the original pronunciation and meaning.

4. *To paraphrase, if the original name is meaningful*

Some brand names are meaningful originally. It is quite natural to paraphrase them into Chinese. Finnair is *Fenlan* [Finland] *Hangkong* [Airlines].

In short, there are four ways<sup>31</sup> to translate a brand name into Chinese. To take Finnish brand names as examples, these four ways can be called:

- |                      |   |
|----------------------|---|
| (1) The Nokia way:   | similar pronunciation, meaningless.                               |
| (2) The Valmet way:  | similar pronunciation, meaningful.                                |
| (3) The Kone way:    | totally different from the original pronunciation and meaning.    |
| (4) The Finnair way: | the same meaning, although the pronunciation may not be the same. |

These translation approaches have different effects. The Finnair way is naturally acceptable to Chinese. The Kone way is also meaningful but misleads the Chinese to viewing the original and the translation as two brands. It is not useful in trying to set up an international brand. The Valmet way is commonly viewed as the best option, although it is not so easy to find suitable words. The Nokia way is so interesting that I would like to discuss it further.

As mentioned above, Western companies often create their own brand names, using etymological elements to add meaning. However, it is different in China. Linguistically, the distinction between a word and a character in Chinese has not yet been decided. Furthermore, nearly every two Chinese characters in combination are meaningful. When translating foreign names, it is hardly possible to create an utterly meaningless name – for example, Finland [*Fen Lan*] could mean “fragrant orchid” as mentioned in the footnote above. The Chinese cannot avoid “meaningful” translations but they try to select characters with positive or neutral meanings. Conventionally, there is a list of characters that are used in foreign name translations. (Pan 1994) The Nokia way is the result of these factors. The three characters are *Nuo Ji Ya*, which are rather neutral. We can call it a standard translation of a foreign brand name, although it could be

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<sup>31</sup> In addition to these four ways, there is a new tendency to directly use the original brand name without translation. It is because some of these abbreviations are too famous to translate such as CD (Christian Dior) and IBM (International Business Machine). It is also because some brands only consist of letters such as LG.

“meaningful” if one insist on combining the three characters and making sense. *Nuo* means to promise, *Ji* to base or to be based on, and *Ya* is Asia. Then it can mean, “our promises are based on Asia”. However, neither the Finns nor the Chinese thought so and applied this “meaning”. Hence, the Nokia way is still the most “foreign” way to “translate” a brand name. On the other hand, it makes a foreign name by following this way. Nowadays, some Chinese marketers are using those characters to make brand names as if they were imported brands. (Pan 1994) I would argue that is because Western names are respected and so are Western countries, as was discussed in the previous section on hierarchical collectivism. Reviewing the translation of top ten mobile phone brand names, it is obvious that Nokia way is dominant or fashionable.<sup>32</sup> (Table 7.1) It is not coincident, I believe, that the Western marketers have chosen the Nokia way. They might have done similar name testing research and found the trend discussed above.

TABLE 7.1 Top ten mobile phone brand names in Chinese

original brand name	brand name in Chinese	brand name pronunciation in Chinese	brand name transition method (ref. § 7.3)
Benefon	百利丰	Bai Li Feng	2
Bosch	博世	Bo Shi	2
Ericsson	爱立信	Ai Li Xin	2
Motorola	摩托罗拉	Mo Tuo Luo La	1
Nokia	诺基亚	Nuo Ji Ya	1
Panasonic	松下	Song Xia	The same as Japanese Kanji
Philips	飞利浦	Fei Li Pu	1
Samsung	三星	San Xing	The same as Korean words
Siemens	西门子	Xi Men Zi	1
Sony	索尼	Suo Ni	1

In sum, Chinese names and brands often bear cherished desires, which is the major difference from Western ones. There are four ways of translating Western brands into Chinese and each of them has different effects. There are Chinese domestic brands simulating Western names. This current “Westernizing” trend in brand naming in China is interesting. It is usually done in a few product categories, usually hi-tech, electronics, or cosmetics, in which Western brands are admired. The Chinese value of hierarchical collectivism could also be related to this phenomenon.

<sup>32</sup> The Japanese brands often use Chinese characters (in Japanese: Kanji) for their brand names in China. It is not translation in a strict sense. Korean brands adopt the same approach. However, some Japanese brands, such as Sony, and Korean brands, like LG, do not use this approach.

## 7.4 Regional diversity

Regional differences are found in the present study. Sometimes the interviewees' perceptions of the positioning of the brand were different.<sup>33</sup> They also had different brand preferences, which can partially be disclosed in this paper.

In general, the market development overlaps with Chinese economic development. Eastern and Southern China are more advanced in mobile phone consumption than Western and Northern China. In other words, the consumption of mobile phones in China is concentrated in the coastal regions due to developed commercial activities. Similar regional diversity is found in other studies (Cheng and Schweitzer 1996, Polsa 1999); this indicates that China is not a united market with homogeneous consumers.

The Southern Chinese tended to choose smaller and lighter mobile phones in the belief that all brands were made by high technology companies and had similar quality. Therefore, as customers, they were only interested in looking for the most convenient and fashionable mobile phones. Some simply replaced their old, big, and heavy ones with fashionable, small, and light ones. They like to match the colors of their mobile phones with their clothes and occasions of use, and they like a streamlined design and appearance.

Eastern Chinese tended to choose well-known brands, at least mobile phone brands their friends can recall and immediately be associated with. Otherwise, they would lose face in public, if their mobile phone brands are "unknown". Eastern Chinese young women were also concerned with phone size and design. They like phones to match their clothes and be fashionable, and thus the tendency is the smaller the better.

Beijing, as the capital of China, accommodates Chinese from different regions. However, there is also a relatively uniform tendency. Typically, Beijing people liked a mobile phone that can be folded with an extendable antenna. Hence most of the Beijing people liked some models made by an American brand. Some Beijing mobile phone users admitted that other designs were just as convenient. Nevertheless, most thought they would lose face if they could not gracefully unfold a mobile phone and draw out the antenna – to show their friends that they own a mobile phone. Beijing people believed they were well-informed about everything, particularly from the most confidential decisions to impending regulations. They exchange such information everyday. They would not, however, spend time and effort finding out if their information is correct. Nevertheless, these pieces of information spread quickly and influence their purchase decisions. This is not the case in any other city in South or East China. For example, Beijing people "knew" that there are two GSM mobile phone operating networks in East and West Beijing respectively, run by two different brands which also produce mobile phones. Consequently, they thought only

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<sup>33</sup> A detailed description cannot be given here for reasons of confidentiality.

these two brands would work well in Beijing. In fact, GSM is a communication protocol and there is no reason to suspect whether Brand A base station will work less effectively with Brand B mobile phone.<sup>34</sup>

Northern China is relatively less developed than Beijing. People follow in the steps of Beijing citizens, their fashion, and their ideas. Even “information” is copied in a similar way. Inner Mongolians “know” that there are two GSM networks in East and West Inner Mongolia. Furthermore, East Inner Mongolians only buy an American brand, West Inner Mongolians only a Swedish brand. Nobody is prepared to find out whether these are really two network suppliers; they all believe this to be so. A seller reports a typical story: one of his friends was going to buy one model of the American brand sold in his store, but he told her that the model was problematic and held a 100% repair record. She insisted in buying one not because that was the only available brand in the store and market, but because that was the only brand recognized by local people.

Western Chinese live in rather poor conditions. Mobile phone consumption is still too much of a luxury for them, but the people living there believed it would be a fashion soon, say, in 1999. They did not see any practical necessity to own a mobile phone, while they thought mobile phones would give them more face. They did not care very much about the design, color, or even brand. They were concerned with the telephone charges and intended to keep their mobile phones shut until the tariff review<sup>35</sup>.

## 7.5 Other reasons and issues

### 7.5.1 Not all values impact

Not all values impacted on the branding. For example, the advertising style is called “dual motif”. The company graphic identity brochure says,

*“The motif is a centered vertical division with black and white backgrounds. A photograph can be used in place of the black background. The dual motif can also be used reversed so that the black and white backgrounds change places.” (Company Graphic Identity 1998)*

Half-black-and-half-white and equally divided – it is rather close to the Chinese concept of Yin-Yang. Yin-Yang is a symbolic pattern with a black fish with white eye and a white fish with black eye. (Figure 7.2)

<sup>34</sup> According to my conversation with the marketer’s after-sales manager.

<sup>35</sup> Chinese telecommunications operators charge both call-outs and call-ins. There was a rumor in 1998 that soon only call-outs would be charged. It is not yet the case at the time of writing (2000).

Yin-Yang is dynamic harmony. Lao Zi, the founder of Taoism or the school of Yin-Yang, says: “*Huo xi, fu zhi suo yi; fu xi, huo zhi suo fu.*” [Misfortune is the root of good fortune; good fortune gives birth to misfortune.] (Gong and Feng 1994:144) He sees everything as in a state of change. The black fish’s white eye will grow bigger and bigger until the whole fish turns white, and the white one with the black eye turns totally black. However, inside the eyes, there are tiny points of the opposite colors. So when the black fish turns white, it will have a black eye. Change is the rule of the world and it is continuous. Wang Bi, a Taoist who made notes for *Yi Jing* [The Book of Change], commented: “*Fan wu qiong ze si bian, kun ze mou tong.*” [Changes will take place when things come to a dead end, and breakthroughs can be expected when there is no way out.] (Gong and Feng 1994:233) This reminds people to stay flexible in their minds and to be alert to change. *Li Jing* [The Book of Ritual] says: “*Zhang er bu chi, Wen Wu fu neng ye; chi er bu zhang, Wen Wu fu wei ye. Yi zhang yi chi, Wen Wu zhi dao ye.*” [Even the Kings Wen and Wu could not remain tense without any relaxation. Neither would they allow themselves relaxation without tension. To be alternately strung and unstrung was the Tao they followed.] (Gong and Feng 1994:186)

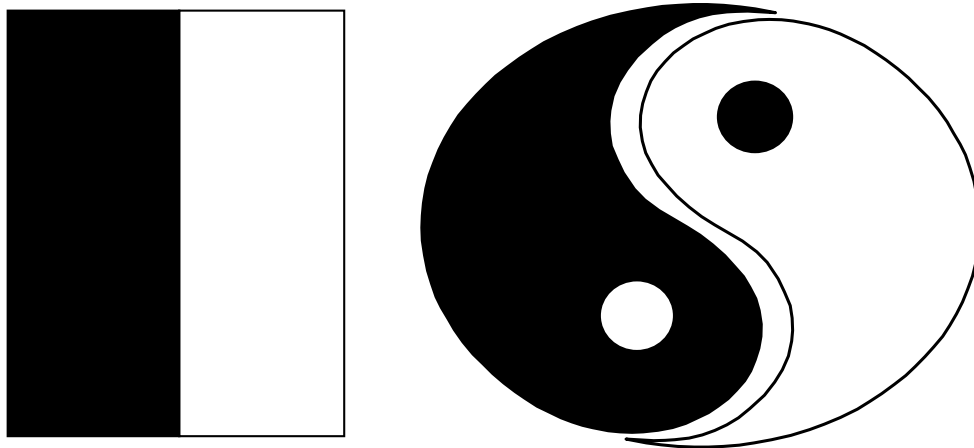


FIGURE 7.2 Dual motif and Yin Yang

The Chinese interviewees, however, did not associate the dual motif with Yin-Yang. There are three reasons for this. Firstly, Yin-Yang is historically significant but not associated with modern life. The Chinese did not have a special expectation that it would appear in advertisements for a foreign mobile phone.<sup>36</sup> Secondly, Yin-Yang is not so rigidly divided as dual motif. Also, it

<sup>36</sup> The Chinese did not ask about the history of the company. This was different from many intercultural communication studies, which have claimed Chinese are history-oriented people. This might be because everyone knows that a mobile phone company cannot be very old, as the product itself is young. This reveals that not everything found in interpersonal communication impacts on the branding.



does not mean contrast; on the contrary, it means a harmonious and dynamic state. Thirdly, Yin-Yang is less associated with consumption. Taoism, the systematic philosophy of Yin-Yang, looks down upon many things in “this” world, and look forward to many things in “the world to come”.<sup>37</sup> Thus cultural values are many and they are not always influential in all intercultural communication situations.

### 7.5.2 The non-cultural reasons

This case study found several reasons for the less effective branding. Not all the poor branding performance can be attributed to culture. Some mistakes occurred simply because the marketer was not familiar with the Chinese market and did not pay enough attention to branding.

China is a large but unfamiliar marketplace to many Western marketers. However, it has become more and more known since 1978 when China was opened to the West. A plethora of books and many dozens of articles have advised Western marketers to take the cultural differences seriously. The branding effect in the present case seems to have ignored those suggestions. Some errors are naïve and amateur – if it is possible to make “professional” mistakes. For example, some advertisements were transferred to China in a simple way – to retain all the visual appeals while only replacing Finnish or English words with Chinese. Some Western marketers might have adopted this approach in the later 1970s or early 1980s in China. It is a pity to see that the marketer has neglected those obvious cultural differences even the export manager was sent China for a year to study the situation.

Branding, or even marketing communication, was not the key issue for the marketer in the present study. The company has a comprehensive and efficient group of production managers and workers who are viewed as its backbone. The research and development department hires a quarter of all employees and acts as the brain of the company. The financial and administration department is the third biggest department in the company. Marketing, Public Relations, and after-sales personnel are “minority”. In fact, only one full-time person looks after marketing communication and her main assignment is to coordinate the company advertising and PR with the advertising agents. The company does not survey marketplaces and only seldom buys marketing studies from independent agents and researchers. The mobile phones are distributed and sold by different agents in many countries.

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<sup>37</sup> Taoism is desirable (*chushi*) and Confucianism is desired (*rushi*). Many Chinese do not follow only one of them. (Mooij 1998) These two philosophies are sometimes combined. People apply Confucianism more when they are motivated towards work and life in “this” world. They pursue Taoism when they are not satisfied with the current situation and long for the comfort and achievement of the “other” world.

This sort of marketing is typically production-oriented as discussed in Chapter Three. The company pushes the products onto the market but thinks less about potential consumers. The values added to the brand are not based on comprehensive and profound investigations of the market. This has been the traditional way of the technology-oriented, business-to-business marketing, which Finnish business people practiced for decades. (Kuisma 1999) The companies, based in Finland but marketing in the world, have generally been producers with excellent technological and manufacturing know-how. (Luostarinen 1999) Industrial products, like paper machines, are sold after years of planning, negotiation, and installation. Branding and advertising are not the key cards with which score over competitors. Usually, “quality”, “professional performance”, and “customer relations” – which forcibly remind us of the values of the marketer in this case – are more crucial. Meanwhile, many consumer products, including mobile phones, are so demanding in the market that selling at least at the beginning is relatively easy and requires less support from branding.

Many Finnish business people, including the marketer in this case, have gained their marketing experiences from their operations in Europe and the United States, where their clients and consumers share many common values with Finns. Marketing, branding, and advertising in those markets, then, are not very much different or difficult.<sup>38</sup> It is not usually necessary to translate brand names, and visual appeals can be kept the same. Possibly only the headlines and text need to be replaced by local alphabets. Consequently, some Finnish marketers might have gained the impression that global marketing, branding, and advertising design are easy, simple, and cheap because on the basis of their European experiences it is usually not necessary to translate brand names and replace visual appeals.

Besides the business-to-business tradition and dependence on European experiences, inadequate knowledge of other markets, like China, Japan, Africa and the Southeast Asian countries, is the third reason that some branding programs paid less attention to culture. For example – the marketer of the present study, for a long time, called the Chinese characters “letters” in newsletters and on the homepage. Since this study was completed in 1998, those above-mentioned phenomena have gradually been changed. Some Finnish companies hire local advertising agents to brand their products in China and some have expanded their marketing and communication department.

One issue, however, is still worth considering, that is, what is the meaning of localization? The present study finds that the Chinese do not respond positively to some of the local adoptions of the marketer, such as meaningful

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<sup>38</sup> This is said by comparison with marketing in China. Many marketers and academics have noticed the amount of cultural diversity in Europe. Some Finnish companies have also made blunders in other European countries. “Everyone deserves one”, for example, was a slogan used by a Finnish marketer in German, which was found to be associated with Nazism and was immediately given up, although some repair work was still necessary.

translation of the brand name. Thus, localization does not mean doing exactly the same as the local marketers. A foreign brand should satisfy the consumer's expectation regarding its international or imported image. This requires a deeper insight and understanding of consumer values in general.

## **7.6 Limitations and suggestions for future studies**

This case study, although has been carefully designed and conducted, has limitations largely because of its nature as a case study. On the other hand, the study broadens the perspective of intercultural communication studies and offers promising topics for future exploration.

### **7.6.1 The case study and its limitations**

The case study itself imposes limits on insights that can be acquired despite the fact that it was carefully chosen. The product category, the country-of-origin, and the demographic background of the interviewees were all well selected. However, each selection means a corresponding sacrifice of what remains unselected. Both the reasons and limitations for the present selection are discussed in this section.

There are several reasons for selecting the case in question. First of all, branding communication should cross cultures. It is better that the cultures of marketer and consumer are different in many aspects and "far away"<sup>39</sup>. Secondly, the product should be one of the consumer good, which are typical of Finland in order to test the country-of-origin effect. Thirdly, a high-tech product, as some people claim these are "culture-free", is ideal to test the impact of culture on branding. Finally, a brand which has been introduced to China but has not become "word-of-mouth" is also ideal since it is not unfamiliar to Chinese consumers and may thus reveal more accurate perceptions.

The reason for selecting China as the market is obvious. Other marketplaces that require the same effort on translation and naming probably exist but may not be as big, attractive, dynamic, and interesting as China. China, as discussed in the section on naming practices, may be the only marketplace where Western marketers have to adjust their branding strategies at both the language and naming level. Furthermore, many researchers have

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<sup>39</sup> There is a controversy on the meaning and validity of so-called "cultural distance". It is not the theme of the present study. Therefore, the concept of "far away" is only used here to illustrate the common sense meaning of culture differences.

noticed the wide regional diversity in China (Li 1999, Jerry 1990, Shuter 1992, Lasserre and Ching 1997), which are too huge to neglect.

There are also good reasons for choosing Finland as the marketer's country of origin. On one hand, historically, Finland is a small country that depends on its exports. (Holstius 1983:5) In all the Nordic countries "about one third of the GNP [is] derived from exports" (Worm 1997:83). They thus have considerable international experience. However the current trend is towards brand-oriented globalization but not simple exports (Luostarinen 1999). In some respects, Finnish globalization is different from that of the G7 countries. Finnish global marketers usually develop their expertise on the basis of one product or service. Furthermore, a Finnish company usually has a single brand name and all their products bear the same name. (Dalhman 1994) Unlike some American companies, there are fewer Finnish companies that sell a variety of brands all around world. From the branding perspective, the overlap between marketing and branding is rather large owing to the solo brand name. In other words, branding is crucial for many Finnish marketers.

Secondly, the product should be one of the consumer goods<sup>40</sup>, which are typical of Finland in order to test the country-of-origin effect. In 1998 when the study was conducted, besides forest industrial goods, Finland is proudest of its mobile phones. In addition, there is no mobile phone kingdom although the United States, Sweden, and Finland are the three biggest producers. It is not like blue jeans, which "must" have a US brand, perfume, which "must" be from Paris, or electronics, which should preferably be "made by Sony". The impact of country-of-origin on mobile phone sales is not so stereotypical. It is a good time to test the country-of-origin effect.

A global brand usually originates in a particular country. (Nishina 1990, Niss 1996, Djursaa 1990, Mooij 1998) In many cases, in spite of being global, it is associated with that nation. This can be beneficial if the image of the country remains constant. In case of change, both upgrading – Japan from "shoddy" to "high quality", and downgrading – "American values" have become ambiguous; for some they are positive, for others negative, will influence the brand's image and acceptance. Japanese electronics companies currently gain from the label "Made in Japan", and Marlboro has gained a great deal by being American. (Mooij 1998:17) Would some Chinese knowingly consume a Finnish image by using a mobile phone "made in Finland"?

Thirdly, the mobile phone appeared to be a suitable choice because it is a high-tech product, which is claimed to be "culture-free". But is it really culture-free, or is only the product itself culture-free, while the brand may not be? Is "culture-free" a paradoxical notion in relation to products and branding? We may find the answers later in the present study. However, it is already an interesting setting when the chosen product is a, probably, culture-free mobile phone as in the present study.

Mooij (1998:27-28) says:

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<sup>40</sup> Consumer goods are closer to ordinary people than business-to-business industry goods.

*“generally, both practitioners and academics tend to categorize products on a sliding scale of being culture-free or culture-bound. The least culture-bound products or services mentioned are cigarettes, hard liquor, industrial products and services, hi-tech products (computers, compact disc players, television) and hi-touch (fashion, perfumes, jewelry). These are said to be easier to market internationally than culture-bound products like food.”*

Some researchers believe that standardized messages might be appropriate for products coming to the world market for the first time, because such goods generally are not steeped in the cultural heritage of a particular country. Products regarded as in this category include calculators, VCRs, camcorders, and computers. Recent studies on personal computer and software companies show a definite trend toward standardization in advertising strategies. (Mueller 1996:141-145) Bob Nelson explains, “high tech products are purchased and used in the same manner everywhere, are most often standardized and utilitarian, share a common technical language and use information appeals” (1994:22).

In addition, marketing researchers (e.g., Mooij 1998:28-29) take the view that the product itself – the brand and its positioning, its price and other product characteristics – may influence the possibility of standardization. New products or brands are easier to standardize than mature products. Established brands in different markets may have different brand images and inconsistent positioning strategies, making it difficult to take advantage of a global approach. A product may be in different phases of its life cycle in different markets, with the consequent need for different advertising approaches.

Finally, after a few weeks discussion with various Finnish mobile phone manufacturers, the brand selected for this case study was in the introductory phase on the Chinese market. It was neither completely strange nor “word-of-mouth”. This is ideal as the Chinese interviewees would not view it as alien or have a strong impression of it, i.e. they would have fewer suppositions or prejudices.

The limitations of these choices also reside in these four aspects. Firstly, no “proof” that Chinese culture is far away from Finnish culture exists. To some extent, citizens of Beijing may feel they can accept Finnish behaviors easier than those people from Hong Kong can. (Scollon et al 1999) Regional diversity in China might be more important than the national differences between Finland and China. What would be the fate of a Shanghai brand in Beijing?

The Finnish approach to exports that is discussed above may also be typical of many European countries. However, the selection of Finland neglects another typical export approach, which is led by US companies. This limits the generalization of the findings to those companies, such as Procter & Gamble, which have many different categories of branded products all over the world. Furthermore, the branding of industrial goods and business-to-business products does not benefit greatly the present study since it focuses on consumer products.

The selection of a typical Finnish product, however, is probably correct. The mobile phone is the key Finnish industry after steel, forest, and paper.

However, many other Finnish products are also typical, such as those made by Iittala, Fiskars, Hackman, and Lapponia Jewelry, although they are less dominant in Finnish exports. With a more comprehensive design, it would be possible to compare two branding programs and find more interesting results.

Finally, there were many Finnish brands in China when the study was conducted. As indicated in the previous paragraph, I would choose different products in various life phases if I were able to design and conduct the present study from the very beginning. I might also include a comparison with Finnish brands not existing in China. With international cooperation, I would compare Finnish branding in China with similar Swedish, British, and Japanese cases. This would lead to more findings and insights.

Another issue stemming from the case study itself is the selection of the interviewees. The sampling method was right because snowballing allowed interviewees in the same focus group to feel free to discuss and comment. It limits, however, the findings of the study at the same time because I mainly interviewed well-off Chinese and did not have enough data about the other socioeconomic groups. Fortunately this does not affect the present study because the marketer's target group in China was upper-middle class in 1998 when mobile phones were relatively expensive. In this connection I shall now briefly describe the demographic background of the interviewees.

In each city, four focus groups were organized. Each group had five persons who shared a similar background, but the groups represented different demographic backgrounds, namely, government officials, business people, mobile phone dealers, and consumers or potential consumers. I tried to balance the numbers of men (52%) and women (48%) from different generations with various educational backgrounds (Table 7.2).

TABLE 7.2 Gender, age, and educational distribution of respondents

Gender	Men		Women	
	52%		48%	
Age	18-24	25-34	35-49	50-64
	40%	46%	12%	2%
Education	Middle school		College	University
	12%		3%	85%

It was assumed that mobile phone customers in China would be rather well educated with high personal and family income as well as a need to use mobile phones. 98% of the interviewees were between 18 and 49. 85% of the interviewees had a university degree. Their personal and family incomes were higher than average. According to a Chinese national survey, Chinese annual income is around 800 – 1500 USD per person, that is, <12000 RMB in the table. (Table 7.3) The interviewees frequently used telephones (including mobile phones). Nearly 80% of them had a conventional telephone at work, and more than 60% had their private telephones at home. About 15% already had their

own mobile phone. (Figure 7.3) However, their occupations were diverse and cover almost the whole range of possibilities in China. (Figure 7.4)

TABLE 7.3 Annual income of respondents

	<12000	12001-24000	24001-60000	60001-120000	>120000
Personal	38%	36%	22%	4%	
Family	13%	38%	26%	20%	3%

Unit: RMB, 1 USD=8.3 RMB

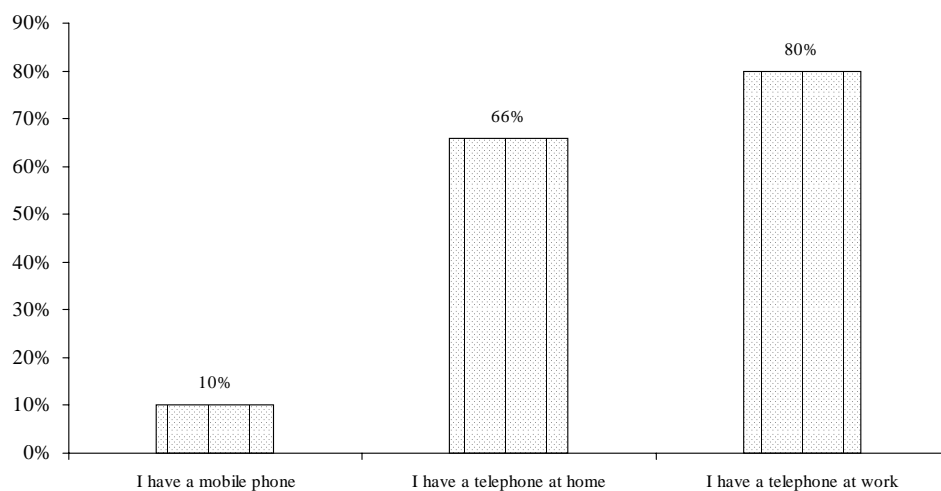


FIGURE 7.3 Telephone use of respondents

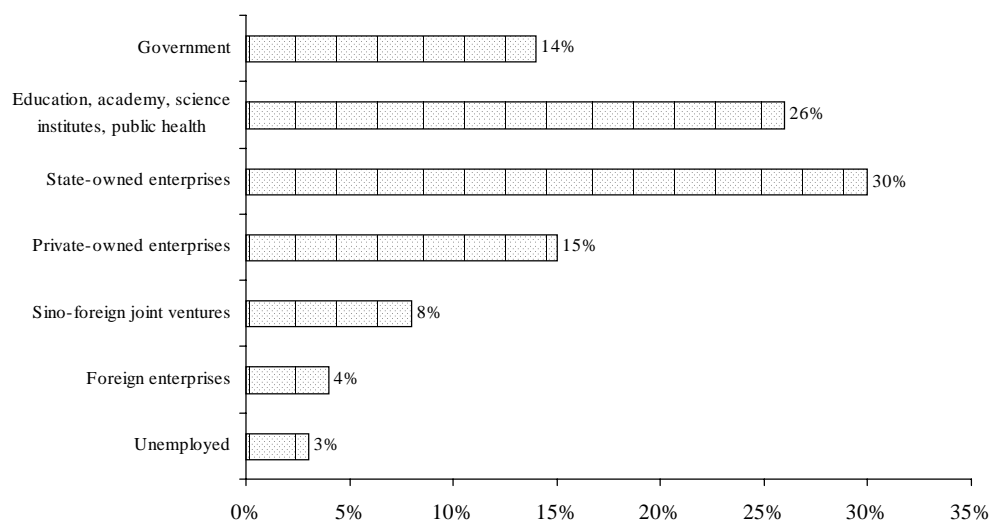


FIGURE 7.4 Occupational distribution of respondents

### 7.6.2 Future research

Intercultural communication studies, on the one hand, provide a powerful and practical theoretical model for the present study. In the research framework, branding is viewed as a type of communication in which the marketer and consumer negotiate the values perceived in the brand from their different cultural backgrounds. The sender (marketer) encodes while the receiver (consumer) decodes. Misunderstandings occur due to their different cultures, since culture is a means by which the way a group of people communicates and it varies from group to group. Thus, intercultural communication studies enable branding to be approached from a new perspective so as to allow the impact of culture on branding to emerge. On the other hand, intercultural communication studies are not able to provide sufficient materials, experience, and in-depth insight into consumer-related values and branding. Thus far, only a draft framework (Shuter 1989) and a few pioneering explorations (e.g., Mooij 1998) have been attempted aside from the strong tradition of interpersonal communication studies. The question then is: how should we proceed from here?

First of all, intercultural communication studies need to include more multidisciplinary work in order to expand their research range, capabilities, and level of profundity. Intercultural communication studies came into existence and have been developed in conjunction with personal interaction. Studies and models have been produced on acculturation and adaptation for expatriates (e.g., Vasko et al 1998), immigrants, and refugees. There have also been studies for international business purposes, such as negotiation and presentation (e.g., Scollon et al 1999), or educational purposes (Salo-Lee 1993). However, non-personal communication, such as Public Relations (PR) or marketing communication, has received limited attention and interest, although there are evident possibilities and necessities for intercultural communication studies, as the present study has shown. The misunderstanding may exist that international marketing has been discussed, studied, and taught within the discipline of business studies. In fact, marketing researchers have not conducted many studies, although they have produced examples, cases, and marketing theories. However, they usually put international marketing at the end of their textbooks or articles, partly because the cases or examples have not been systematically studied. It would, in any case, be rather difficult for marketing scholars to analyze such cases without an adequate knowledge of intercultural communication. China, for example, has been discussed a lot in the marketing literature. The topics, however, are mainly introductions to politics, economics, and related legislation. Intercultural communication studies could thus powerfully support marketing studies. Fortunately, Mooij (1998) has shown a good example in expanding the range of both intercultural communication and marketing studies.



Secondly, the present study indicates the possibility of gaining deeper insights into the “common knowledge” of intercultural communication studies through international branding research. Collectivism and individualism are not new to intercultural communication. They have been elaborated by a number of scholars. Nevertheless, the Chinese hierarchical harmonious collectivism with large power distance, which is found in the present study, contains something not previously discussed. It theorizes the Chinese tendency to follow the leaders and others, and to admire authority, foreign names, and foreign countries. This might be more visible in marketing communication studies than in interpersonal communication ones.

Another direction for future work is to set up a data bank and enrich international marketing studies. Branding-oriented marketing is not yet recognized or applied by all academicians and practitioners. The reason might be the lack of a connection between communication studies and marketing. Another reason is the lack of a research framework. The present study attempt to establish one, although it might be simplest, to some extent. More studies need to be done in this field.

The present study used a three-layer model to study branding. It helped in the data collection, analyses and comparison. However, branding might be more complex than the model implies. The line between product and brand name, and between brand name and added values might not be quite so clear.

Products, for example, already contain additional values. Fast food is produced for convenience; luxury jewelry is designed to enhance social status. A mobile phone without branding, that is, just as a commodity, has values such as convenience, “connecting people”, or acting as a status symbol. It was called *Da Ge Da* [bigger than Big Brother] when the big brick-like analog mobile phone was launched in Hong Kong twenty years ago. Only those people “bigger than Big Brother” could afford to buy one. No brand name was known except the nickname *Da Ge Da*. This was a story of a commodity with embedded values.

Brand names, as discussed in §7.3, also include values, particularly in Chinese brand names, representing goodwill and cherished desires. A tailor shop in Hong Kong is called “Golden Luck”. It already has added values – fortune, luxury, and so on.

It is not only product and brand names per se that add values, according to McCracken (1995), but purchasing also adds value to brands. When a person buys a Mercedes-Benz, he may add some values the marketer did not invest in the brand. These values might be, for example, self-achievement, security, or quality of life. That is why some marketers print or broadcast wordless advertisements because they know the consumers will add values themselves.

Therefore, it is worth developing the three-layer model. Unfortunately, the marketer in the present case study decided to withdraw from the Chinese market after this case study. This has postponed further studies.

The third reason for developing the field of intercultural branding is that we do not know a lot about this issue. A data bank is thus a necessity. The present study found that Chinese collectivism and naming practices were the

main reasons for the poor performance of branding. There are many other cultural factors that may emerge in other studies of different products, as mentioned in the previous section. For example, it would be interesting to conduct similar case studies for other product categories. The Finnish mobile phone is in a strong position in the world. How about Finnish silk branding in China, given that China is the homeland of silk and local brands are strong over there? How would Finnish furniture sell in China, since Chinese and Finnish products, aesthetic judgement, and consumer behaviors seem at variance? How would Chinese consumers perceive a Danish brand? It could also be interesting to collect Finnish perceptions of the branding program in this case and compare them with the Chinese data. If we had a data bank of Chinese values and practices in their consumption of imported products and services, it would be easier to monitor the impact of culture on branding and design appropriate branding for the Chinese market. The same thing should be conducted worldwide so that a European marketer knows how to brand in the United States, China, and Japan, respectively. Deeper studies on regional diversity will improve branding performances greatly. A data bank would be a resourceful guide for branding operations.

To summarize, this kind of marketing communication study from an intercultural communication point of view may benefit both marketers and intercultural communication studies. However, it is only a first step; much further research needs to be done.

## EPILOGUE

I often wonder what it would be like to do the case study now. The case study was done in 1998 and the analyses have been continuously conducted since then. In these two years, namely from the summer of 1998 to the autumn of 2000, I traveled between Finland and China several times. China has been undergoing a rapid process of change. The mobile phone is so popular that not many Chinese view it as a luxury product any longer. Nokia, the Finnish mobile phone brand, is seen in every city in China. It is word-of-mouth now. Most Chinese know that Nokia is made in Finland and they know more about Finland through the media. Two years later, their knowledge about Finland is no longer limited by their middle school geography textbook. I also notice that there are more and more Chinese and Finns travelling between the two countries. It is not strange to hear Finnish spoken by a Chinese shopkeeper in the so-called “Silk-Lane” market in Beijing because so many Finns are used to buying there. Neither is it surprising to hear greetings in Chinese, such as “*Ni hao*”, from a Finn in Helsinki...

I believe, however, that the results of the study may not be markedly different. China is changing but Chinese values and practice change much slower than economic statistics. They name their children in the same way as two years ago and they respect hierarchy and collectivism just as they did two thousand years ago. Meanwhile, it is questionable whether all travelers ponder deeply over culture and its impact on branding. Are Finnish branding managers in China different from “ordinary” travelers? Surely they are more concerned about their assignments. Most of them, I suspect, do not have the motivation, right approach, or sufficient understanding of culture, as well as enough time.

One truth of intercultural communication, although it might be a little cruel to say, is that one understands the impact of culture through mistakes. I respect the courage of “doing-by-learning”; however, I would suggest closer

cooperation between intercultural communication scholars and marketing and branding managers in companies. The absence of both parties in the field of intercultural branding costs too much. The marketer, who sponsored the present study, withdrew from the Chinese market not very long after I reported my findings. It was sad and expensive. Many other companies, as I know, repair defective branding by doubling or tripling their budget. Therefore, my first wish is that this study functions as a work of reference in the lobby of Finnish exporters. My second wish is that this kind of study can be more widely done by academicians and practitioners in every country.

Another truth of intercultural communication is that a native will understand his or her culture by studying it and introducing to “foreigners”. The present study has given me as many insights as it may bestow on the public audience. My five years of studying, working, and living in Finland has also provided me a great chance to experience intercultural communication and understand myself as a part in the communication. That will be the subject of another book, hopefully.

## YHTEENVETO

‘Brandimarkkinointi’ yhtenä markkinointiviestinnän muotona pyrkii luomaan tietyn tuotteen tai palvelun mielikuvaa muotoilun ja tuotenimen avulla ja liittämällä siihen lisäarvoja. Kansainvälinen brandimarkkinointi on esimerkki eri kulttuureihin kuuluvien markkinoijan ja kuluttajan välisestä keskinäisestä kommunikoinnista.

Tämän tutkimuksen tehtävänä on tarkastella kulttuurin merkitystä kansainvälisessä brandimarkkinoinnissa eli sitä, millaisia kulttuurisia tekijöitä ja missä laajuudessa markkinoijan olisi otettava huomioon erityisesti suomalaisten matkapuhelimien Kiinan-markkinoinnissa.

Tämä tutkimuksen perustana on kolmitasoinen ja kaksisuuntainen interaktiivisen markkinoinnin malli, jonka mukaisesti haastateltiin brandimarkkinoinnin konseptista suomalaisia markkinoijia ja kuluttajien vasteesta markkinointiin 100 kiinalaista kuluttajaa viidessä Kiinan kaupungissa.

Tutkimus osoittaa, että brandin sanoma ja kiinalaisten kuluttajien odotukset eivät kulttuurierojen vuoksi kohdanneet toisiaan. Esimerkiksi suomalainen markkinoija liitti tuotteeseen “individualismin” arvon joka välittyi sekä tuotteen muotoilussa että sen nimessä, nimen käänöksessä ja mainoksissa. Kuitenkin useimpien kiinalaisten haastateltujen edustama arvo, jota voisi kuvata “hierarkkiseksi harmoniseksi kollektivismiksi, johon liittyy voimakas valtaetäisyys”, oli “individualismin” suhteen vastakkainen, mikä vaikutti brandiin liitettyihin merkityksiin. Kiinalaisilla oli ilmeinen halu peitellä henkilökohtaisia mieltymyksiään, seurata valtavirtaa, kunnioittaa viranomaisia ja länsimaisia markkinoijia, samoin arvostaa ihmistenvälisiä suhteita sekä ihmisten ja luonnon välistä harmoniaa.

Tutkimuksessa kävi myös ilmi, että haastatellut kiinalaiset odottavat tuontituotteiden käyttävän ulkomaisia tuotenimiä ja säilyttävän ulkomalaisuutensa. Heidän mielestään ulkomaisen tuotteen käänöksen ei tarvitse seurata kiinalaisia nimeämiskäytäntöjä. Tämä on myös yksi kansainväliseen tuotemerkkiin liittyvä kulttuuritekijä.

Tämän tutkimuksen ydinhavainto oli se, että kiinalaiset eivät erilaisten kulttuuriarvojen ja erilaisten kulttuurikäytänteiden vuoksi reagoineet positiivisesti tämän tutkimuksen kohteena olleen suomalaisen markkinoijan tuotemerkkimainontaan. Kulttuurin vaikutusta ei kuitenkaan ole syytä yliarvioida, sillä kansainvälisessä brandimarkkinoinnissa lukuisilla muillakin tekijöillä on vaikutuksensa.

Avainsanat: brandimarkkinointi (tuotemerkkimarkkinointi), kulttuurienvälinen viestintä, Kiina, Suomi, kollektivismi, individualismi, kansainvälinen markkinointi

## SUMMARY IN CHINESE

### 摘要

李臻怡

跨国品牌创建中的文化因素。芬兰一移动电话在中国创建品牌的个案分析。

Jyvaskyla: Jyvaskyla大学 2001.

(Jyvaskyla传播学研究,

ISSN 1238-2183; 13)

ISBN 951-39-0754-6

博士论文

品牌创建旨在通过设计推广某产品或服务及其品牌名和附加价值在消费者面前建立一个形象。跨国品牌创建是不同文化背景的经营者和消费者之间的互动交流。

本文着眼于跨国品牌创建中的文化因素，即，跨国经营者应该在多大程度上关注哪些文化因素。本文着重研究芬兰某移动电话品牌在中国进行品牌创建的个案。

此项研究把品牌创建视作一个三层双向互动的交流，因此访问了互动的双方，即芬兰的移动电话运营商和中国五个城市的一百名消费者，并把经营者的品牌创建概念及行为与消费者的看法进行对比分析。

研究表明，双方因文化不同，对品牌的看法和期望也有所差别，比如芬兰经营者将“个人主义”注入品牌，在产品的设计，命名和翻译及广告中贯彻实施。然而，中国消费者普遍地受到与之相反的“强调等级及人际和谐的集体主义”影响，对这样的品牌形象并不看好。中国受访者明显倾向于隐藏个人兴趣，随大流，崇尚权威和一定程度上崇尚西方先进技术，强调人际关系和天人合一。

研究同时发现，受访的中国人希望洋品牌保留其洋名并译得有洋味儿，他们并不希望用传统的中国命名习惯来翻译外国品牌。

因为价值与习惯上的不同，中国人并不十分赞同此案中的品牌创建，但是文化对跨国品牌创建的影响并不能因此被无限夸大，毕竟许多别的市场营销因素也在不断影响品牌创建。

关键词：品牌创建，跨文化交际，中国，芬兰，集体主义，个人主义，跨国营销

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<sup>41</sup> XXX stands for the brand name of the present study.

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## APPENDIX 1: QUESTIONS

..... Page 1<sup>42</sup> .....

Thanks for your kind participation in our focus group!

This focus group is organized by a company. It aims to explore Chinese perceptions of the brand and products of the company. Please feel free to express your own opinion. All of your viewpoints are valuable to the company. Meanwhile, for the greater effectiveness of analyzing your commentary by the researcher of the company, we are videotaping the whole of this meeting. However, all the materials and data will only be accessed and used by the company and those who obtain the permission from the company. They are wholly confidential.

This focus group consists of an oral and written commentary. You are welcome to write down your own opinion as well as to discuss it with the others. We have written clear instructions in this folder.

You will now be given a code:

This code is for research purpose so that your names will not be mentioned or noticed. It is also for the convenience of documentation.

Of course, in order to keep in contact with you, please write down your names here (this is only for the purpose that the company can contact you):

If you have no other questions, we will start now.

..... Page 2 .....

Let's discuss one company's brand.

The brand of the company is X, the Chinese translation is Y. When you hear the name of the brand, what is your first impression? We shall discuss this now. (You may write down or draw your impression while some one else is talking.)

---

<sup>42</sup> The company and brand name is replaced by "X", and its Chinese translation by "Y" in this appendix since the company requires its name to be kept in strict confidence. The questions were printed in separate sheets according to the procedure of the focus interviews. In this appendix, these sheets are separated by dotted lines as the printing house intends to save paper.

You will all now see the brand, logo, and slogan. What is your first impression? We shall discuss this now. (You may write down or draw your impression while some one else is talking.)

(Please wait until the discussion finishes and then turn to the next page.)

..... Page 3 .....

Let's take a look of X's products, please give your general impression score:

Our questions for discussion are:

Which aspects do you like the most? And the least?

Whom do you think these mobile phones suit best? And suit worst?

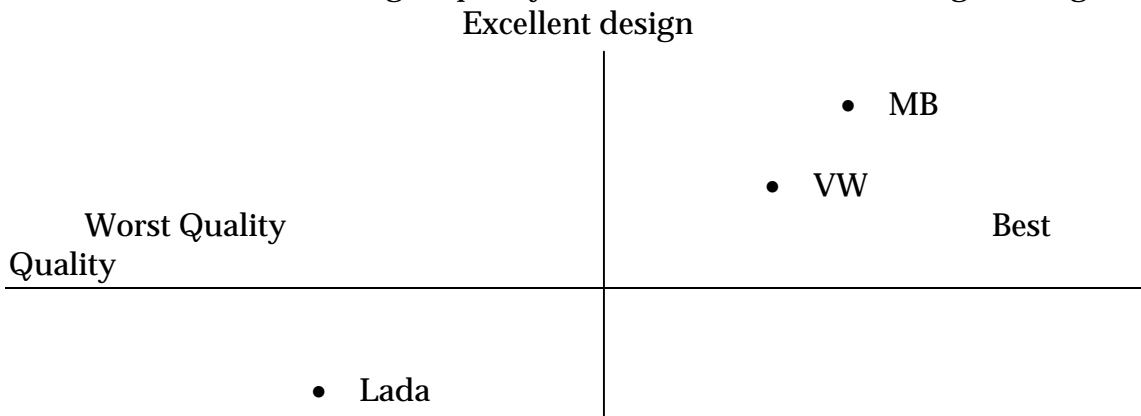
If you think of these mobile phones as people, how old are they, are they men or women, and what kind of jobs do they do?

You now see the hands-free car kit for X mobile phones, what do you think about it?

(Please wait until the discussion finishes, and then turn to the next page.)

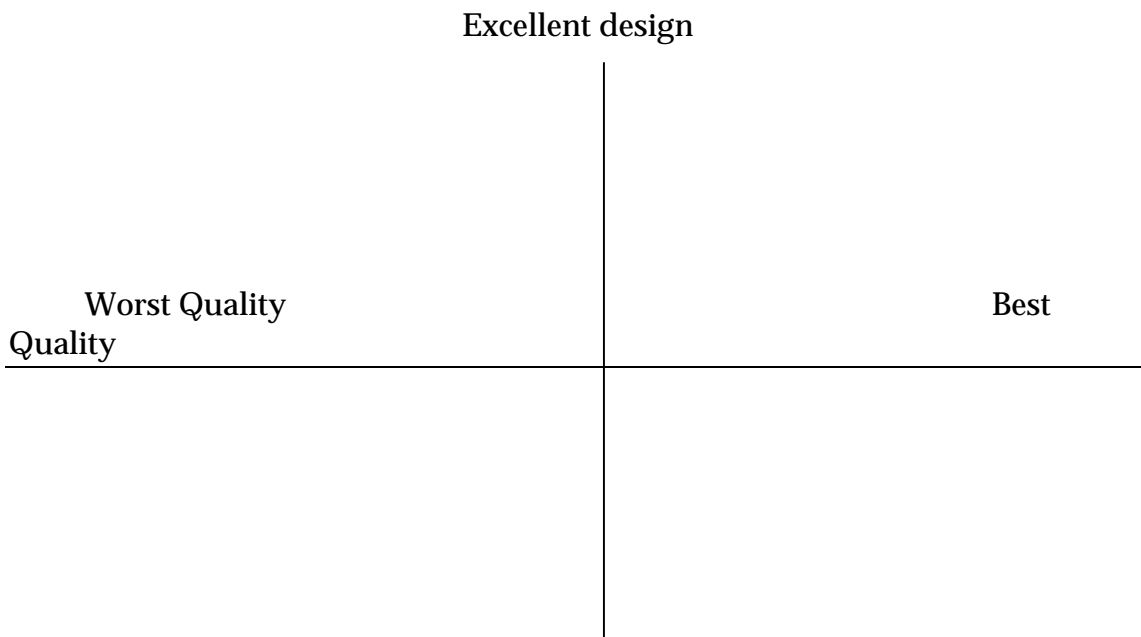
..... Page 4 .....

Below is a gride which has been used to compare automobile brands, with the horizontal axis referring to quality and the verticle line referring to design:



Unsatisfying design

Let's compare X mobile phone with the others in the same frame. How will you do this?



Unsatisfying design

(Please wait until the others finish and then turn to the next page.)

..... Page 5 .....

Let's discuss mobile phones.

In your view, which continent in the world has the highest number of mobile phone subscription per capital, and which country is the number one in the terms of total mobile phone subscriptions? (You may write down or draw your impression while the others are talking.)

In China, who do you think use mobile phones and why? What is the trend in the consumption of mobile phone? (You may write down or draw your impression when the others are talking.)

(Please wait until the discussion finishes.)

..... Page 6 .....

Your top two advertising media are: (please mark "x" before the items)

- \_\_\_\_\_ TV
- \_\_\_\_\_ radio
- \_\_\_\_\_ newspaper
- \_\_\_\_\_ magazine
- \_\_\_\_\_ illuminated advertising stand
- \_\_\_\_\_ billboard
- \_\_\_\_\_ mail shot
- \_\_\_\_\_ other (please specify \_\_\_\_\_)

When you are going to buy a mobile phone, from which channel would you collect and compare brand information? (please mark "x" before the item(s), you may mark only one, or more)

- \_\_\_\_\_ TV advertising
- \_\_\_\_\_ radio advertising
- \_\_\_\_\_ newspaper advertising
- \_\_\_\_\_ magazine advertising
- \_\_\_\_\_ illuminated advertising stand in the street
- \_\_\_\_\_ billboard advertising
- \_\_\_\_\_ postal advertising
- \_\_\_\_\_ your relatives and friends who own or use(d) mobile phones
- \_\_\_\_\_ your relatives and friends who have not used mobile phones
- \_\_\_\_\_ mobile phone wholesalers
- \_\_\_\_\_ shops selling special brands of mobile phones
- \_\_\_\_\_ department stores or regular shops selling communications goods



\_\_\_\_\_ shops run by professional telecommunication offices or companies  
 \_\_\_\_\_ others (please specify \_\_\_\_\_)

..... Page 7 .....

We are now going to see ten examples of X's advertisements. Please browse them at the usual speed you browse advertisements. Please write the first 3 to 5 impressions you get from the advertisement on the left or right of the blank paper. They can be words, phrases, and / or sentences. After that, please turn to the next page immediately, and write you impressions. (For those advertisements not in Chinese, there are Chinese translations to the left or right of the ads.)

..... Page 8 .....

Please take a rest for a while.

..... Page 9 .....

We are now going to discuss the advertisements you have seen.

Please give a general impression score to all of them:

\_\_\_\_\_ (0 represents the worst, 10 the best)

Which one is the best you have seen and why? Which is the worst and why?

..... Page 10 .....

As you may have noticed, the advertisements are from Finland. What is your impression of Finland? Please draw a world map in the square below and note China and Finland.

Please think about Finland and write down the first three adjectives that come to your mind:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Every country has her symbols: and what are typical of / in Finland in your mind? Please write the first three that come into your mind:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(If you have finished this page, please turn to the next one.)

..... Page 11 .....

Here are some names, please write down the scores according to your opinion, i.e., if you know about him or her , how much you like him or her.

This is the way to score:

if you know about him or her

5 = very well

4 = rather well

3 = well

2 = not very well

1 = not know about him or her

how much you like him or her

5 = very well

4 = rather well

3 = well

2 = not very well

1 = do not like him or her

If you do not know about him or her (i.e., your score for A is 1), you do not need to score item B.

Here are some examples:

Original names	Chinese translation	I know about him or her	I like him or her
John William	Yuehan Weilian	5	4
Tom Smith	Tangmu Shimisi	1	

If you have no more questions, please start to score:

Original names	Chinese translation	I know about him or her	I like him or her
Alvar Aalto	A'erfa A'erduo		
Martti Ahtisaari	Ma'erdi Ahedisali		
Santa Claus	Shengdan Laoren		
Mika Häkkinen	Mijia Hajineng		
Joulupukki	Youlubuji		
Juha Kankkunen	Youha Gangguneng		
Jari Litmanen	Yali Litemaneng		
Mika Myllylä	Mijia Miuliula		
Tommi Mäkinen	Duomi Majineng		
Jean Sibelius	Qia Xibeiliusi		

(If you have finished, please take a rest for a while and wait until all the others finish.)

..... Page 12 .....

What do you think about Finnish products in general? What is the most obvious feature of Finnish products?

What do you think about Finnish mobile phones? What's the most obvious feature of Finnish mobile phones? How do Finnish mobile phones compare with their American, Japanese and other European counterparts?

..... Page 13 .....

Finally, in order to categorize the data, we would like to ask you a few questions. Meanwhile, this information will help us to better understand differences due to sex, age, and other background variable.

Your age is between:

- 18 – 24
- 25 – 34
- 35 – 49
- 50 – 64
- above 65

You graduated from:

- Middle school
- College
- University

You are:

- Male
- Female

You are working in a unit of:

- Government
- Education, academy, science institutes, public health
- State-owned enterprises
- Private-owned enterprises
- Sino-foreign joint ventures
- Foreign enterprises
- Unemployed

You personal income this year could be around:

- Lower than 12000 RMB
- 12001 – 24000 RMB
- 24001 – 60000 RMB
- Higher than 60000 RMB

Your family income this year could be around:

- Lower than 12000 RMB
- 12001 – 24000 RMB
- 24001 – 60000 RMB
- 60001 – 120000 RMB
- Higher than 120000 RMB

Please indicate whether the following statement is true or false: (a tick “√” means it is true, and a cross “×” means false)

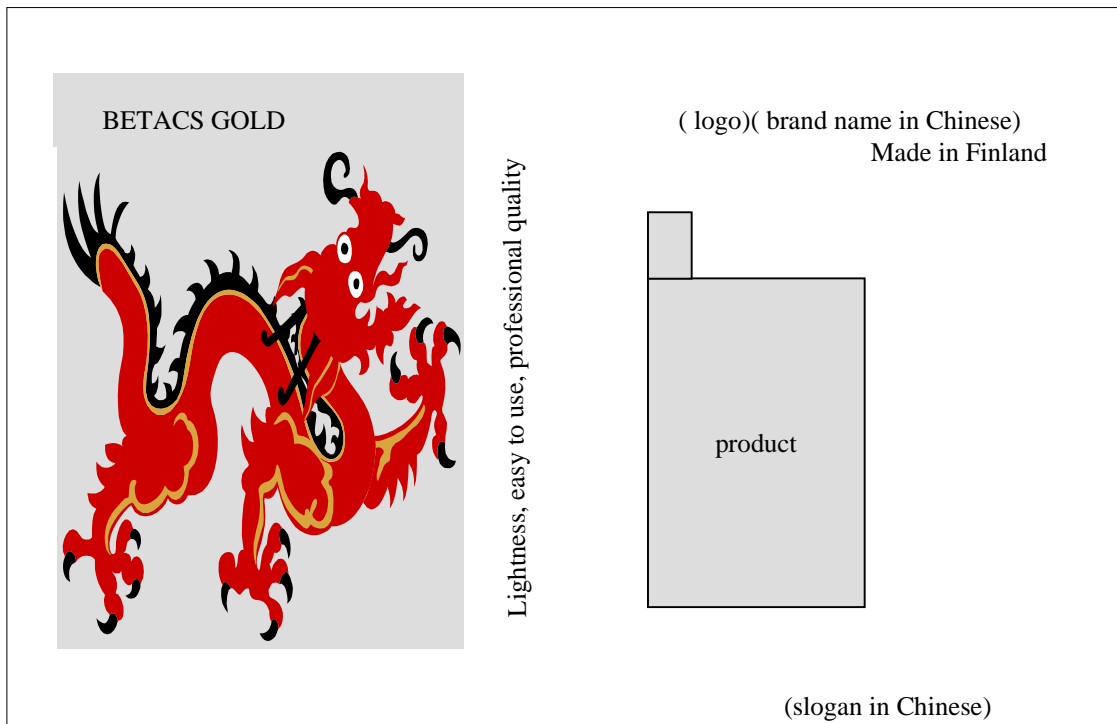
- I have mobile phone now
- I have telephone at home
- I have telephone at work

Thanks for your cooperation!

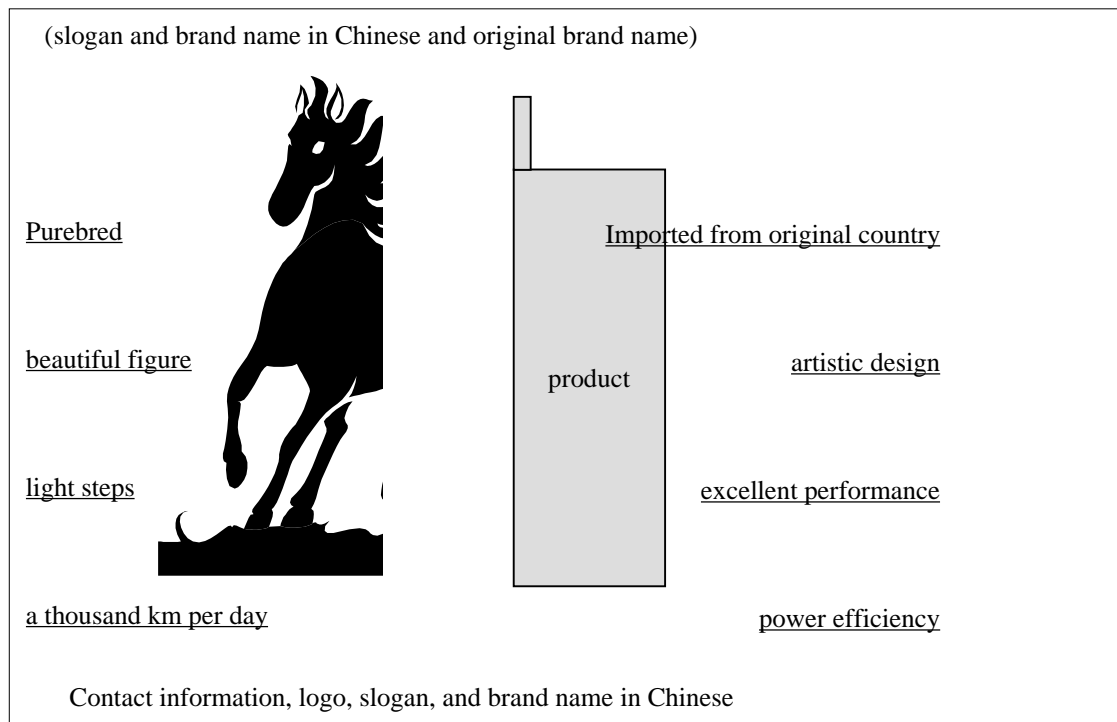
If you'd like to read the report on this focus group, please write down your postal address so that we can send to you as soon as it is ready.

Your postal address:

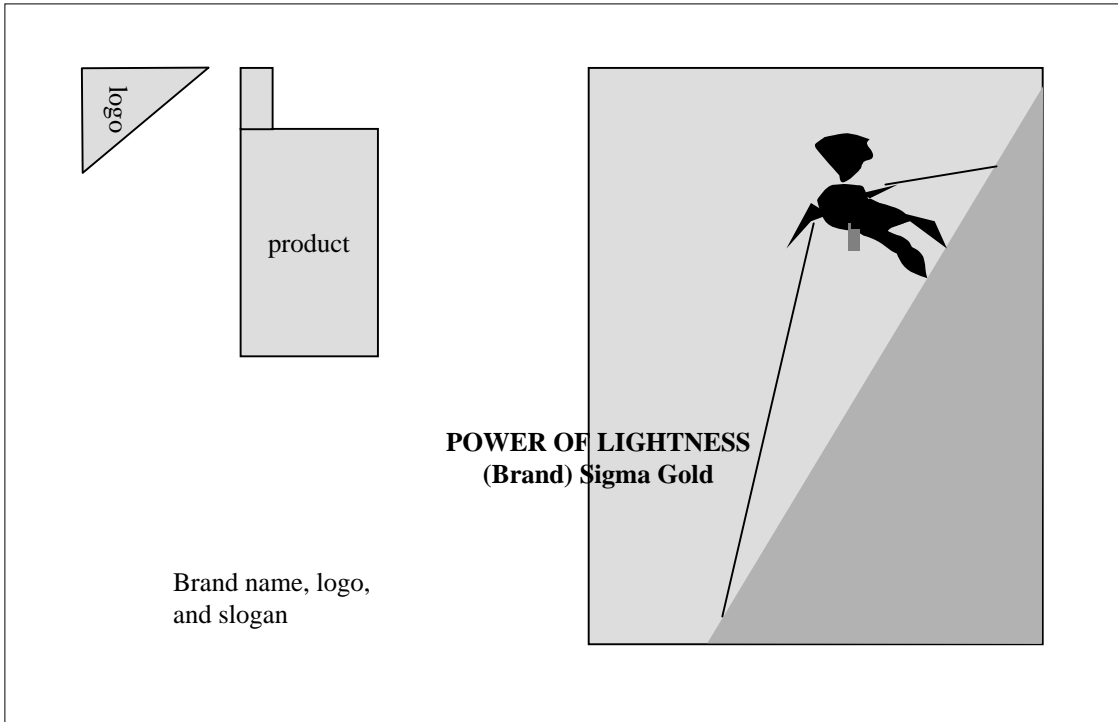
**APPENDIX 2: 10 ADVERTISEMENTS**



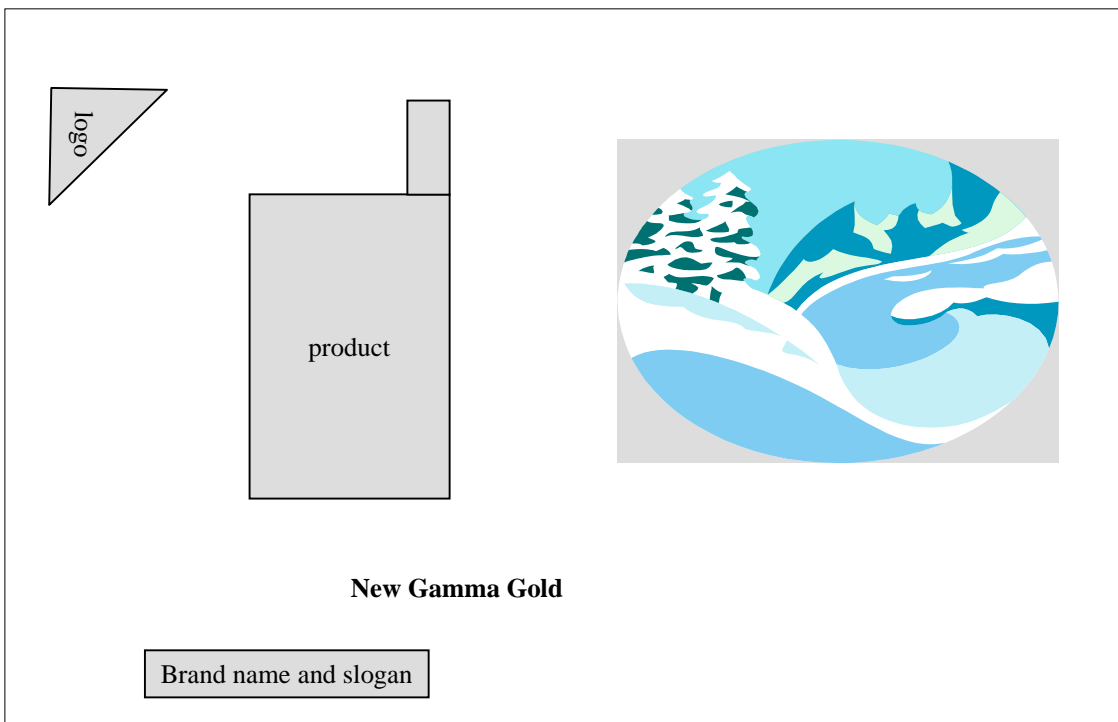
Ad 1. Dragon



Ad 2. Horse



Ad 3. Mountaineer



Ad 4. Landscape

The Power of Lightness  
(Brand) Sigma

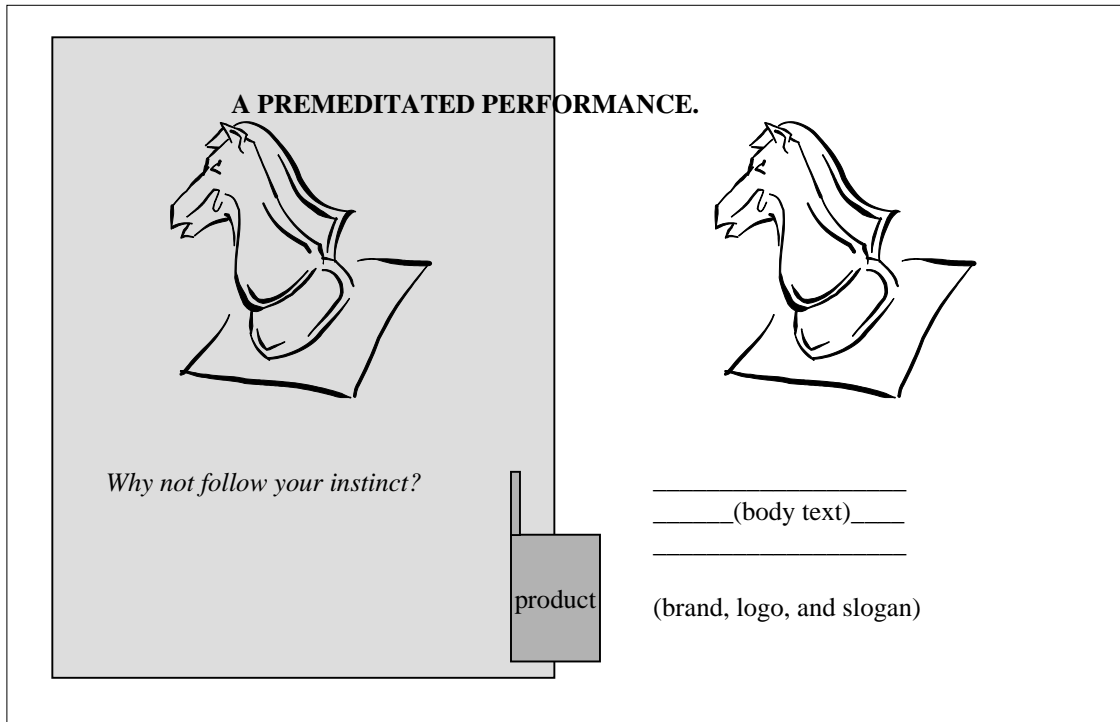
The advertisement is divided into two main sections. On the left, a sailboat is shown on a grey background with blue waves at the bottom. The text 'Effortless fi', 'High efficie', and 'new wave c' is written in a light, italicized font. On the right, a grey mobile phone is shown vertically. The word 'product' is written on the phone's body. To the right of the phone, the text 'Long stand-by and talk time', 'Clock, date, alarm and timer', and 'superior reception BST signalling' is written in an italicized font. At the bottom of the phone, a small box contains the text 'Brand name and slogan'.

Ad 5. Boat

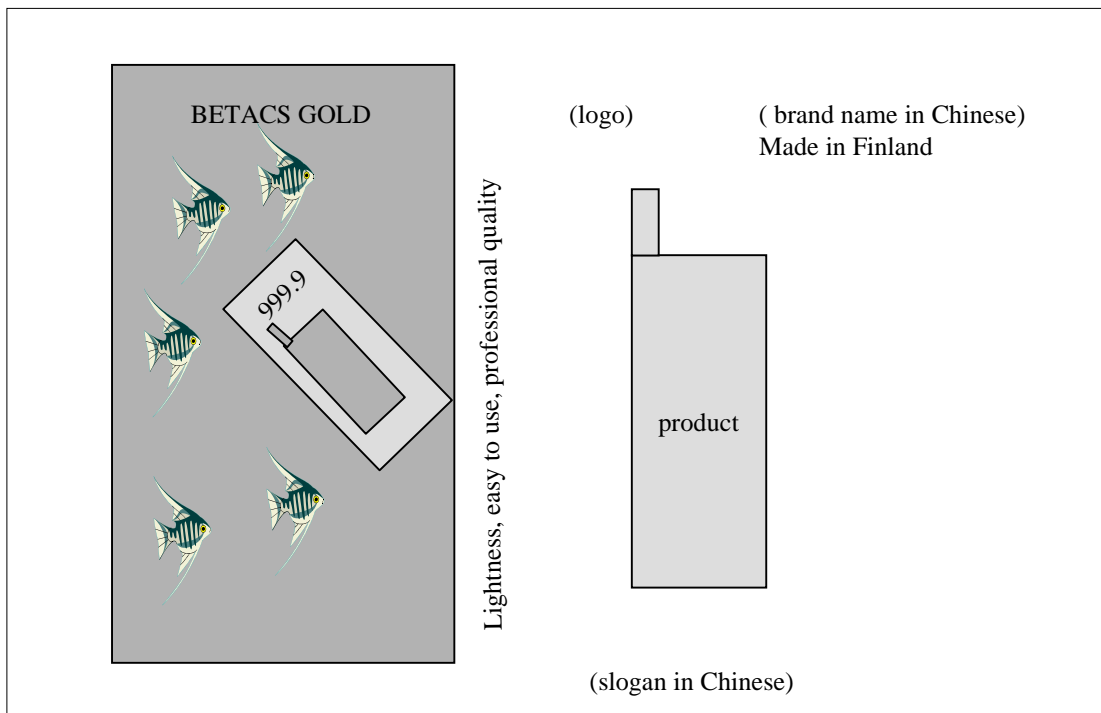
The sound of nature  
(Brand) Sigma

The advertisement is divided into two main sections. On the left, a red squirrel is shown sitting on a grey background with white acorns. The text 'Effortless freedom', 'High efficiency', and 'new wave of lightness' is written in a light, italicized font. On the right, a grey mobile phone is shown vertically. The word 'product' is written on the phone's body. To the right of the phone, the text 'Long stand-by and talk time', 'Clock, date, alarm and timer', and 'superior reception BST signalling' is written in an italicized font. At the bottom of the phone, a small box contains the text 'Brand name and slogan'.

Ad 6. Squirrel

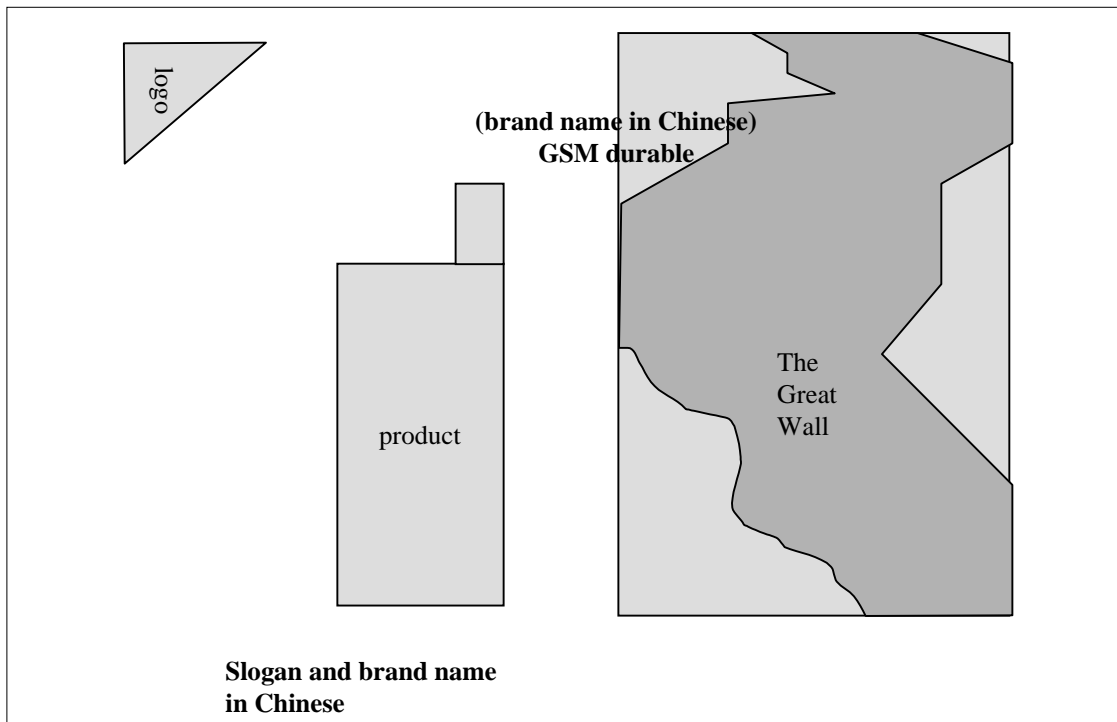


Ad 7. Chess

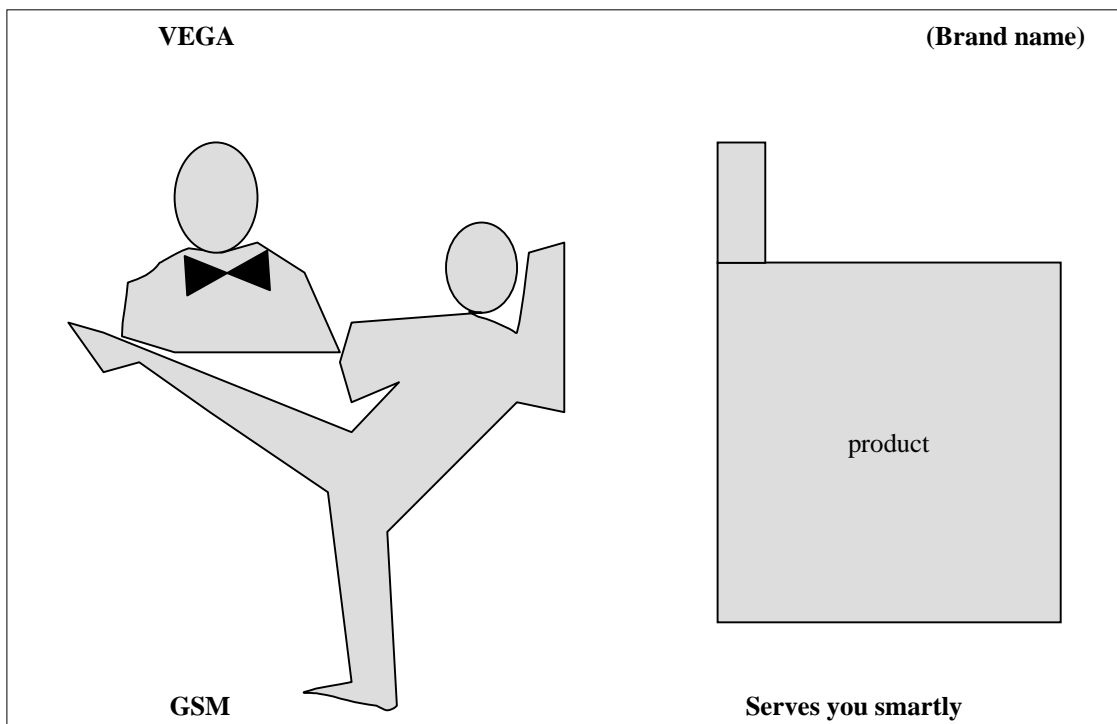


Ad 8. Goldfish





Ad 9. Great Wall



Ad 10. Vega

**Appendix 3: CHINESE WORDS IN THE TEXT**

index

416

死一路(四一六)

a

ai li xin

爱立信

b

beijing kao ya

北京烤鸭

bi sheng ke

必胜客

c

cao shu

草书

chenggong zaiyu lianxi

成功在于联系

chengli

城里

d

da ge da

大哥大

dan ze yi zhe, zong ze nan cui, lu li

单则易折，众则难摧，戮力一

yi xin, ranhuo sheji ke gu ye.

心，然后社稷可固也。

dao

道

f

fan wu qiong ze si bian, kun ze

凡物穷则思变，困则谋通

mou tong

fenlan

芬兰

fenlan hangkong

芬兰航空

g

gou bu li

狗不理

guanxi

关系

h

helan

荷兰

hong ji

宏基

hong qi

红旗

hui pu

惠普

huo xi fu zhi suo yi, fu xi huo zhi suo

祸兮福之所倚，福兮祸之所伏

fu

j

ji

jiefang

jun zhe, zhou ye; shuren zhe, shui ye. Shui ze zai zhou, shui ze fu

zhou.

junzi hao xue bu yan, zi qiang bu xi, tui zhi shi yuan, guo zhi shi da, song zhi shi gao, yan zhi shi shen, fa yu xin, xing yu shen, yu yu jia, shi yu guo, ge yu shangxia, bei yu si biao.

记

解放

君者，舟也；庶人者，水也。水则载舟，水则覆舟。

君子好学不厌，自强不息，推之使远，廓之使大，耸之使高，研之使深，发于心，形于身，裕于家，施于国，裕于上下，教于四表。

k

ken de ji

keji yi ren wei ben

kekou kele

kong

肯德基

科技以人为本

可口可乐

孔

l

li

lianxiang

liu shen wan

礼

联想

六神丸

m

mai dang lao

ma er di a he di sa li

mao zedong

mo tuo luo la

麦当劳

马尔蒂阿赫蒂萨里

毛泽东

摩托罗拉(没得擦哦)

n

ni hao

nuo ji ya

你好

诺基亚

p

pinjian zhi jiao bu ke wang

贫贱之交不可忘

q

qiang da chu tou niao

quan ju de

枪打出头鸟

金聚德

s

shi

shi zhi hao li, miu yi qian li

sui da liu

suzhou lu zhi doufugan

世

失之毫厘，谬以千里

随大流

苏州卤汁豆腐干

## t

tang mu  
tong li

汤姆  
通力

## w

wan jia le  
wang ji mian  
wei mei de  
wenhua

万家乐  
王记面  
维美德  
文化

## x

xiangxia  
xiangxiaren  
xiao shui chao gu  
xiongdi ni yu qiang, wai yu qi wu

乡下  
乡下人  
萧随曹规  
兄弟ni于墙，外御其务

## y

yang  
yi jing  
yin  
yongjiu  
yu wei si qu lai

阳  
易经  
阴  
永久  
于韦斯屈菜

## z

zhang er bu chi, wen wu fu neng  
ye; chi er bu zhang, wen wu fu wei  
ye. Yi zhang yi chi, wen wu zhi dao  
ye.  
zhi ji zhi bi, bai zhan bu dai  
zhi suoyi xiusheng, ze zhi suoyi  
zhiren; zhi suoyi zhiren, ze zhi  
suoyi zhi tianxia guojia yi.  
zhongguo, zhonghua, shenzhou,  
jiuzhou, chixian  
zhonghua yagao  
zhu

张而不弛，文武弗能也；弛而  
不张，文武弗为也。一张一弛  
，文武之道也。

知己知彼，百战不殆  
知所以修身，则知所以治人；  
知所以治人，则知所以治天下  
国家矣。  
中国，中华，神州，九州，赤  
县  
中华牙膏  
朱