What’s in a Name? 
A study on the success factors of brand naming in China
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Abstract

Background China is highly relevant in today’s economic environment and will be even more important in the upcoming years, since the Chinese economy, including its domestic consumer market, will keep growing. The country has changed from a merely manufacturing nation to a fast growing consumer market that offers promising marketing opportunities for Western companies. However, successful branding in China remains a challenge. In order to operate successfully, global companies need to position themselves strategically and adjust their marketing strategies to address this very diverse target market. This includes the branding of products. Since consumers’ cultural backgrounds shape their perception of brands, applying brand names to the Chinese market becomes a challenging task for multinational companies.

Purpose The purpose of this thesis is to explore different factors that are crucial for brand naming in China. The findings derived from a thorough literature review will be evaluated in front of empirical research and tested of their applicability to the practice of brand naming in China.

Method A qualitative research approach has been chosen in which the findings of a profound theoretical study are crosschecked via semi-structured in-depth interviews with multiple experts that are currently working in the field of branding in China.

Conclusion This thesis concludes with stating different factors that have been confirmed and elaborated throughout the research. These factors are categorized in four different perspectives that have been established in the theoretical framework of this thesis: marketing, sociocultural, linguistics and legal. Moreover, the authors conclude that the four different perspectives cannot be seen independently and emphasize their interrelation. Thus, a model is provided that incorporates the crucial factors for brand naming in China and illustrates their interrelation. The authors emphasize that the results cannot be seen as conclusive, however, they provide valuable insights and a sound foundation for further research.
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I  Introduction

This first chapter presents the foundation of the thesis at hand and describes the reason why the authors have chosen the topic of brand naming in China. Throughout this section the background and problem will be specified, followed by the purpose and research question. Furthermore, the structure and delimitations of this study are presented.

1.1  Background

1.1.1  Chinese Market

Companies that are acting on a global scale have to position and manage their brands across different international markets. The Chinese market is already highly relevant in today’s economic environment and will be even more important in the upcoming years, since the Chinese economy, including its domestic consumer market, will keep growing. The growth in the world’s most populous nation (1.3 billion) has averaged 10.3 per cent a year over the past decade and in 2010 China even overtook the United States as the world’s biggest economy measured in terms of purchasing power (Avery, 2011). The country with the largest growing GDP per capita has shifted from a manufacturing country to a fast growing consumer market that offers promising marketing opportunities for Western companies (Eckert et al., 2004).

Whereas China was isolated in the past, the country opened up for Western companies. Before that, Chinese consumers had very limited options in the marketplace and goods were produced by state-owned enterprises in a strictly regulated market (Schmitt, 1999). In 1979, Deng Xiao Ping, China’s political leader from 1979 to 1997, declared the open-door policy. Nowadays, the Chinese market is open for Western companies and consumers have a wide variety of products at their availability, from low budget to luxury goods. This consumer revolution opened a massive market for global companies.

Although many multi-nationals such as Procter & Gamble, Henkel and L’Oreal have been active in China for several years, successful branding in China remains a challenge. The opportunities might be overwhelming, but companies should not simply bring their brands into China without reviewing their current brand strategy (Costa, 2011). In order to operate successfully, global companies need to position themselves strategically and determine appropriate marketing strategies to address this very diverse target market.

1.1.2  Brand Naming

The brand name, as part of the overall brand identity, is identifying the brand on the market. Therefore, the whole concept and assets of a brand are tied to the brand name (Aaker, 1991; Kotler & Keller, 2009). Moreover, the brand name itself can contribute to the brand equity. For example, when it creates favorable associations (Kapferer, 2008). As part of the brand identity, the brand name is one of the most important touching points with consumers (Aaker, 1991; Keller, 2011). This includes brand-name awareness, perceived quality and any other associations invoked by the brand name in consumers’ minds. Kapferer (2008, p.12) states ‘A brand is a name that influences buyers’, which captures the essence of a strong brand, a name with the ability to influence buyers.
1.1.3 Brand Naming in China

As discussed above, China offers enormous opportunities to global companies within a vast area of industries, since it is one of the fastest growing world economies and one of the world’s most promising emerging consumer markets. Subsequently the reader should be introduced to an illustration of how marketers and companies can meet the challenges on this demanding market place in terms of naming their brands according to this diverse environment. China is still experiencing radical changes in the political, economical and cultural environment (Eckert et al., 2004). Marketers need to have a detailed knowledge and understanding of this complex and changing consumer market in order to cater to the needs of Chinese consumers (Li & Loconto, 1998). This includes reviewing the branding of their products. In countries where the culture greatly differs from the brand’s original domestic market, consumers may perceive the brand in question differently, since the perception and interpretation of brands is strongly influenced by cultural values (Eckhardt & Houston, 2002). One of the components that determine the brand perception is the brand name. As mentioned above, the brand name is one of the most important touching points with consumers and part of the brand identity (Aaker, 1991; Keller, 2011). Since the Chinese language system is not comparable with the Roman alphabet, Western brand names cannot be simply translated to Chinese (Chan & Huang, 2001; Dong & Helms, 2001). Moreover, with a rapidly growing amount of consumers in an emerging market, which is in many ways very different from the Western consumer markets, companies are challenged when creating suitable brand names for the Chinese market (Alon et al., 2009). All these different kinds of aspects have to be taken into consideration in order to create the right brand name for the companies’ product or service.

1.2 Problem Discussion

Since research has shown that a brand name can make or break the success of a brand in China (Alon et. al, 2009; Chan & Huang, 1997; McDonald & Roberts, 1990), the authors of this thesis believe that a clear overview of the different factors that have to be taken into consideration when it comes to brand naming in China is needed. Several researchers (Charmasson, 1988; McCarthy & Perreault, 1987; McNeal & Zeren, 1981; Kotler & Armstrong, 2008) have defined criteria for a good brand name; however, their studies focused on brand naming on Western markets. It can be argued that the perception of brand names among Chinese consumers is different to that of Western consumers. This is due to the different cultural and economic environment including the Chinese language system, wherefore brand naming in China becomes a different task. There are several studies (Alon et al., 2009; Chan & Huang, 1997; Chan & Huang, 2001; Dong & Helms, 2001; Eckert et al., 2004; Eckhardt & Houston, 2002; Li & Shooshtari, 2003; McDonald & Roberts, 1990) that deal with different perspectives that concern brand naming in China, but none of them provides an overview of all factors combined. Therefore, the authors see a need for further researching these factors and providing an insight about brand naming in China. In addition to that, the authors believe that it is necessary to crosscheck the existing theories with the practice of brand naming in contemporary China.
1.3 Purpose and Research Question
The purpose of this thesis is to explore different factors that are crucial for brand naming in China. The findings derived from a thorough literature review will be evaluated in front of empirical research and tested of their applicability to the practice of brand naming in China. The overall research question for this thesis is defined as follows:

What are the crucial factors for successful brand naming in China?

1.4 Structure
The first part of this thesis will set the theoretical framework. Therefore, the basic principles of branding and the role of brand naming will be outlined. Once a clear understanding of brand naming is defined, the authors will continue their literature review and summarize what has been already researched on the different perspectives of brand naming in China. The findings within these perspectives combined with the established framework of branding and brand naming, will set the theoretical foundation of this thesis. Moreover, the authors will define several factors and propositions based on the outcome of the literature review.

The second part will consist of a qualitative study, in which the authors will gather insights via in-depth interviews with experts from different fields linked to brand naming in China. Subsequently, the empirical findings will be analyzed, discussed and croschecked with the previously established theoretical foundation. The thesis will conclude with an overall conclusion and a model that will provide an overview of the success factors of brand naming in China.

1.5 Delimitations
The purpose of this thesis, to explore different factors that are crucial for brand naming in China, is broad in scope. The authors are aware of the delimitations that go along with that. Thus, certain topics will not be discussed within this thesis.

Brand naming in China will be reviewed irrespective of industry and product type (i.e. high-vs. low-involvement) or political issues that might compound branding in China. Although examples of different types of brand names will be given, it is not the goal of this research to discuss the differences between brand names (i.e. product or company). Additionally, the research will focus particularly on brand names within the B2C market and the potential differences to the B2B market will be neglected.

The authors neither have the ambition to provide the reader with a thorough insight into strategic brand naming and brand portfolio management. Moreover, the overall results of this study will not be generalizable. However, by exploring crucial factors and test them of their applicability to the practice of brand naming in China, a contribution to the overall understanding of this topic will be made.
2 Theoretical Framework

In this chapter the theoretical framework of the thesis will be established. The reader will be introduced to the most relevant theories concerning branding and brand naming in China.

2.1 Branding

In order to understand the different factors that are crucial for brand naming in China, one first has to understand the foundation of branding. Branding is a widely discussed topic that occurs in almost every book that has been written on marketing. However, the term is often misunderstood and used as a catchword that clusters everything even vaguely related to strategy, marketing communication or brands. Therefore, it is necessary to determine the right branding terminology before starting a discussion about brand naming in China. Thus, a clear definition of the term “brand” will be given. Furthermore, the concepts of brand management including brand positioning, brand equity and brand identity will be addressed and discussed. This discussion will amount to a clear description and evaluation of brand names and their role in the overall branding concept.

2.1.1 Brands

There are different interpretations of the term brand in academic literature. Kapferer (2008) addresses that there are disagreements between experts about the definition of the term “brand”. Given the central importance of brands to this thesis, it is important to develop a clear understanding of what a brand is. From the perspective of a marketer, a brand can be seen as a legal instrument (i.e. trademark) but also as a more holistic identity construct that communicates aspired values to consumers (Kapferer, 2008). The American Marketing Association (2011) provides a classic definition of the term brand:

‘A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.’

This definition exists since the 1960’s, is despite its arguably basic character, still applicable today. A brand is rather a set of associations linked to a name, company or a product. Those associations can either be positive or negative. Essentially anything can be branded, from simple products like water, to cities and even people. Brands influence the perception of products and can either elevate and diminish their value. Positive associations add value while negative associations decrease it. Consequently, brands are crucial for the success of products (Calkins, 2005). De Chernatony and Riley (1997) also view brands primarily as an identity system, an image and a legal instrument. They further state that brands are important differentiating devices that help to build a relationship with consumers and add value to a product. In addition to that, De Chernatony and Riley (1997) point out that there are major differences in the interpretation of brands among consumers and marketers. They conclude their discussion by stating that a brand is ‘...a complex entity in which manufacturers strive to develop values and personality traits and a shorthand for all the knowledge and experience consumers have acquired firstly through their purchasing and using the brands and secondly through exposure to advertising’ (De Chernatony & Riley 1997, p.51).

Kapferer (2008) likewise underlines the importance of consumer experiences when it comes to the perception of brands among consumers. He claims that a brand is ultimately defined by the total accumulation of all consumer experiences, which are built at all points...
of contact with the brand. Kotler and Keller (2009) also support this by emphasizing that companies might create brands through marketing programs and other activities, but ultimately brands reside in the minds of consumers.

2.1.2 Brand Management

Marketing authority Philip Kotler (2009) argues that brands offer a number of benefits to both customers and companies. Therefore, they need to be managed very carefully. According to Kotler and Keller (2009, p.264) ‘...the key to branding is that consumers perceive differences among brands in a product category’. Building and managing strong brands is remarkably challenging. Brand managers need to understand the challenges of consistency and clutter, and focus on overcoming the specific issues of their brand. Especially, companies that compete on the global market of the 21st century need to excel at strategic brand management. Keller et al. (2011, p.43) break the process of brand management down into the following four main steps:

- Identifying and establishing brand positioning
- Planning and implementing brand marketing
- Measuring and interpreting brand performance
- Growing and sustaining brand value

Ultimately, branding is transferring the power of a brand to products and services with the goal to differentiate them on the market. In order to grow and sustain brand value, marketers need to communicate the product benefit to consumers and create mental structures. By giving the product a name and other brand elements to identify it, branding caters to clarify consumers’ decision making and, therefore, provides value to the firm (Kotler & Keller, 2009).

2.1.3 Brand Equity

As established above, consumers are a critical component when it comes to the perception of a brand. The question of how the value of a brand is perceived leads to a discussion about brand equity. David Aaker (1991) describes brand equity as brand awareness, brand loyalty, and brand associations that together either add or subtract from the value provided by a product or service. When it comes to building brand equity, Kotler and Keller (2009) state that the right brand knowledge structures need to be established with consumers. All brand related contacts matter for this process, whether the marketer initiates them or not. Nevertheless, Kotler and Keller (2009) further name three main sets of brand equity drivers from a marketing management perspective:

- The initial clues for the brand elements or identities that are making up the brand (i.e. brand names, URLs, logos, symbols, characters, slogans, jingles, packages)
- The product or service itself and accompanying marketing activities
- Other associations that are indirectly transferred to the brand by linking it to some other object (e.g. a person, place, or thing)

Developing brand equity and sustaining it is an essential part of successfully managing brands. Ultimately, it should be emphasized that the consumers are the most critical component in defining brand equity. Their choices determine the success or failure of a brand (Kotler & Keller, 2009).
2.1.4 Brand Positioning

In order to achieve brand equity, a brand needs to be positioned. Brand positioning can be defined as the ‘...act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s mind’ (Kotler & Keller, 2009, p. 310). A widely recognized approach to brand positioning is Keller’s (2011) customer-based brand equity model (CBBE), which builds upon Aaker’s (1991) concept of brand equity. Keller et al. (2011) argue that brand knowledge should be built to create brand equity. The creation of strong, favorable and unique brand associations as part of brand meaning and the importance of understanding consumer brand knowledge is fundamental in the CBBE. This underlines the already established fact that a brand ultimately resides in the mind of consumers (see 2.1.1). The objective of brand positioning is to identify the optimal location for a brand in the target market and in the consumers’ minds. This involves establishing key brand associations in the minds of consumers to differentiate the brand and achieve competitive superiority (Keller et al., 2002). Therefore, it is important to associate unique, meaningful points of difference to the brand, so called PODs. Additionally, it is also important to establish points of parity (POP). These points classify the brand into a category and also negate potential points of difference from competitors (Keller et al., 2011). To sum up, a good brand positioning determines how the brand is unique, similar to competitors and finally, why consumers should buy and use the brand.

2.1.5 Brand Identity

Aaker (1996) states that brand management starts with developing a brand identity. A thorough discussion about brand identity would go beyond the scope of this thesis. Especially, since identity by itself is a profound concept that has been widely discussed among different research areas, particularly in psychology and social sciences. For this thesis, the authors decided to use Aaker’s definition of brand identity, since Aaker’s concepts are widely acknowledge and many scholars build their research upon his findings (e.g. Keller & Kotler, 2009; Kapferer, 2008). Aaker (1991) states that brand identity is a unique set of brand associations that represent what the brand stands for and what it promises to customers. The name is part of the brand associations that represent the brand towards consumers.

2.1.6 Brand Naming

Kapferer (2008, p.12) states ‘A brand is a name that influences buyers’. This definition captures the essence of a strong brand. Nevertheless, it is not only a question of the chosen brand name itself. When brands are discussed, only a single aspect such as the name or logo is often reviewed. It has to be taken into account that there is more to a brand than just the name. As established above, a brand identity consists of several elements and the name is only one part of the whole brand construct. Keller and Lehmann (2006) also emphasize this by stating that the logo (e.g. the Nike swoosh or McDonald’s Golden Arches), the product packaging (e.g. the classic shape of a Coca Cola bottle) or slogans (e.g. Nike’s “Just do it”) play a crucial role in branding as well. This needs to be stressed in order to view the brand name in the correct relation to the whole concept of a brand.

Furthermore, it needs to be addressed that a brand can only exist if the products or services also exist, which shows the conditional nature of the brand assets (Kapferer, 2008). Nevertheless, the brand name itself along with proprietary signs (e.g. the logo or other symbols) is identifying the brand on the market. Therefore, the whole concept and assets of a brand are tied to the brand name. Moreover, the brand name itself can and should
contribute to the brand equity. For example when it creates favorable associations. This includes brand name awareness, perceived quality and any other associations invoked by the brand name in consumers’ minds (Kapferer, 2008).

The fact that brand names can add value to a product is widely recognized and often discussed by several authors in relation to brand equity (Aaker, 1991; Keller, 2011; Kotler & Armstrong, 2008; Kotler & Keller 2009, Kapferer, 2008). Aaker (1991) already stated in the early 1990’s that the value of a brand name is associated closely with its awareness, quality perception, and the customer satisfaction provoked by related products and offerings (Aaker, 1991). In addition to that, brand names can also significantly contribute to the success or failure of new products or services (Kotler & Armstrong, 2008). Aaker and Joachimsthaler (1997) argue that brand names have become one of the most valuable assets for many companies. This also becomes evident when one looks at the high prices that companies pay to acquire brand names. Ries and Trout (2000, p.34) also emphasize this by stating that the brand name ‘…is arguably the most important element of the branding mix, because it is the one element you hope never to have to change.’

Overall, it can be summarized that a brand name is a crucial factor in branding. Surely, it is not the only important factor (e.g. design, logo) but it certainly is an essential one. A brand name identifies the brand on the market, it is closely tied to the brand assets and can contribute to brand equity. Furthermore, brand names can change the perception of a brand and, therefore, determine its success.

### 2.1.6.1 Brand Naming Strategies

When discussing branding and brand names, it can be differentiated between a company name, a brand name and a product name. For example, Garnier Skin Naturals – Pure is a combination of a brand name Garnier and a product name Skin Naturals - Pure (Garnier, 2012). Furthermore, Garnier is a brand of the company L’Oreal, which does have several brands in their product portfolio (e.g. L’Oreal Paris, Maybelline New York) (L’Oreal, 2012).

Naming and introducing new brands and products to the market is a very strategic decision that considers different aspects such as a company’s brand portfolio, the overall marketing strategy and competition (Keller et al., 2011). A thorough discussion of brand extensions, line-extensions and brand-portfolio management will not be conducted in this paper. However, the authors of this thesis want to give a brief overview of different brand naming strategies.

#### 2.1.6.1.1 Categories

The first strategic branding decision is what kind of brand name should be developed for a product. There are four general strategies that are often applied: Individual names, blanket family names, separate family names for all products and a combination of a corporate name with individual product names (Kotler and Keller, 2009). Figure 1 shows the brand relationship continuum according to Kotler and Keller (2009).
Individual names have the major advantage that the company does not tie its reputation to the product. Consequently, if the product fails or appears to have low quality, the company’s name or image will not be hurt. This strategy is often applied by big FMCG-companies like Procter & Gamble (e.g. Ariel). Blanket family names are used when a company uses its corporate brand for different product categories (e.g. Campbell’s or Heinz). Separate family name combine strong corporate brands with a separate individual brand. This is often practiced when a company produces very different products and, therefore, one blanket family name is not desirable. Another possibility is a combination of a corporate name and an individual product name (e.g. Kellogg’s Rice Krispies, Kellogg’s Corn Flakes). The company name gives the product value and the individual name customizes the product (Kotler and Keller, 2009). Another example for a company that uses combination of a corporate name and an individual product name is Sony (e.g. Sony Walkman, Sony Vaio or Sony PlayStation).

2.1.6.1.2 Brand Extensions

The crucial role of brand names in branding is also illustrated by the commonly applied practice of stretching existing brand names into new product categories (i.e. brand extensions). Brand extension occurs when a firm uses an established brand to introduce a new product. It can be defined as using a successful brand name to launch a new or modified product in a new product category (Kapferer, 2008). Brands with a strong image and high awareness have an advantage on the market. Companies want to capitalize this by extending the brand name (Randall, 2000). Most companies follow this approach and introduce new products under their strongest brand names. In fact, most new products (80% to 90%) are extensions of existing brand names (Kotler and Keller, 2009). When marketers combine a new brand with an existing brand, the brand extension can also be called a subbrand. The existing brand that is used for the brand extension and the creation of the subbrand is called the parent brand. Often the parent brand has already multiple subbrands, and therefore, it can be called a family brand (Kotler and Keller, 2009). A good example is the Nivea brand that functions as a parent brand and brought several subbrands to the market, such as Nivea for Men or Nivea Sun.

There are basically two categories of brand extensions: line extensions and category extensions. In line extensions, the parent brand covers a new product within a product category it currently serves. A good example is the different types of yoghurts from the same company (i.e. fruit yoghurts, blended fruit, natural yoghurt). In a category extension, the parent brand is used to enter a different product category, for example, apple iPod’s (Kotler and Keller, 2009).
This somewhat short excursion into different brand naming strategies and brand portfolio does not have the ambition to give the reader a thorough insight into strategic brand naming and brand portfolio management. It rather should underscore the fact that brand naming is also a very strategic matter that can be discussed from different angles.

2.1.6.2 Criteria for a Good Brand Name

Several authors have discussed the criteria for a good brand name. Kotler and Armstrong (2008) state that a brand name should imply product benefits and qualities. Furthermore, it should be easy to pronounce, recognizable and memorable. Additionally, it should also be distinctive, legally protectable, and extendable and not have any negative meanings. Similar criteria were already mentioned in studies that have been conducted in the 1980’s (Charmasson, 1988; McCarthy and Perreault, 1987; McNeal and Zeren, 1981). All those studies mention specific criteria that a brand name should meet. Despite the fact that they all emphasize different aspects and discuss certain points more extensively than others, they agree on a couple of main characteristics for a good brand name. Chan and Huang (1997), who did studies on the linguistic component of brand naming in China, compared the above mentioned researches and summarized the findings in three components: marketing, legal and linguistic. Based on the summary of Chan and Huang (1997), the authors created a table that displays the criteria for a good brand name within those components.

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Legal</th>
<th>Linguistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Suggestive of product benefits</td>
<td>- Legally available</td>
<td>- Easy to pronounce</td>
</tr>
<tr>
<td>- Promotable</td>
<td>(not used by another company)</td>
<td>- Pleasing when read or heard</td>
</tr>
<tr>
<td>- Advertisable and persuasive</td>
<td>- Unique</td>
<td>- Pronounceable in only one way</td>
</tr>
<tr>
<td>- Suited to package</td>
<td></td>
<td>- Short and simple</td>
</tr>
<tr>
<td>- Fit with company image</td>
<td></td>
<td>- Positive, not offensive, obscene, or negative</td>
</tr>
<tr>
<td>and products image</td>
<td></td>
<td>- Modern or contemporary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Understandable and memorable</td>
</tr>
</tbody>
</table>

Table 1 Criteria for a good brand name (adapted from Chan and Huang, 1997, p.228)

First of all, there are criteria that relate to the marketing of the product. These include that the name suggests product benefits, is promotable and persuasive. Furthermore, the name should fit the company and product image and as well as to the packaging. Secondly, there are also criteria regarding legal issues. A company needs to be able to register a brand name and legally protect it; otherwise the name would be worthless. Therefore, the name needs to be unique and also legally available. Lastly, there is the so-called linguistics of a name, which includes that the name is easy to pronounce, pleasing when heard or read, and also only pronounceable in one way. Moreover, it should be memorable, short and simple. Additionally, it is crucial that the name has a positive meaning and no negative connotations. The authors of this thesis present Chan and Huang’s (1997) summary in order to provide the reader with an overview on how a “good” brand name can be evaluated. However, Chan and Huang (1997, p.227) address a very crucial point in their research:
‘...studies on brand naming have been largely conducted in Western countries, such as in the USA and Europe, and on the products which are branded in Western European languages. Consequently, researchers have been proposing formats for brand naming based on the studies of Western products.’

This is an important aspect, which leads to the question if the criteria for a good brand name are different in non-Western countries. This thought concludes this chapter about basic branding theories and the role of brand naming. In the subsequent section, the Chinese perspective on brand naming will be introduced and reviewed in front of existing theory.

### 2.2 Brand Naming in China

After establishing a solid theoretical foundation of branding and discussing the crucial role of brand names, the authors will now focus on brand naming in China.

As established in point 2.1 “Branding”, a brand ultimately resides in the minds of consumers. It also became evident that a brand name can evoke emotions and associations in consumers’ minds, and therefore, changes the perception of a brand. Thus, consumers’ perception of a brand name is crucial. This is of utter importance when it comes to brand naming in China. In a country where culture greatly differs, consumers may perceive a brand also very different since the perception and interpretation of brands is strongly influenced by cultural values (Eckhardt & Houston, 2002). Furthermore, the Chinese language system is not comparable to the Roman alphabet and, therefore, Western brand names cannot be simply translated into Chinese (Chan & Huang, 2001; Dong & Helms, 2001). In addition to that, the economic and political landscape of China is very different to Western markets (Schmitt, 1999), which means that the specific Chinese market characteristics also have to be taken into consideration when it comes to brand naming. Based on this, the authors argue that brand naming in China is a complete different task than in Western countries.

Keeping the criteria for a good brand name in Western countries, discussed in point 2.1.6.2, in mind, the authors conducted a thorough literature review of existing research about brand naming in China. This included topics such as market characteristics, consumer behavior, cultural values, traditions, language, socio-economic developments and the legal framework. Based on this literature review, the authors categorized their findings in four perspectives: marketing, sociocultural, linguistics and legal. Within these perspectives, the authors established different factors that are crucial for brand naming in China.

#### 2.2.1 Marketing Perspective

The concept of branding and the construct of brands are not different in China. Consequently, brand naming has the same purpose like anywhere else. The brand name is closely tied to the brand equity, serves to identify the brand, is building brand awareness and can contribute to the value of a brand. Although the same branding theories might be applicable, there are a number of specific marketing characteristics that are particularly important for companies that are dealing with branding and brand naming in China.
2.2.1.1 China as an Emerging Market

What has been forecasted by different economists and researchers about a decade ago can be confirmed in 2012: China is a growing emerging market (McGregor & Bala, 2002, cited in Walters & Samiee, 2003, p.97) An emerging market can be described as a market that is not yet saturated and at the same time shows an exponential growth (Khanna & Palepu 2010). Arnold and Quelch (1998, p. 19) add that ‘…an emerging market is characterized by high levels of product diversion, a widespread of product counterfeiting and unclear power and loyalty structures within complex networks of local business and political players’.

Before Deng Xiao Ping, Chinese political leader from 1979 to 1997, declared the open-door policy in 1979, Chinese consumers had very limited options in the marketplace. Goods were produced by state-owned enterprises in a strictly regulated market (Schmitt, 1999). While China opened its doors only a few decades ago, the demand for foreign products has increased tremendously. Combining this with the current economic growth and size of China, the country has become one of the most important markets for all kinds of brands. Some authors even conclude that companies cannot be globally successful if they ignore the emerging Chinese market (Hollensen, 2011). Although the opportunities might be overwhelming, companies should not simply bring their brands into China without reviewing their current brand strategy (Costa, 2011). In a market that is so different, both culturally and economically, marketers need to have a detailed knowledge and understanding of China’s complex and changing consumer market (Li & Loconto, 1998).

Consumers in a mature market, such as the United States, are born and raised with a lot of brands and a wide variety of different products. In an emerging market, such as China, consumers are getting introduced to new brands and products on a daily basis. Therefore, it can be stated that Western brands that are established in matured markets can be completely new for Chinese consumers. Overall, brand awareness in China is growing for both people with high and low incomes (Costa, 2011).

Consumers in emerging markets are willing to pay a premium price for foreign brands, which makes China particular interesting for Western brands (Arnold & Quelch, 1998). Moreover, an increasing number of consumers will trade up to exclusive foreign brands as the economy develops. However, consumers in an emerging market are also becoming rapidly more value-conscious and more demanding towards foreign brands (ibid). Therefore, Western companies should not be conceited in their approach and take the needs of Chinese consumers into consideration.

All these aspects have to be taken into consideration when companies define brand names for their products in China. Not only the product itself, but also the branding (including the brand name) needs to be in line with the preferences and needs of Chinese consumers.

2.2.1.2 Global vs. Local Strategy

Multinational companies have to compete not only among themselves but also with Chinese firms. 1.3 billion Chinese consumers have the opportunity to choose from a variety of global and local products. These products need to be in line with their preferences and needs. As mentioned above, cultural norms are crucial when it comes to consumer behavior and consumption patterns. Thus, marketers need to adapt their strategies not only to local market conditions but also to cultural values and consumer preferences. This can include the adaption of the product itself (i.e. taste, shape) but also
the positioning of a product (Eckert et al., 2004). Adaptation of positioning relates to the brand identity and image that a brand should convey to consumers. As established in 2.6 “Brand naming”, the brand name plays a crucial role in the perception of a brand and conveys the brand identity to consumers.

When it comes to brand naming in an international context, the search for a suitable name is complicated because of several issues. One major point is the decision whether to standardize, localize or adapt (i.e. a combination of localization and standardization) the branding of a product when entering a new market. All firms that go abroad face this decision (Francis et al., 2002). According to McDonald and Roberts (1990) the advantages of a global brand strategy are lower costs, a uniform recognition between national markets and the intangible asset value of a global brand name. The localization strategy on the other hand, aims to develop a more customized brand name that caters to the need of the local consumers and the foreign marketplace and is therefore, more specialized on the specific market. They further state that the third alternative, adaption, is a combination of localizing and standardizing and is applied when:

‘...marketers have felt it necessary to discard some elements of the name in anticipation of legal, linguistic or perceptual difficulties. A partial adaptation of the name is required in order to provide greater congruence between the brand name and the target consumer’ (McDonald & Roberts, 1990, p.11).

The decision for the most suitable brand name approach depends on the chosen target market and the brand. Good reasons can be given for each strategy mentioned above, however, it can be stated that there is no definitive approach for successful brand naming.

In China, the situation is particularly complex because of the sociocultural environment and the completely different language structure, which will be discussed later. This leads to numerous difficulties and which can be illustrated through several cases of international marketing failures in China. One example, which is discussed by Melewar et al. (2006), is Danone’s entry to the Chinese market. The FMCG-company entered China in 1987 when the market barriers went down. During that time, there was only very limited knowledge about the Chinese marketplace available (ibid). Therefore, Danone introduced their products without adjusting them to the needs of Chinese consumers. Melewar et al. (2006) further explain that during this time most Chinese consumers did not own a fridge to store fresh products and most Chinese were even lactose intolerant. This led to the fact that Danone had a hard time succeeding in China, especially with their dairy products such as yoghurts. Moreover, the Danone yoghurt was too expensive for the average consumer and the branding of the product (i.e. name, packaging) was not appealing to Chinese consumer (ibid). Today, Danone is very successful in China. They started several joint ventures with local companies and localized their branding strategy. To sum up, Danone customized its brands to suit the Chinese market, while keeping a strong link between their products and their corporate brand (ibid). This example shows that there are certain decisions that a company needs to take in order to succeed on the Chinese market. Global brands need to localize their brands at some degree in order to meet the special needs of Chinese consumers, which also directly affect the brand naming process. Nevertheless, the strategy that a company chooses should be based on both the product and the brand positioning (McDonald & Roberts, 1990).
2.2.1.3 Implications for Brand Naming

Brand names in China are, same as in the West, tied to brand equity and have the same purpose: to identify the brand, to build brand awareness and to contribute to the value of a brand. Although the standard branding theories are applicable, there are a number of specific marketing aspects that are particularly important in the Chinese environment. In addition to that, marketers need to have a detailed knowledge and understanding of China’s complex and changing consumer market. China is an emerging market, hence brand awareness is different and consumers are introduced to new brands and products on a daily basis. When companies introduce Western brands to the Chinese market, they can either use a global approach or decide to localize their brand and brand name. The most suitable approach depends on the chosen target market and the brand positioning. Furthermore, not only the product itself, but also the branding and brand name need to be in line with the preferences and needs of Chinese consumers. Therefore, marketers have to adapt their brand naming strategies not only to local market conditions, but also to cultural values and consumer preferences.

Based on the above-discussed theories and their implication for brand naming in China, the authors illustrated the factors that are crucial for brand naming in China from a marketing perspective in a figure (see Fig. 2).

<table>
<thead>
<tr>
<th>Marketing Perspective</th>
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<tbody>
<tr>
<td>Brand name function</td>
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<tr>
<td>Market characteristics</td>
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<tr>
<td>Adaption</td>
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</tbody>
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Figure 2 Factors Marketing Perspective (by the authors, 2012)

These factors do not aspire to be an adequate way of summarizing the established findings; they are rather a condensed version that provide the reader with keywords that represent the discussed implications.

2.2.2 Sociocultural Perspective

When it comes to brand naming in China, companies need to consider the social and cultural aspects that can play a role in the creation of a brand name. The combination of social and cultural aspects can be defined as one word: sociocultural (Oxford, 2012). The sociocultural context of the consumer is crucial, because it frames possibilities for thought, beliefs, actions, and makes the emergence of certain meanings more likely than others (Arnould & Thompson, 2005). China experienced and still experiences radical changes in the political, economical and cultural environment. Companies need to understand these fluctuating conditions and shifting needs of Chinese consumers in order to position their brands.

When it comes to brand naming, marketers need to be aware of the cultural and societal connotations that a brand name can incorporate (Eckhardt & Houston, 2002). The Japanese car company Toyota for example, experienced the impact of negative connotations when they launched their SUV Prado in China. The name for this new car was translated in Chinese to “ba-da-o”, which means “the mighty rule” or “rule by force” (Li & Shooshtari, 2007 cited Alon et al., 2009, p. 125). One could argue that this sounds like an appropriate
name for a heavy terrain vehicle. However, it turned out to be a big cultural mistake since Chinese consumers associated the brand name with the Japanese occupation of China during World War II. This led to a call for a boycott of Toyota in China (ibid). Looking at this example, one can conclude that taking sociocultural aspects into consideration is vital in China. Although Chinese consumers get more exposed to Western cultures, strong Chinese cultural norms and values remain embedded in the minds of the Chinese consumers. As seen in the example of Toyota, foreign companies must respect China’s historical background and its cultural values in order to be successful.

2.2.2.1 Hall’s High and Low Context Culture

The Toyota example provided above clearly illustrates how communication in China is different from Western countries. This can be linked back to the vast cultural differences between China and the West. Over the years, several researchers have analyzed and classified cultures. One of the well-acknowledged researches is Hall’s (1959) concept of high -and low context cultures, which particularly focused on communication. Hall argues that the way people communicate and use language varies among different cultures. Where low-context cultures use a minimum amount of complexity in their communication, high-context cultures use more elements surrounding the message. This means that the cultural context wherein the message is communicated plays an important role (Hollensen, 2011). Western countries have mostly low-context cultures, while China, as an Asian country, has got a high-context culture. Hollensen states (2011, p. 237):

‘The difference between high- and low-context communication cultures helps to understand why, for example, Asian (high-context) and Western (low-context) styles are so different, and why the Asians prefer indirect verbal communication and symbolism over the direct assertive communication approaches used by Western people’.

This is of course highly relevant, when it comes to brand naming in China. Due to China’s high-context culture, the Chinese believe that certain numbers can influence an individual's fortune. Ang (2007) explains that Chinese numbers are categorized in either “yin” or “yang”. Even numbers are “yin” while odd numbers are “yang”. When there are multiple digits to a number, a balance of “yin” and “yang” is preferred. In addition to that, separate numbers have also a meaning. The numbers 3, 6, 9 and especially 8 are favorable, while 4 is an unlucky number. One of the reasons why number 8 (pronounced as “ba” in Chinese) is considered a lucky number, is because its pronunciation in the Cantonese dialect sounds like ‘fa’, which means success and prosperity. Number 4 (pronounced as “se” in Chinese) is considered unlucky, because it sounds like the Chinese word for death (ibid).

2.2.2.2 Values and Virtues

There are certain values in Chinese culture, such as goodness, luck, happiness, long life, prosperity and historical significance that are related to the theory of the Confucian value system (Leventhal, 1996). In turn, the Confucian values are based upon different virtues: faithfulness, filial piety, kindness, love, courtesy, loyalty, frugality and sense of shame (Lu, 2008). According to Degen (2009) these virtues are the moral pillars that dictate the Chinese social behavior and, consequently, also consumer behavior. This illustrates the importance of cultural values for branding and brand naming in China. Western firms should not only find a Chinese brand name that has relevant meanings for a product but also, ideally, conveys meanings that are valued by Chinese culture. After all, the ‘...most effective way for a company to build a strong brand name in an unfamiliar market is to adapt itself to the culture’ (Melewars et. al, 2004, p. 460).
2.2.2.3 Diversity of Chinese Consumers

Given China’s enormous population and physical size, it is basically impossible to define China as one culture. Moreover, China has transformed completely over the past 50 years due to the Cultural Revolution from 1966 to 1976 followed by the start of the transition period in 1979 with the gradual opening of the market and the beginning of the urban private sector in the late 1990’s (Degen, 2009). These circumstances have led to the great diversity among Chinese consumers. This diversity will subsequently be discussed within the terms of different generations, location, dialects, education and profession.

2.2.2.3.1 Generations

China’s transformation during the last 50 years has led to big differences in experiences among the living generations in China. The trends and events that normally define a generation occur so rapidly in China that it will only take a few years for generations to be formed (Eckert et. al, 2004). Hedrick-Wong (2007) describes four major generations that live in China today: the founding generation who are 70 years and older, the cultural revolution generation who are between 50 and 65 years old, the upwardly mobile generation ranging from 30 to 49 and the young emperor generation who are born after 1978.

Due to the rapid change China went through, especially in the last decades, each generation is very different and has its own values and perception. While the first two generations still have strong connections with China as it was before 1978, the last two generations are more open to foreign ideas, values and products. Although Chinese consumers adapt more and more to Western buying patterns and lifestyles; traditional tastes, habits, values and traditions are still deeply rooted in the Chinese culture (Schmitt & Pan, 1994; Yan, 1994). It is important for Western companies to understand these differences among generations and to define to which generation the targeted consumer belongs. Based on this knowledge, marketers have to decide how to construct a brand and its brand name in order to appeal to these consumers.

2.2.2.3.2 Location

With a population of 1.3 billion, China has a large, but also diversified group of consumers with various levels of education, income, lifestyle, beliefs and knowledge that are spread-out over an enormous area (Eckert et. al, 2004). The location in this case plays an important role in their perception towards brands and brand names. According to Hunt (2008, p.32) ‘...unilateral brand communication is less effective than regionally customized messaging’. Hunt explains that foreign companies need to be aware of the fact that China is not one group of uniform consumers. China is rather a diverse country with very diverse cultures, wherefore a brand implementation strategy for China requires an understanding of regional variations in the consumer mindset (Hunt, 2008).

China is often categorized in tiered cities, which according to Hunt, always needs to be considered when planning a brand implementation. While first tier cities like Shanghai and Beijing have lots of global exposure, lower-tier cities have had less and have instead become a hub for regional and national brands (ibid). Another issue are the different dialects within different regions. Despite the fact that the Chinese government promotes Mandarin as the official language, local dialects still exist. In fact, there are eight major Chinese oral dialects within Mainland China (excluding Hong Kong and Taiwan). The most common one is “Mandarin” (i.e. common speech) followed by Cantonese, which is still spoken in Hong Kong and several southern parts of China. However, even within the Mandarin dialect there is a wide range between northern, central and western regions.
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(China Daily, 2012). The variety of major dialects in China changes the oral pronunciation of Chinese characters, in other words the spoken language. This complicates the brand naming process in China, since names are pronounced differently in certain regions and, therefore, can also mean different things (McDonald & Roberts, 1990). If brands want to appeal to local consumers, brand names have to be chosen wisely.

2.2.2.3 Education and Profession
In order to better understand the Chinese social cultural values and their perception towards the West, Dong and Helms (2001) segmented the Chinese consumer based on education and profession. They defined the following six segments: organizational purchasers, college graduates, urban middle class, rural residents, college students and ‘new rich entrepreneurs (Dong & Helms, 2001). The largest proportion of the population in China still consists of rural residents and urban middle class, with a moderate to low income and limited to no knowledge of the English language. College graduates and college students are next in line. This part of the population speaks a lot better English and even has some knowledge of the Western market. ‘New rich’ entrepreneurs have a high education, but little knowledge of the English language. The last group are the organizational purchasers who are highly specialized, well educated and have a high knowledge of the international market and product features (ibid). Understanding the characteristics of these elements is crucial when creating an appealing brand name for the target group in question.

Taken all the different social cultural aspects into consideration one can conclude that reflecting the branding decision upon the Chinese cultural context is key to future success in the market (Melewar et al., 2004). In addition to that, the meaning of a brand name should convey product benefits and cater to the needs of the Chinese consumers, particularly in terms of demographic characteristics (Dong & Helms, 2001).

2.2.2.4 Implications for Brand Naming
Marketers have to be aware of the cultural and societal connotations that a brand name can incorporate. China is a high context culture, where different values and virtues influence the perception of brand names. Although Chinese consumers get more exposed to Western culture, strong Chinese cultural norms and values remain embedded in the minds of the Chinese consumers. Moreover, China is a heterogeneous country where consumers have different values and perceptions towards brand names based on their sociocultural backgrounds. These backgrounds can be related to aspects, such as geographic location, generation, education and profession. Furthermore, the variety of major dialects in the different regions complicates the brand naming process in China.

Based on the above-discussed theories and their implication for brand naming in China, the authors illustrated the factors that are crucial for brand naming in China, from a sociocultural perspective in a figure (see Fig. 3).

![Figure 3 Factors Sociocultural Perspective (by the authors, 2012)]
These factors do not aspire to be an adequate way of summarizing the established findings; they are rather a condensed version that provide the reader with keywords that represent the discussed implications.

### 2.2.3 Linguistic Perspective

The importance of linguistics for a brand name has been established in point 2.1.6.2 “Criteria for a good brand name”. There have been several studies conducted that specifically address the linguistic component of brand naming in China (Alon et al., 2009; Chan & Huang, 1997; Chan & Huang, 2001; Dong & Helms, 2001; Li & Shooshtari, 2003).

In general, Chan and Huang (1997) defined three groups of requirements for the linguistic component of a brand name: phonetic, morphological and semantic. Phonetic requirements imply that a brand name is easy to pronounce and also only pronounceable in one way across different languages. Furthermore, the name should be pleasing when heard or read. The morphological requirements refer to the fact that a brand name should be short and simple. Semantics requirements suggest that the name should have positive connotations, be understandable and memorable and in no way obscene or offensive.

When it comes to brand naming in China, the linguistic aspects are even more essential than in Western societies. This is mainly because of the fundamental differences in the Chinese language compared to Western languages, which are based on the Roman alphabet. In the following point, the authors will discuss these differences by explaining the basic structure of the Chinese language.

#### 2.2.3.1 Chinese Language System

When dealing with brand names in China, it has to be taken into account that the Chinese language is built upon a logographic writing system. This means that a name cannot be developed by combining random alphabetic letters, as done in Western languages. All names in China are constructed from characters that separately have a specific meaning, which leads to the fact that all brand names reflect certain meanings (Chan & Huang, 2001).

There are 9,400 morphemes in Chinese. Morphemes are the smallest, meaningful units of a language. A good example of morphemes in the English language is “-ly” and “un-”. Those morphemes cannot be used independently, and therefore, are no words. However, they can be combined to form words (e.g. accidently, unhappy). In modern Chinese most new names are formed using the same inventory of 3,500 frequently used morphemes. As stated above, these characters have already a certain meaning attached to them. Shanghai, for instance, is a combination of “shang”, which means “above”, and “hai”, which means sea. Thus, Shanghai means above the sea (Chan and Huang, 1997.). Furthermore, the majority of Chinese names are disyllabic (like Shanghai), meaning they consist of two-characters. Because of this, linguists call modern Chinese a disyllabic language (Chan & Huang, 2001). These facts illustrate a major difference to Western languages. English names, for example, are much more independent of the language system and can combine alphabetic letters without any further meaning (Chan & Huang, 1997). Good examples of such names are the chocolate brands **Twix** and **Snickers**. To sum up, due to the alphabetic system of the English language, name formations in English are not limited and names do not necessarily have a meaning. The Chinese language, in contrast to that, does not have such freedom; there is no name inventory only compounding already existing words.
2.2.3.2 Sociolinguistics

Another issue that has to be discussed when it comes to linguistics in the context of China is Sociolinguistics, which refers to the relationship between the usage of language and societal factors. It can be argued that brand naming is an application of language symbols that have been shaped by factors such as cultural beliefs of values (Downes, 1998). Therefore, brand naming in China becomes more than just a correct phonetic translation of an already existing name into another language or the creation of a brand name that sounds good since the cultural context has to be taken into account as well. Briggs (1986) also addressed the importance of sociolinguistics and argued that marketers should consider more than just the structure and also focus on the role of context in determining the meaning of signs. This is particular important for China, since Chinese is a contextual language, which relates to the fact that China is a high-context culture. As already discussed in 2.2.2 “Sociocultural Perspective”, high-context cultures have a more indirect way of communication and context is a crucial criteria of understanding the meaning of things. Li and Shooshtari (2003, p.6) state that ‘Brand names as linguistic symbols bear certain culture-specific meanings and values’.

Coca Cola’s entry into the Chinese market is one of the most famous cases when it comes to brand naming in China (Alon et. al, 2009; Dong & Helms, 2001; Li & Shooshtari, 2003). In 1928, Coca-Cola entered the Chinese market and translated its brand name into Mandarin Chinese. The American company used a phonetic translation, meaning the translation was based on the English pronunciation of Coca Cola. This led to the use of four Chinese characters that sounded similar to the English pronunciation of Coca Cola: kŏ-kă-kŏ-lă (Alon et al., 2009).

As discussed earlier, all Chinese characters and words have a specific meaning. Since Coca Cola was focusing only on the phonetically aspects, they ended up with a name that sounded like Coca Cola but meant “pleasant to mouth and wax”. This is of course not a desirable meaning for a soft drink brand. Therefore, Coca Cola had to adjust their name and use another translation. This time Coca Cola was focusing more on the ideographic meaning, rather than trying to just resemble the English sound of the brand in Chinese (Li & Shooshtari, 2003). Despite the fact that there were 200 symbols available to form the name in Chinese, the company had to avoid many of the symbols because of their meanings. This included all characters that were pronounced “lă”. Therefore, Coca Cola decided to comprise and replaced the “lă” character with “lè”, which means “joy” and is pronounced as lūh or lèr depending upon the Chinese dialect (Alon et. al, 2009). In the end Coca Cola chose the Chinese name “可口可乐”, which is pronounced kē-kŏu-kē-lè and can be translated as something like or “tastes good and makes you happy” or “can-be-tasty-can-be-happy” (Li & Shooshtari, 2003; Dong & Helms, 2001).

To sum up, it is not only a challenge to find the right Chinese characters or word combinations that are phonetically appealing, the semantic information that is conveyed via a brand name also needs to be considered.

2.2.3.3 Implications for Brand Naming

In general, there are three linguistic requirements for a brand name: phonetic, morphological and semantic. When it comes to China, the linguistic component of a brand
name is crucial because the Chinese language system is so different compared to Western languages. Moreover, a Chinese brand name (i.e. the chosen characters) can communicate specific attributes such as product benefits, beliefs or values. It is key to understand the sociolinguistic features of the Chinese language for successful brand naming in China.

Based on the above-discussed theories and their implication for brand naming in China, the authors illustrated the factors that are crucial for brand naming in China, from a sociocultural perspective in a figure (see Fig. 4).

These factors do not aspire to be an adequate way of summarizing the established findings; they are rather a condensed version that provide the reader with keywords that represent the discussed implications.

### 2.2.4 Legal Perspective

During the literature review several studies emphasized the important role of legal aspects for brand naming in China (Chevalier & Lu, 2010; Huang & Qian, 2011; Alon, et al, 2009). It can be stated that understanding how to correctly protect a brand name is of great significance. Giving the Chinese attitudes towards copying and the practical difficulties involved in fighting counterfeiting activities, all brands face considerable challenges in protecting their brand name and image in China (Chevalier & Lu, 2010). In the following section, the legal aspects of brand name protection in China will be presented.

#### 2.2.4.1 Trademark Protection in China

Independently of a Western firm’s decision whether to keep the original (Roman) brand name or to translate it into Chinese, protection of the brand name is crucial. Brand name protection is part of the overall trademark protection. The World Trade Organization (WTO) has centralized the definition of a trademark in 1994 when the “Agreement on Trade Related Aspects of Intellectual Property Rights” (TRIPS) was administered. This international agreement includes the minimum standards of intellectual property including a company’s trademark. In article 15(1) the agreement defines a trademark as follows:

“Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colors as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.” (WTO, 2012)
When China became a member of the WTO in 2001 (IPR2, 2008) their trademark law had to follow the requirements of TRIPS. Therefore, the Chinese foundation for legal trademark protection became the same like anywhere else. However, it is not possible in China to register one single trademark that will automatically apply all around the world (IPR2, 2008). Having a trademark registered in the United States, European Union or elsewhere does not provide any protection in China (Devonshire-Ellis, 2012). This means that when companies develop a new brand name, whether in English or Chinese, it will have to be registered separately in China via the Chinese procedures. Following these procedures correctly and as early as possible is crucial, since it should be avoided that companies discover that their brand names have already been registered as trademarks by an unrelated third party (Huang & Qian, 2011). Even when a company decides not to transform their Western name into a Chinese one, a Chinese name is obligatory for official registration. Although this name might not be communicated to the outside world, it will still show up on all official documents. If a Western company does not come up with a name, the Chinese authorities will create one (ibid).

Part of China’s legislation is the “first-to-file” system, meaning that companies may lose legal protection if a similar trademark has already been registered in China (IPR2, 2008). This means that every person in China might register a brand name without ever using it. If companies fail to register their brand name, and some other party registers it, they have to prove that their trademark was already known in the market in order to claim it. This can lead to a very time consuming process. Because of that, companies are advised to register their name fast and to even register similar sounding translations for their Chinese brand names in order to avoid confusion (Alon et. al, 2009; Yan, 2012). Besides registering the brand names in an early stage, it is also important to register it in different categories. Since China is signatory to the “Paris Convention” and “Madrid Protocol”, they employ the same category standards. Companies are therefore often advised to register their brand name in categories for products or services the company is active in, products or services they might use, and products or services a company wishes to use to block someone else from using the company’s brand (Devonshire-Ellis, 2010). Both the Paris Convention (established in 1883) and the Madrid Protocol (established in 1898) are agreements signed to encourage and protect the registration of trademarks among the countries that joined these agreements (IPR2, 2008).

2.2.4.2 Process of Trademark Registration

Understanding the different steps when it comes to trademark protection is essential and can save a company time and costs in the long run (Huang & Qian, 2011). One of the steps is explained in the “Roadmap for Intellectual Property Protection in China” (IPR2, 2008, p.6), which states that ‘…use of a local trademark agent is compulsory for a Chinese national application from foreign companies without habitual residence or place of business in China’. According to Chevalier and Lu (2010), who describe the different registration steps for luxury brands in China, care and caution is required. Since the application can only be done in Chinese and many trademark agencies of variable quality offer their services, the wrong choice can cost a lot of time, money and energy (Chevalier & Lu, 2010). When a company has a presence in China, the registration procedure can get started directly at the local trademark office. Where applications outside China may cover up to three categories of goods or services, trademark applications in China must be filed in separately in each category. This leads to extra costs for each application (IPR2, 2008). With up to a two or even three-year process for the trademark to be officially recognized as a company’s property, it will be
beneficial to initiate a registration well before a company decides to enter the Chinese market (Devonshire-Ellis, 2012).

One could argue that the current framework for registration a trademark in China is satisfactory. However, it is evident that standards of application and enforcement still need to fully reach international norms (Lehmann et. al, 2002). One of these law enforcements is against counterfeiting. Many luxury brands in China suffer from counterfeiting activities, which means the illegal use of a companies’ brand name for other “fake” products or services. Within the counterfeiting business almost 80% of all fake luxury products comes from China. Since it is a global business, counterfeiting has the potential to be more profitable than drug trafficking, but much less risky, since it is still considered a minor crime (Chevalier & Lu, 2010). Nevertheless, there are several administrative authorities that are responsible for protecting different areas of intellectual property rights (ibid). For example, the Administration for Industry and Commerce (AIC) which is the authority that is responsible for fighting trademark infringement. Although they will only take action when there is a direct copy (ibid). In other words, the complete brand name has to be copied in order to be considered infringement.

2.2.4.3 Implications for Brand Naming

Legal protection of brand names in China is crucial. Having a trademark protected in Europe or US does not provide any protection in China. Moreover, brand names should be registered at an early stage and in different product categories, since China applies the “first-to-file” system. For companies, it is essential to understand the different steps of the trademark protection process. Although China has to follow international law standards regarding Intellectual Property Protection, counterfeiting is still a major issue.

Based on the above-discussed theories and their implication for brand naming in China, the authors illustrated the factors that are crucial for brand naming in China, from a sociocultural perspective in a figure (see Fig. 5).

![Figure 5 Factors Legal Perspective (by the authors, 2012)]

These factors do not aspire to be an adequate way of summarizing the established findings; they are rather a condensed version that provide the reader with keywords that represent the discussed implications.
3 Approach of the study

This chapter provides the reader with a clarification of the author’s approach to the study. Therefore, the established theoretical framework and the role of the empirical study will be illustrated in a model. Furthermore, the authors will present propositions that will be used during later in the analysis to guide the reader through the discussion on brand naming in China.

Brand naming in China is a complex subject that touches upon several different sub-topics that each could be discussed extensively. Keeping the purpose of this study in mind: to explore the crucial factors for brand naming in China, the authors decided to focus on specific perspectives. Throughout a sound literature review, it became evident that the four perspectives marketing, sociocultural, linguistic, legal are of high significance for brand naming in China. The theory and findings that have been established within those four perspectives are the theoretical foundation of this thesis. Based on this theoretical foundation the authors derived several factors that are crucial for brand naming in China within each perspective (see. Fig. 2, p.13; Fig. 3, p. 17; Fig. 4, p.19; Fig. 5, p.22). These factors do not aspire to be an adequate way of summarizing the established findings; they are rather a condensed version that provide the reader with keywords that represent the discussed implications.

In order to clarify the structure of this thesis, the authors decided to illustrate the theoretical framework and the approach to the empirical study by providing a model (Fig. 6).

**Figure 6 Model – Approach of Study (by the authors, 2012)**

The first part of the model is “Branding and Brand Naming” and builds the basic foundation that has been discussed and established in point 2.1 “Branding”. As discussed above, the four perspectives have been derived from the literature review about brand naming in China conducted in point 2.2 “Brand Naming in China”. The derived
implications for brand naming within each perspective have been summarized in factors that are displayed in separate figures: Marketing Perspective (Fig. 2, p. 13), Sociocultural Perspective (Fig. 3, p. 16), Linguistic Perspective (Fig. 4, p. 19) and Legal Perspective (Fig. 5, p.21). Those separate figures are now incorporated within the presented model above.

In the next step, the established theoretical findings will be evaluated in an empirical research. By doing that, the authors will assess their applicability to the practice of brand naming in China. For this purpose, the authors developed propositions, which are based on the established theory and the factors presented within each perspective. These propositions will structure the analysis and guide the reader through the discussion about brand naming in China.

**Marketing perspective**

P¹ Brand names in China have the same function as in the West.

P² It is crucial to have an understanding of China's complex and rapidly changing consumer market when it comes to brand naming.

P³ Companies need to adapt their brand naming strategies to the Chinese market conditions.

**Sociocultural perspective**

P⁴ The high-context culture of China greatly influences brand naming.

P⁵ Although China is changing, traditional cultural norms and values still play an important role for brand naming.

P⁶ The great diversity among Chinese consumers leads to different perceptions of brand names.

**Linguistic perspective**

P⁷ Since the Chinese language system is completely different compared to Western languages, brand naming becomes a distinctive task.

P⁸ Sociolinguistics is essential for successful brand naming in China.

P⁹ The criteria for a good brand name (phonetic, morphological and semantic) are also valid in China.

**Legal perspective**

P¹⁰ Legal protection of brand names in China is of utter importance.

P¹¹ Companies need to comprehend the different steps of the Chinese trademark protection process.

P¹² Counterfeiting is affecting brand names in China.

The propositions will be confronted with the findings deducted from the empirical research (chapter 5.). By verifying them through crosschecking the established theory with empirical findings, the authors will fulfill the purpose of this thesis: *To explore the different factors that are crucial for brand naming in China.*
4 Methodology

This part of the thesis will clarify the research methods that have been used in this study. The research approach, strategy, design and analysis techniques will be explained. Furthermore, the ethical implications, accuracy and generalizability of the research will be addressed.

4.1 Research Approach

The purpose of this thesis is to explore different factors that are crucial for brand naming in China. The findings derived from a thorough literature review will be evaluated in front of empirical research and tested of their applicability to the practice of brand naming in China. For this purpose, a qualitative research approach has been chosen in which the findings of a thorough literature review are crosschecked via in-depth interviews with multiple experts who are currently working in the field of branding in China.

In general, there are three types of methods for conducting a research: exploratory, descriptive or explanatory (Yin, 2011). Since new insights beyond the theory can come up during the expert interviews, the authors have decided to conduct an exploratory qualitative research using a flexible approach. Saunders et. al (2009) explain that this type of flexible research is often used to gain new insights on a certain topic. They further state that qualitative data is based on meanings expressed through words, collections and results requiring to be classified into categories. Using interviews as a tool to conduct a qualitative research has the goal to create an understanding of the point of view of the interviewee concerning the subject matter (Kvale & Brinkmann, 2009). Silverman (2006) confirms this by stating that one of the strengths of qualitative interviews is the ability to access directly what happens in the world the interviewees are living and working in.

The types of research extraction that are used most frequently for a qualitative approach are induction and deduction. These two types of extraction reflect different ways of shifting between the gathered data (Yin, 2011). The inductive approach is normally used with the goal to generate new theory (Darlington & Scott, 2002). It is based on the understanding of a phenomenon by itself and drawing conclusions on findings that cannot be linked to theories. A deductive approach, on the contrary, is used when a foundation of theories is used to explain a phenomenon, where the empirical data results can confront the theory with real-world data (Yin, 2011). In this research the outcome of the empirical data will be used to evaluate the established theories, but also to generate new insights about the practice of brand naming in China. Thus, both the inductive and the deductive approach will be used. The outcome of the empirical data will contribute to a better understanding of the factors that play a crucial role for brand naming in China.

4.2 Research Strategy

As mentioned already in the research purpose, the authors have decided to use expert interviews to retrieve empirical data for their study. When defining the interview questions it is essential to discuss the standardization of the questions (Robson, 2002). The level of standardization deals with the level of freedom and responsibility that is given to the interviewer when designing the questions (ibid). High standardization means that the authors are using the same questions in the same order for all respondents, while low standardization gives the interviewer the opportunity to create questions during the interview (ibid). For this research, the authors decided to use a low standardization, since
they believe more in-depth information can be derived from questions that come up during the interview. Also the structuring process will remain limited so the respondents have the freedom to answer the way they prefer.

4.2.1 Expert Interviews
The researchers Bogner, Littig and Menz (2002) outlined expert interviews in more detail. They stated that one of the advantages of using expert interviews is that experts have a vast amount of accumulated specific knowledge. This type of knowledge is hard to explore via other research methods (Bogner et al, 2002; Van Audenhove, 2007). This has played a major role in the decision making process of the authors whether or not to use expert interviews. Another advantage is that experts are often very willing to cooperate and exchange information (Van Audenhove, 2007). The expert knowledge that can be derived from the interviews can be classified into three dimensions (Van Audenhove, 2007):

1) Technical knowledge: very specific knowledge in the field, details on operations, laws
2) Process knowledge: info on routines, specific interactions and processes
3) Explanatory knowledge: subjective interpretations of relevance, rules, beliefs

The authors believe that each dimension of knowledge can be generated from the planned interviews. Besides the different dimensions, Van Audenhove (2007) also defines three different types of expert interviews: explorative, systematizing and theory generating interviews. The type of expert interviews will be conducted for this research can be explained as systematizing expert interviews since they focus on the exclusivity of the expert’s knowledge based on experience, expertise or an exclusive position (Van Audenhove, 2007). It can be argued that this form of knowledge could not be retrieved via any other method than expert interviews.

While conducting systematizing expert interviews, the interviewer has a set list of topics to discuss, but allows the expert to answer extensively in order to generate as much insight possible. This same point was made earlier by Robson (2005) when discussing the advantages of semi-structured interviews. Since the interviewers are well read on the different topics discussed during the interviews, the style of questioning will be in-depth including a high level of discussion, again, to generate as much information as possible. Analyzing systematizing expert interviews is focused on comparability and accumulation of information, through combing the outcomes of the different interviews (Van Audenhove, 2007).

The question that arises next is how an expert can be defined. First step in this case is to define what expertise for this study means (Flick, 2007). The authors of this study selected experts based on the requirement that they would have expertise related to brand naming in China. Where every selected expert deals with brand naming in China from a different angle, a division among them has been made. This correlates with the different perspectives derived from the theory (i.e. marketing, sociocultural, linguistic and legal). The authors selected interviewees with varies positions (e.g. consultants, linguistic experts, brand managers, market researchers and a lawyer) in order to generate comprehensive insights about brand naming in China. One can argue that the findings of the research could have been even more in-depth when more experts were interviewed. The authors therefore also believe that the outcome of this research has to been seen as a foundation for potential further research on this topic and should not be considered conclusive.
4.2.2 Research Design
Having decided to use expert interviews as the method to gather the empirical data, the next step is to find out which procedures and techniques are involved when designing the interview. According to Kvale and Brinkmann (2009) choosing the correct research design will increase the overall strength of the research. They further created seven stages of an interview inquiry. The authors have used these stages in order to systematically explain the research design of this thesis:

1. **Thematizing** - defining the purpose of crosschecking whether existing theories match to what happens in the field
2. **Designing** - approaching the different experts in different fields and plan interviews with them
3. **Interviewing** - preparation of interviews including different interview guides. For this study Skype were used to call the different experts, where each interview took around 30-60 minutes
4. **Transcribing** - all eight interviews are recorded and fully transcribed
5. **Analyzing** - reducing, coding and displaying data combined with conclusion drawing
6. **Verifying** - accuracy and generalizability
7. **Reporting** - the results of the interviews are reported in the summary and conclusion of this study

4.2.3 Selected Interviewees
When the different experts were approached, the authors were positively surprised to see the positive reaction of the respondents. One can assume that sharing a common topic of interest with the interviewer leads frequently to a higher level of motivation of the interviewee (Bogner et. al, 2002).

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Field of expertise</th>
</tr>
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<tbody>
<tr>
<td>Mark Chan</td>
<td>Marketing Director <em>Henkel</em> China</td>
<td>Branding in China</td>
</tr>
<tr>
<td>Luo Ye</td>
<td>Marketing Director <em>L’Oreal</em> China</td>
<td>Branding in China</td>
</tr>
<tr>
<td>Dara MacCaba</td>
<td>CEO <em>Lucid360</em></td>
<td>Branding in China</td>
</tr>
<tr>
<td>Ben Miao</td>
<td>Copywriter and Brand Strategist</td>
<td>Branding in China</td>
</tr>
<tr>
<td>Mary Bergström</td>
<td>CEO <em>Bergstrom Research Group</em></td>
<td>Sociocultural China</td>
</tr>
<tr>
<td>Martin Roll</td>
<td>CEO of <em>Venture Republic</em></td>
<td>Sociocultural China</td>
</tr>
<tr>
<td>Dolph Heyning</td>
<td>CEO <em>Zigila</em></td>
<td>Linguistics in China</td>
</tr>
<tr>
<td>Vladimir Djurovic</td>
<td>CEO of <em>Labbrand</em></td>
<td>Linguistics in China</td>
</tr>
<tr>
<td>Maarten Roos</td>
<td>Managing Director <em>R&amp;I Lawyers</em></td>
<td>Law in China</td>
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</tbody>
</table>

Table 2 Overview of the experts (by the authors, 2012)

As illustrated in the table above, the authors have selected experts within different fields related to branding. To clarify why the authors believe that the selected experts are suitable for this study, a brief description of each expert is provided below.

Mark Chan
As Marketing Director for *Henkel* China, Mark Chan has over 8 years of experience in branding and marketing different FMCG products on the Chinese Market. His portfolio consists of Western brands such as *Schwarzkopf* and *FA* that have been adapted for the Chinese market (LinkedIn, 2012a).
What’s in a Name? A study on the success factors of brand naming in China

Bart Berende & Fabian Kredig

Luo Ye
As Marketing Director for L’Oreal China, Luo Ye is responsible for the management of Garnier. During the past 8 years, she has been responsible for building the Garnier brand both in Europe and China (LinkedIn, 2012b).

Dara MacCaba
Dara MacCaba is the founder and CEO of Lucid360, an established insights and innovation consultancy based in China. He has an extensive experience in branding and developed brand strategies and full brand concepts for companies such as Wrigley, Unilever, Pepsi, Danone, Mars, Philips, Electrolux and Microsoft across Asia, US and Europe (LinkedIn, 2012c).

Ben Miao
Ben Miao, co-interviewee of Dara MacCaba, has more than eight years of experiences in branding and developing brand names in China. He has worked with both local and multinational firms in the hospitality, lifestyle, IT and consumer sector (LinkedIn, 2012d).

Mary Bergström
As founder and CEO of the Bergström Research Group, an insights and trends consultancy, Mary provides insight about Chinese consumers to marketers. In the spring of 2012, she published her first book “All eyes East” that gives insights in the Chinese youth culture of today (LinkedIn, 2012e).

Martin Roll
Martin Roll is globally acknowledged branding expert who advises business leaders and organizations in strategic decisions. He is also the author of the international bestseller “Asian Brand Strategy”, a book that focuses on Asian brands and how they build their brand equity (LinkedIn, 2012f).

Vladimir Djurovic
As founder and CEO of Labbrand consulting, a Chinese agency that focuses on brand strategy and brand naming, visual identity and a comprehensive range of market research services, Vladimir Djurovic is an expert on brand naming and the linguistic aspects that are involved (LinkedIn, 2012g).

Dolph Heyning
Dolph Heyning is managing partner of Zigila, a Dutch brand naming consultant that specializes in naming strategies and name creation. Dolph is, similar to Vladimir, an expert on brand naming and the linguistic aspects that are involved in this process (LinkedIn, 2012h).

Maarten Roos
Maarten Roos is the founder and managing director of Re&P China Lawyers, a Chinese law firm that focuses on legally supporting foreign companies operating in China. Maarten has been widely recognized for his expertise in general corporate matters, intellectual property and general commercial matters (LinkedIn, 2012i).

One can argue that the viewpoint of several experts (i.e. consultants and linguistic experts) is biased since it is their profession to make companies aware of the importance of brand naming in China. Nevertheless, the authors believe that the people who work with brand naming in China on a daily basis are the ones that can generate the best insights.
4.2.4 Interview Guides
Semi-structured interviews require an interview guide. This interview guide is normally used consistently for each interview (Flick, 2007), but since experts from different fields will be interviewed, different interview guides are created in order to receive the most valuable information. The questions in each interview guide are developed and based on the different theories within the perspectives that have been established in the theoretical framework (see chapter 3). Each interview guide is included in the appendices of this thesis (appendix I).

4.3 Research Analysis
The empirical data that will be generated from the interviews is production of knowledge. This means that ‘…the interview knowledge is not just found, mined or given, but is actively created through questions and answers, and the product is co-authored by the interviewer and the interviewee’ (Kvale & Brinkmann, 2009, p. 44). Before even conducting the interviews it is important to define already which methods will be used to analyze the outcome of the interviews (Kvale & Brinkmann, 2009; Folkestad, 2008). Overall qualitative data analysis methods are used to interpret the gathered data (Saunders et al., 2009). According to Miles and Hubermann (1994) a qualitative data analysis consists of three steps: data reduction, data display and conclusion drawing/verification. These three steps are described below:

1) Data reduction – the process of selecting, simplifying and transforming the gathered transcriptions
2) Data display – using the reduced data to create an organized set of information that is comprehensible and suitable to draw conclusions upon. This display can be generated via an extended text or matrix.
3) Conclusion drawing and verification – generating a final conclusion based upon the clustered information from the data display. The verification of drawn conclusions occurs when during the writing of the conclusion, the analyst goes back to the transcription to potentially verify or adapt the drawn conclusion.

In this study all three steps by Miles and Hubermann (1994) will be used to analyze the transcribed records. This type of analysis is considered a content analysis, where the transcribed interviews are the content (Silvermann, 2006).

The data reduction for this study is done in different steps. During the first step, the expert interviews are transcribed completely. In the next step, certain phrases are reorganized in order to make the transcripts more comprehensible. This is followed by coding the given answers. Coding can be defined as marking the different segments of data with symbols, numbers or letters (Johnson, 2012). The coding system created for this study is based on the four pre-defined perspectives of brand naming in China (see chapter 3). Additionally, a code for answers related to new insights beyond the four perspectives has been added. In order to avoid confusion, each code was marked with a specific color. The five colors that were given are: marketing (green), sociocultural (yellow), linguistics (turquoise), legal (grey) and additional insights (pink). Defining to which code an answer belongs is a very subjective matter. Since certain answers can link to several perspectives, the authors have decided to individually code each interview. Successively, the separately coded interviews were put next to each other and the differences per interview were discussed. Thus, a coherent and consistent coding system was established.
The data display will be executed in two steps. In the first step is to combine and summarize the answers per interview. After the answers within the interviews are categorized, a total summary of answers within each factor will be created and presented in the empirical findings (see chapter 5).

Subsequently, the theory established in the literature review will be crosschecked with the gathered empirical data (see chapter 6). Based on this analysis, a conclusion will be drawn (see chapter 7).

4.4 Ethical Implications

In order to make sure no confidential information would be published in this thesis, the authors have asked permission to record and fully transcribe the interviews, before each interview started. The experts have indicated when certain information should not be published.

4.5 Criticisms of Chosen Method

The overall research method chosen for this study is a qualitative research based on interviews. Due to the nature of interviews, this type of research is sometimes criticized for not being scientific enough (Kvale, 1996). Nevertheless, the authors believe that a qualitative approach in form of in-depth expert interviews is the most suitable method in order to generate the most valuable insights and fulfill the purpose of this study.

Moreover, the authors do acknowledge that due to the low standardization of the interviews, certain answers might not directly link to the overall purpose of this study. However, one can argue that because of the freedom given to the experts several additional beneficial insights might come up within an interview.

Another issue that needs to be addressed is that the data collected is subjective thus, one can question the level of interpretation. During the conducted content analysis, which was based on the transcribed interviews, findings within each transcript were highlighted and categorized through coding. Defining whether or not an answer is a finding remains a subjective matter. The authors are aware of this level of interpretation, wherefore each transcript has been analyzed separately and subsequently discussed together afterwards.

4.6 Accuracy

While quantitative data can be checked on reliability and validity, the quality of qualitative data can be better evaluated through accuracy and thoroughness (Ruben & Rubin, 2005). Kvale and Brinkmann (2009) relate the accuracy of a study to consistency and trustworthiness of the overall research findings. In other words, the accuracy of a study means whether the same findings will be derived, if other researchers would do the same study. An appropriate choice of interviewees combined with correct questioning, the right sampling and accurate reporting increases the overall thoroughness and accuracy of the final study (Ruben & Rubin, 2005). Since the interviewees for this study are considered experts in the related fields, the authors believe it will minimize the inconsistency in their answers. Another way to ensure the accuracy of a study is to make the research process transparent by describing the different methodological practices and processes in detail (Moisander & Valtonen, 2006).
Accuracy also requires being careful in how the authors obtain, record and report what they have heard (Ruben & Rubin, 2005). This includes representing what the interviewees have said exactly as spoken, which asks for correct transcribing and avoiding leading questions during the interview (Ruben & Rubin, 2005). By including the transcripts of every interview and clearly outlining the different steps of the research design and analysis, the authors of this study have aimed to maximize the accuracy of this research. Nevertheless, transcribing what the exact spoken word was sometimes difficult due to a fluctuating Internet connection and the fact that several interviewees were non-native English speakers.

As already mentioned above, the standardization and structure of the conducted interviews was set low in order to give the experts more freedom. Thus, accuracy can decrease. Interpreting the given answers might lead to biased conclusion. In order to minimize this threat, all interviews were analyzed by both researchers separately and successively reviewed together.

4.7 Generalizability

Besides accuracy of a study there is also the generalizability, which refers to the question whether the data obtained are also applicable and transferable to other subjects and situations (Kvale & Brinkmann, 2009). In-depth interviews, which were used in this study, are usually not generalizable because of the small sample and the fact that the sample is not chosen randomly (Boyce & Neale, 2006). However, they provide valuable information, especially when it concerns expert interviews (Van Audenhove, 2007).

It can be concluded that the results of this research will not be generalizable. It further needs to be emphasized that the outcome should not be considered conclusive. However, it can be seen as a foundation for further research on the topic of brand naming in China.
5 Empirical Findings

In this chapter the empirical findings of the conducted in-depth interviews will be presented. The results are summarized and displayed within the four perspectives that have been established in the theoretical framework: marketing, socio-cultural, linguistics and legal.

The initials of every expert are placed behind each finding. Thus, each statement can be linked back to the person who stated it. The initials are marked as follows:

Maarten Roos = MRO / Luo Ye = LY / Mark Chan = MC /
Dolph Heyning = DH / Dara MacCaba = DM / Ben Miao = BM /
Mary Bergstrom = MB / Vladimir Djurovic = VD / Martin Roll = MR /

The full transcript of each interview is available (see Appendix II), as well as the coded interviews (see Appendix III) and the findings per interview categorized by code (see Appendix IV).

5.1 Marketing

A brand name is important since it makes the product reachable and findable (VD). It should indicate the service or product benefits, since it is a crucial touching point with consumers (BM). Brand names can also have a negative effect on the brand and destroy a good concept or product. However, the product or service itself is also crucial, since a strong brand name cannot make up for a weak product (DH; MB). It was also mentioned that a brand name could contribute to and also damage the brand equity (MR). They are vital for brand building and should meet the long-term strategy of the company (MR).

Brand names can also create associations that reflect the brand's positioning. Premium images can be supported by a suitable brand name; however, they can also have very basic names (DH). In general, it is important to create a name that is unique and differentiates the brand from competitors (BM). Nevertheless, a brand is more than a name; it is an element that both the company and its customer have to deal with (MB).

A brand name in China, same as in the West, has an important role in the branding process. However, building brand awareness is the biggest challenge for a new brand in China (BM). Firms have to ensure that a new product name matches the company brand name (DM). Also, the relationship between brands within their brand family should be considered (VD). A brand name in Chinese is a critical component, especially when new brands are introduced to the market. A lot of time and money is invested to do research in order to make sure the name is right (MC).

China is an emerging market, thus, competition and market structure is very different compared to matured markets (MR; MC; DM; LY). Still, only a few companies fully understand what branding in China is about (MR). Since China only opened up a few decades ago, a lot of new brands enter the market, both local and international ones (MR). It can stated that Western brands do not have a long legacy in the Chinese market yet. Chinese consumers do not know the brand’s history or values or even a complete product category can be new to them (LY; MC; DM). Consumers continuously need to be educated, because many of them have never used certain products before (e.g. Henkel and hair color products) (MC). There are still a lot of opportunities in the market, since the penetration of some FMCG product categories is low and consumers are hungry for new
brands, education and information (MC). The majority of the Chinese consumer market is still a mass market, however, there is also a very big luxury market (MR).

Within the next ten years there will be a dramatic change in terms of brand building within China (MR). There will be more strong Chinese brands in the future and therefore, the competitive landscape will change (MR). In the long run, it will be good for any global brand to be recognized in China (DH).

Further, the experts outlined the different market strategies for China. When dealing with a big country like China, it comes down to segmentation of the consumer market and evaluation of the biggest opportunities (MC; DM). The Chinese market needs to be divided into smaller niche markets (LY; DM). Although the opportunity is enormous, many companies still do not treat China as a complete market and take a short-term approach. These companies will keep making mistakes in terms of branding and brand naming (MB). Overall, the competitive landscape for a Western brand in China might look very promising, but ultimately the Chinese consumers are determining the success of a brand (MB). The goal for a company should be to create a long lasting relationship with the Chinese consumer, rather than only focusing on sales. This will enable long-term success (MB). Western brands need to understand that Chinese consumers are different. It is crucial for a company to know their target consumers and what they think about the product category (MB). Western companies can cater to the changing needs of Chinese consumers by adapting their products accordingly (e.g. shampoo) and keep investigating Chinese consumers (MR). In addition to that, companies should also have a team on the ground in order to cater to the rapidly changing needs of Chinese consumers (MB). They need to glocalize and establish corporations within China, which can lead to having a second headquarters and research and development centers in China (MR).

Localized marketing can be used for different areas or target groups in China, but it should always remain linked to the same core values and story of a brand (VD, BM, MB).

According to different experts, brands can be localized on the product level (product adaptation e.g. different formulas for Asian hair) or via the product proposition, which can be adjusted to certain values that are relevant in the market (MC; DH). When it comes to localizing a brand name, a company has several options, which depend on the brand itself, the positioning and the strategy (BM, MB; MR; DH; DM; VD). Some Western brands want to bring a global myth to the market and, therefore, do not need to localize their brand name (MR). Experts also believe that using a global name works very good within the premium sector, wherefore some multinational brands like to retain their English brand name since it shows international expertise (DM; MR; VD). Using a global company brand name and a Chinese product name is a way of combining a global and local approach (DH; LY). Overall, there needs to be a balance between localizing and staying global in order not to lose the premium touch of a foreign brand on the Chinese market (MR). On the FMCG market (mass market) Western brands have to compete with Chinese brands. Therefore, they need to compete more on local terms. However, it will be a balancing act between localizing and conveying the foreign (more upscale) image (MR).

Some Western FMCG companies have local (acquired) brands on the market that are fully localized and compete with Chinese brands, and in addition to that Western brands that convey a more premium image (MR; MC). Moreover, there is a tendency that foreign sounding brand names in China are perceived as something very desirable (DH).
5.2 Sociocultural

During the in-depth interviews almost all experts, except one (MRO), mentioned the importance of culture when it comes to brand naming in China (BM; DH; DM; MB; MC; MR; LY; VD). Both the historical background of a country and the changing cultural dynamics have to be taken into account when it comes to brand naming (VD; MR). Furthermore, cultural differences have to be considered. Especially in China, because cultural plays a far more important role than in Western countries (DH). Thus, cultural meanings always have to be taken into account in order to avoid mistakes in brand naming (MC; MR). For example, colors or animals can be perceived differently among diverse cultures. (DM; DH; MB; LY). The color yellow or the name yellow can mean something related to pornography (DM). Whitening crème, for example, is communicated differently in different Asian countries, due to the varied connotations. Therefore, the same product might need a different name in different countries (LY).

Cultural connotations can change through a social event, which relates to cultural social dynamics. These cultural dynamics have to be taken into account when it comes to brand naming (VD; MR). Another point linked to cultural connotations is lucky numbers and letters that influence Chinese consumers. However, it seems that it is not as essential that it can prevent a brand from succeeding. For example, iPhone 4 can be linked to “death”, in Chinese, since the pronunciation of “4” is the similar to the word death (VD). However, it did not prevent the product from succeeding.

When it comes to Chinese consumers, the experts describe them as constantly changing (DM; MR; MB; VD). Especially young and well-educated consumers are much more exposed to Western lifestyles. Furthermore, they are extremely well informed and aware of brands and their position on the market (MB). They are using mobile phones, computers and the Internet in order to get information on brands and products (VD). Further it can be stated that the youth is becoming more sophisticated (MR, MB). When talking about fake brands, buying false products is not attractive for most young consumers. They see it as a reputational risk that they do not want to take (MB).

In general, the incomes and lifestyles of Chinese people are changing (MR; VD; DM). Both old and young Chinese are using brands as a way to manifest their maternity (MB). Owning brands means to participate in a modern economy. It is of importance for Chinese consumers not to be left behind (MB). Overall, Chinese consumers value foreign brands and are willing to pay more for them because they bring in better quality and better stories (MR). In addition to that, being part of a global tribe is an important factor when it comes to the perception of Western brands. Chinese consumers are keen to show that they can afford certain brands (MR; DM; MB) Additionally, Chinese consumers are becoming more confident and critical towards brands (MR, MB).

When discussing whether or not education and location play a role when it comes to the perception of a brand, the marketing manager of L’Oreal explains that their segmentation of the Chinese market stays limited to age, price, communication and distribution (LY). Education does not play a role for them since luxury products attract also less-educated people with money (LY). Other experts do believe that education plays an important role for brand naming (MC; VD) and in order to educate consumers via a brand name, a company needs to know the current level of education of consumers (DM). Another expert stressed the point that brand names are not the only way to educate consumers (MB).
There is a big difference between Chinese consumers who come from the countryside or urban areas (MR; MB; VD; LY). The level of education varies per region, where especially in urban areas and in Hong Kong consumers are very well educated (MC). They further have different perceptions and interpretations of brands based on the media and social cues they get (MB). Different regions in China can also mean that a different dialect is spoken. It is important for brand name to be pronounceable in the main dialects, Cantonese and Mandarin (DH). Henkel, for example, considers different dialects, when the area in which they are spoken is big enough (MC). This gets confirmed by another expert who states that the main dialects of the Chinese language have to be considered when it comes to brand naming (VD).

5.3 Linguistics

In all in-depth interviews, except the ones with (MB) and (MRO), linguistics aspects of brand naming in China have been discussed. The experts agreed that linguistics is a crucial factor when it comes to brand naming in China (BM; DH; DM; MC; MR; LY; VD).

The main reasons for this is that the Chinese language is completely different compared to Western languages, which greatly affects brand naming in China (MR; VD; DM; BM). A Chinese brand name consists of different characters that have a meaning (VD). Every single Chinese character has certain social associations and connotations, hence, a Chinese brand name gets always associated with meanings (BM).

The sociolinguistics component of the Chinese language is of utter importance. The majority of experts mentioned the crucial importance of semantics when it comes to brand naming in China (BM, DM, DH, MC, MR, LY, VD). It can be stated that brand naming is a very cultural thing and that it is highly important to take the meaning of characters into account (MC; DM; DH). Therefore, Western companies need to be careful, since brand names in Chinese imply a meaning, which can lead to negative connotations. This is a major difference to Western markets and makes the brand name more important in China (MR). Thus, Western brands need to consider the meaning of their name in Chinese. Especially the question if it is conveying any negative or positive associations (DH). A company has to make sure that all possible connotations are positive and do not link to anything that can potentially be perceived negatively (BM). Even if an English brand or product name does not mean anything, Chinese consumers will put some kind of meaning to it, because that is part of how they use language (MR).

In general, there are two types of semantics in brand names. One where the brand name has a semantic meaning that has a strong association within the Chinese culture and another where the brand name conveys a meaning that is relating back to the brand. For example, the Hong Kong and Shanghai Banking Cooperation (HSBC) is called “汇丰” (Wei Fong), which means accumulation and fertility (VD). This can be linked back to brand identity.

Given the sociolinguistic characteristics of the Chinese language, it is obvious that marketers try to attach positive meanings to their brand names (LY). Names that incorporate Chinese values such as happiness or auspiciousness are good to use, but they cannot be the starting driver when it comes to creating a brand name (VD). Preferably, the meaning of the name should have some kind of relationship to the brand or product (MC). This is of course not always possible, but should be aspired (DM). If a Chinese name has no relation to the product or brand, money needs to be invested in order to explain the
reason of the name to Chinese consumers (MC). A name that matches these criteria and resembles the product identity while conveying positive connotation is the French brand "Carrefour", which is called “家乐福" (jia-le-fu) in Chinese, and translates to “family happiness” and “luck” (LY; DM). Another good example for a brand name that is incorporating a clear meaning and aspiration is "Perrier", the sparkling water. The name is translated to “巴黎水” (pa li shui), which means water from Paris. This builds the image of a premium water by linking the name to the elegance of Paris and its lifestyle (DM).

Chinese brand names should meet semantic, phonetic and morphologic requirements (DH). Brands need a name that is easy to remember (BM). The best brand names in Chinese are very simple, easy to write and read and also relate to the English pronunciation. Furthermore, the meaning of the name should be very rich and convey positive associations (MC). However, there is no unique rule for choosing one certain translation or Chinese adaptation of an English or alphabetical brand name (VD). Brand names can be translated semantically, phonetically or in a combination of both (VD; BM). Sometimes it is a good option to keep the Western brand name, as long as the way it is pronounced in Chinese does not lead to any negative meanings (DH). As already stated above, the pronunciation of a Western brand name in Chinese is very important, since it might convey a negative or positive meaning (MC).

A phonetic translation is used when the Western brand name sounds good in Chinese and does not convey any negative meanings (VD; BM). An example of a pure phonetic translation of a brand name is "Adidas", which is translated to “阿迪达斯” (a di das se). The Chinese writing of the name is just helping Chinese people to pronounce the brand name (VD). As stated above, it is still important to consider the meaning of these characters. If a phonetic translation of a Western brand name leads to negative meanings, the translation gets adjusted in order to neglect them. In such a case, the Chinese pronunciation is similar to the Western brand name, but not exactly the same (BM). Companies can of course also choose to create a complete new name with Chinese characters. In this case, the name is based on the brand values that are given to the brand (BM).

As stated above, brand names can have both a phonetic and semantic translation. For example "Henkel’s brand Schwarzkopf" is translated to “黑人头” (hei ren tou), which sounds similar to the English pronunciation of Schwarzkopf and the characters also have a meaning (black hair person) that is related to the brand (MC). One of the best examples in Chinese brand naming is "Coca Cola’s Chinese brand name" (MC). The name is a perfect combination of phonetics with a positive and suitable meaning (VD). It is a real benchmark and can be classified as one of the classical cases in Chinese brand naming. However, not every Western brand has the potential to develop a name like "Coca Cola" (BM).

Another finding that was derived from the interviews is that certain brand names have become less important, especially when they are too academic and complicated (LY). Chinese consumers tend to create their own names for products, when discussing it both online and offline. These nicknames became very popular over the last few years (LY). These “consumer-created” brand names also bear specific meanings that relate to the product attributes. For example, "Lancôme essence", which is referred to as “小黑瓶“ (Xiao Hei Ping) meaning little black bottle. This relates back to the fact that the product comes in a small black package (LY). A similar observation was made when it comes to the way that Chinese consumers are searching online for brand names (VD).
5.4 Legal

Throughout the different interviews, all experts have pointed out the importance of legal aspects for brand naming in China (BM; MRO; MC; DH; MR; VD; LY; DM; MB). An important part of the legal aspect is trademark registration, which is often neglected by companies because they focus too much on the creative side of brand naming (DH). In order to be legally protected, a brand name should always be registered via the Chinese legal system (MC; MRO; VD; DH). This system is very different from the European or American system and companies should not apply their own rules in China (MRO). However, the legal framework in China does offer a lot of opportunities for companies to protect their brand names. When companies use this framework correctly, they can get very far in protecting their brands and brand names (MRO). However, Western companies still make a lot of mistakes when it comes to trademark protection in China, which contributes to the very poor reputation of China related to intellectual property protection (MRO).

In order to avoid these mistakes, companies have to be aware of the rules and regulations within the registration process. One of the experts states that a brand name needs to have enough distinction by legal standards in order to be protectable in China (DH). Moreover, in international law it is forbidden to claim or to monopolize a word that is used in daily speech for a brand name. However, in China quite often exceptions are made and special names are developed (DH). Companies also always need to translate their brand name into Chinese in order to be able to register it (MRO; DH). From a creative perspective, it is good to generate a lot of names in the beginning, since the legal constraints are very arduous in China. Thus, it is good to have a few options to choose from (VD).

It is vital to register brand names as soon as possible, because different brands within the same category often want to use similar names (BM; MRO; LY). The initial registration can be done very quickly and relatively cheap. The average costs are around 500 US-dollar (MRO). However, the final registration process can take up to one year (MRO). It is a big mistake if companies do not take trademark protection seriously, since other parties will take advantage out of this (MRO). Moreover companies have to be aware that the Chinese government has strict rules concerning to which category the product belongs (DM; MRO). Chinese product names, for example, always need to mention the special function of the product. When the product changes, the name has to be changed as well. Therefore, some Chinese product names became very long (LY). It is necessary to register a brand name for the whole product family (MRO). However, it is impossible to register brand names in every product category, hence, companies should focus on the related categories (MC).

When discussing the topic of counterfeiting with the different experts several issues came up. Overall, the perception of counterfeiting in China is different compared to the West. It is often perceived as a smart decision and a fine art, rather than a criminal act. However, this perception differs among Chinese (MR). Since China is in a different economic developing stage people have different priorities. When China will be a developed country, this might change (MRO).

After joining the WTO in 2001, brand protection became more important (DH). Nevertheless, China is a very big country, which means that the government authorities have to handle a lot of cases. In addition to that, the authorities and police force do not follow up as much as they could when they receive a complaint regarding trademark
violation (MRO). Since the Chinese legal system is focused on evidence, not on reason, information is crucial. This is particularly important in the fight against counterfeiting. Therefore, companies need to gather sufficient information on the counterfeiter in order to be able to react (MRO).

Counterfeiting is affecting brands in China, but since there are so many trademark violations, actions against counterfeiting have to be taken case by case (LY). Both Henkel and L’Oreal use their legal department and legal agencies to fight counterfeiting (LY; MC). Moreover, companies should not take their losses, but make very calculated choices whether or not to file a case. Companies need to choose their battles and consider what is important to them. Good legal consulting can help to take the right steps against counterfeiting and trademark protection (MRO).
6 Analysis

In this section, the factors that have been derived from the theoretical review of brand naming in China will be confronted with the findings deducted from the empirical research.

Subsequently, the authors will crosscheck the established theory and their implications for brand naming (see 2.1 “Brand Naming in China”) with the empirical findings (see 5. “Empirical Findings”). By evaluating and verifying the propositions that have been developed in point 3. “Approach of Study”, the authors will be able to conclude this thesis by answering the overall research question: What are the crucial factors for successful brand naming in China?

6.1 Marketing

The factors that have been established within the theoretical framework are displayed in the figure below.

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**Fig. 7 Factors Marketing Perspective Reviewed (by authors, 2012)**

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**Factor: Brand name function**

$P^1$ Brand names in China have the same function as in the West.

The essential role of a brand name that has been established in the basic theoretical foundation of this thesis (see chapter 2 “Branding”), has been confirmed by several experts (BM; DH; MB; MC; MR; VD). A brand name identifies the brand on the market and all assets of a brand are closely tied to the brand name (Kapferer, 2008). This is not different in China (VD; BM; MR). The proposition that was stated by the authors in the theoretical foundation has been proven right throughout the empirical research: the concept of branding and the construct of a brand do not change in China and brand names, therefore, are also tied to brand equity and have the purpose of identifying the brand, building brand awareness and contributing to the value of a brand.

It should further be mentioned that a brand name should meet the long-term strategy of a company and be in line with the branding strategy (DH). The fact that a brand name can add value to a product and, therefore, contribute to brand equity has been already proven by many acknowledged researchers (Aaker, 1991; Keller, 2011; Kotler & Armstrong, 2008; Kotler & Keller 2009). However, the authors argue that this is particular important for brand naming in China, since brand names can have even an bigger impact on brand equity than in Western countries, which will be proven throughout the whole analysis.

To conclude, the brand name function is a factor for brand naming in China. It can be stated that the concept of branding and the construct of a brand do not change in China. Consequently, brand names are also tied to brand equity and have the purpose of
identifying the brand, building brand awareness and contributing to the value of a brand. Further, the authors argue that brand names in China can have even a bigger impact on brand equity than in Western countries.

Factor: Market characteristics

It is crucial to have an understanding of China’s complex and rapidly changing consumer market when it comes to brand naming.

When discussing the role of a brand name, it is clear that the name somehow needs to be related to the product category and should create favorable associations within consumers’ minds (Kapferer, 2008). The authors derived both from empirical findings (point 5.1) and the established theory in point 2.2.1 “Marketing perspective” that the perception of brand names is different in China. The interpretation and perception of a brand is strongly influenced by cultural values (Eckhardt & Houston, 2002), thus, brands are perceived differently in China. Cultural implications for brand naming in China will be discussed later during this analysis (see point 6.2). However, another important factor for brand naming in China are the specific Chinese market characteristics. In a country with such a different economical landscape, marketers need to have detailed knowledge and understanding of China’s complex and changing consumer market in order to successfully operate on it (Li and Loconto, 1998; Eckert et al., 2004). This is also acknowledged by different experts (DM; MB; MC MR; LY). If companies see the Chinese market too superficial, they will keep making mistakes (MB). On expert even claimed that only a few companies really grasp the Chinese market and understand what branding is about in this complex environment (MR).

The authors believe that the most important characteristic of the Chinese market is the fact that China is an emerging market (as discussed in point 2.2.1.1). An emerging market is characterized by exponential growth and the fact that it is not yet saturated (Khanna & Palepu 2010). Before the open-door policy in 1979, Chinese consumers had very limited options in the marketplace and goods were produced by state-owned enterprises in a strictly regulated market (Schmitt, 1999). Therefore, Chinese consumers did not grow up with a wide variety of different brands and products, which has a crucial effect on brand naming in China. This has also been affirmed by multiple experts (DM; MR; MC; LY). Thus, Western brands do not have a long legacy in the market wherefore the brand itself or even the product can be completely new to Chinese consumer (LY; MC; DM). Costa (2011) states that overall, brand awareness in China is growing. One of the experts stated that building brand awareness is one of the biggest challenges for a new brand in the Chinese market (BM). Further it was established that brand names could significantly contribute to the success or failure of new products or services (Kotler and Armstrong, 2008), which is especially true for the Chinese market (MC; DH). Although there might be a lot of opportunities in China, due to the low product penetration (MC; LY; DM), companies need to carefully think about their branding strategy before entering the market. Costa (2011) also affirms this while addressing the complexity of the Chinese market and recommending companies to review their branding strategy. This links again to the already mentioned importance of understanding Chinas complex and changing consumer market.

In general, China offers a promising situation for Western companies since consumers in emerging markets are willing to pay a premium price for foreign brands (Arnold & Quelch, 1998). China’s promising marketing opportunities also got affirmed within the empirical
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findings (MC; DM; LY; MR). Additionally, it can be predicted that an increasing number of consumers will trade up to exclusive foreign brands as the economy develops. However, consumers in an emerging market are also becoming rapidly more value-conscious and more demanding towards foreign brands. This point has also been mentioned by one expert (MB), who described that Chinese consumers are becoming more demanding, which can also be linked back to established theory (Arnold & Quelch, 1998). Therefore, it can be concluded that if companies want to succeed in China in the long run, understanding Chinese consumers and establishing long-term relationship with them is crucial. This also relates to brand naming. If companies can manage to build strong brands and position them in new product categories, before the market is saturated, it will pay off in the long run. Brand names are an essential part of this, since they are closely tied to the brand identity and thus are potentially the most valuable assets for many companies (Aaker and Joachimsthaler, 1997). Ries and Trout (2000) also underlined this by stating that the brand name is the one element a company hopefully never has to change.

The factor “Market characteristics” needs to be incorporated when it comes to brand naming in China. Both the reviewed theory and empirical findings illuminate that the specific marketing environment of the Chinese market is greatly influencing the role of brand naming. To conclude, it is of utter importance to have detailed knowledge and understanding of China’s complex and changing consumer market.

Factor: Adaption

P³ Companies need to adapt their brand naming strategies to the Chinese market conditions.

Another point is that companies need to adapt to the needs of the Chinese consumers (MB; MR; MC). This can include adaptation of the product itself (e.g. taste, shape) but also the positioning of a product (Eckert et al., 2004). One example that was discussed during the interviews was the product adaption of a shampoo by Henkel. The company adapted the product formula, which originally came from Europe, to the specific attributes of Chinese hair (MC). Where this is one way of adapting, adaption can also happen on the brand level.

In the theoretical foundation it was discussed that global brands need to localize their brands to some degree in order to meet the needs of Chinese consumers (McDonald & Roberts, 1990). The empirical findings indicate that a majority of the interviewed experts believe that the decision to localize a brand name or not depends on the brand identity itself, the positioning and the strategy (BM, MB; MR; DH; DM; VD). A global name, for example, can work very well within the premium sector, wherefore some multinational brands like to retain their Western brand name, since it shows international expertise and gives the brand a premium touch (DM; VD; MR). It also brings a global myth to the market, which caters the needs of certain Chinese consumers (MR). The authors believe this is a crucial point, because it illustrates how strategically influenced the brand naming decision can be. One has to keep in mind that whenever a company enters a new market, there is the opportunity to evaluate the best possible options. Certainly, a Western brand name works very well in the premium sector, however, when it comes to the FMCG-market different aspects have to be considered. First of all, there are complete different competitive environments on the premium market and FMCG-market. There are very few Chinese premium brands and, consequently, less local competitors for Western brands (MR). The foreign origin contributes to the upscale image of Western premium brands,
which will contribute to their brands positioning. However, on the FMCG-market there are a lot of local brands that are competing with the upscale, foreign brands (MR). In this case, Western companies need to compete more on local terms. Understanding the competitive environment in the targeted market segment is key in order to choose the right brand naming strategy. One expert also discussed this topic and concluded that there should be a balance between localizing and staying global in order to not lose the premium touch of a foreign brand on the Chinese market (MR). The authors think that this is a highly interesting thought that also relates to the brand portfolio of a company. As briefly mentioned in point 2.1.6, brand naming decision can be very strategic and cater to the overall brand portfolio management.

Another approach that has been discussed during the expert interviews is to use a global company brand name and a Chinese product name, which is a way of combining a global and local approach (DH; LY). This brings the benefit of conveying a foreign, upscale image and also the opportunity of adjusting the brand name to the perception of Chinese consumers.

The authors derive from this discussion that the choice whether to localize a brand name or not, does not only depend on the own brand identity and positioning, but also on the competitive landscape and chosen market strategy. A German car brand or Italian fashion label is more likely to keep its Western brand name in order to convey their superiority and quality, where a Western washing powder brand might chose a full localization of the brand. All these aspects have to be taken into consideration when companies define brand names for their products in China. Therefore, it can be concluded that the factor “Adaption” is fundamental for any company that wants to operate on the Chinese market.

6.2 Sociocultural

The factors that have been established within the theoretical framework are displayed in the figure below.

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**Figure 8** Factors Sociocultural Perspective Reviewed (by the authors, 2012)

**Factor: High-context culture**

Arnould and Thompson (2005) address the importance of the sociocultural background of a consumer. This implication is followed by Eckhardt and Houston (2002) who link the importance of culture to brand naming by stating that marketers have to be aware of the cultural and social connotations a brand name can incorporate. Thus, cultural meanings always have to be considered in order to avoid mistakes in brand naming. When looking at the outcome of the conducted interviews, it can be stated that almost all experts (BM; DH;
DM; MB; MC; MR; LY; VD) affirmed the importance of culture when it comes to brand naming in China. The authors can therefore confirm the assumption that cultural and social connotations have to be taken into consideration when creating a brand name for the Chinese market. One example that illustrates the different perceptions among diverse cultures is the perception of colors (DM; DH; MB; LY). In China, the color yellow or the name yellow can mean something related to pornography (DM). This illustrates how vital the role of cultural connotation can be when it comes to brand naming.

The main reason why culture is so important for brand naming in China is the fact that they are a high-context culture. As (Hall, 1959) already concluded in the 1960's, there is a great difference between Western and Asian cultures. Western countries have low-context cultures, which leads to major differences in the way people perceive brands and brand names. High-context cultures use more elements surrounding a message, which means that the cultural context wherein the message is communicated plays an important role (Hollensen, 2011). This is highly influencing the way Chinese consumers perceive brand names, as the Toyota Prado example, discussed in 2.2.2, demonstrates. The importance of context was also confirmed during the empirical findings. Especially, the historical background of a country and the changing cultural dynamics has to be taken into account when it comes to brand naming (VD; MR).

The high-context culture of China is also illustrated by Ang (2007) who explains that certain numbers can have positive or negative connotations in China. However, according to one of the linguistic experts, connotations linked to numbers are not as essential that they could prevent a brand from succeeding (VD). The same expert provided the example of the iPhone 4, which in Chinese can be linked to “death”, since the pronunciation of “4” sounds similar to the word “death”. Therefore, the iPhone 4 clearly conveys negative connotations; nevertheless, it is very successful (VD). This questions the relevance of negative connotations. Nonetheless, the authors believe that connotations are essential. First of all, the older versions of the “iPhone” were already very successful and, therefore, the brand “iPhone” was established before the iPhone 4 was introduced to the market. Consumers already had a strong image about the iPhone in their minds. The author argue that this overruled the negative connotations communicated via the “4” in the name. This might have been different, if a complete new product with a 4 in the name would have been brought into the market.

Next to numbers, Hall’s concept of high-context culture can also be linked to the different Chinese values and virtues that can be incorporated within a brand name. These values and virtues include terms such as goodness, luck, happiness, prosperity, faithfulness, loyalty and courtesy (Leventhal, 1996; Lu, 2008). Incorporating them could be beneficial for establishing an emotional connection with the consumer in order to build a strong brand name. According to Degen (2009) virtues are the moral pillars that dictate the Chinese social behavior and, consequently, also consumer behavior. However, the experts endorsed that it might be good to communicate such values and virtues via a brand name (LY), but they should not be the starting point for building a brand name (VD). The authors deduce that if Chinese virtues and values are in any relation to the brand identity and the values of the brand, it can be beneficial to incorporate them in the brand name. Especially, since adapting to the culture in an unfamiliar market is an effective way to build strong brands (Melewar et. al, 2004).
The factor “high-context culture” leads to major differences in the way consumers perceive brands and brand names. Consequently, marketers need to be aware of cultural and social connotations a brand name can convey. Adapting to culture is an effective way to build strong brands. Therefore, incorporating Chinese virtues and values via a brand name can be beneficial. However, these virtues should be related to the brand identity and values of the brand.

**Factor: Changing values**

P5 *Although China is changing, traditional cultural norms and values still play an important role for brand naming.*

The Chinese consumer is constantly changing (DM; MR; MB; VD). Since China opened its doors in 1979 (Schmitt, 1999), the country and its inhabitants became more exposed to the Western world. This led to great changes among the Chinese society. One expert addressed these cultural dynamics, which imply that certain connotations and values can change through social events and cultural developments (DM). This is can be linked to the discussion about different generations in China (see point 2.2.2.3.1). Because of China’s dramatic transformation during the last 50 years, the country is experiencing great cultural differences among the living generations. Trends and events that normally define a generation change so rapidly in China, that it will only take a few years for generations to be formed (Eckert et al, 2004). However, what does that indicate for brand naming?

First of all, marketers need to acknowledge that there are diverse generations that might perceive their brand differently. This can of course also affect the perception of a brand name. Especially, the younger generations, who are more open towards Western influences, have a complete different perception than older consumers and are much more sophisticated (MR; MB). Conversely, Yan (1994) stated that although Chinese consumers get more exposed to Western culture and values, strong Chinese cultural norms and values remain embedded in the minds of the Chinese consumers. The authors agree with this theory. Nonetheless, one should distinguish between strong cultural values that are deeply rooted within a culture, and more flexible values that can be influenced and changed through changes in a society.

Chinese consumers are constantly changing. The transition of the country led to diverse perceptions and attitudes among different generations. However, cultural norms and values, which are deeply rooted within the Chinese society, are still important. When it comes to brand naming, marketers should not only consider these traditional values, but also the changing attitudes and needs among younger generations. To conclude, the “Changing values” should be considered as a factor for brand naming in China.

**Factor: Diversity among consumers**

P6 *The great diversity among Chinese consumers leads to different perceptions of brand names.*

With a population of 1.3 billion, China has a large, but also diversified group of consumers with various levels of education, income, lifestyle, beliefs and knowledge that are spread-out over a enormous area (Eckert et al, 2004). The diversity among Chinese consumers was discussed extensively during several interviews (MR; MC; MB; VD; LY).
When it comes to diversity, several researchers (Dong & Helms, 2001; Hedrick-Wong, 2007; Hunt, 2008) explain that China is a heterogeneous country where consumers have different values and perceptions towards brands and brand names. This is based on their sociocultural backgrounds linked to their geographic location, generation, education and profession. Where several experts (MR; MB; VD; LY) confirm this implication, the marketing director of L’Oreal states that not all differences within China can be taken into consideration when it comes to brand naming (LY). This is an essential statement, since it seems nearly impossible to cater to the great diversity among Chinese consumers.

One factor however, was particular emphasized by a few experts: the differences between consumers from the countryside and urban areas (MR; MB; VD; LY). This was also previously addressed by Hunt (2008), who describes the importance of understanding regional variations in China. These regional variations can also incorporate different dialects (see point 2.2.2.3.2). McDonald and Roberts (1990) describe the variety of major dialects and how they can complicate the brand naming process in China. Both linguistics experts confirm this implication and explain that the pronunciation of a name within different main dialects has to be taken into consideration when creating a brand name (VD; DH). Henkel, for example, takes the different dialects into consideration if the area in which the dialect is spoken is big enough (MC). Linking the theory with the empirical findings, the authors can interpret that the main dialects have to be taken into account when creating a brand name. While other differences among Chinese consumers might be ignorable, the pronunciation of a brand name certainly is an important aspect (see point 6.3).

Another aspect that concerns the diversity of Chinese consumers was discussed in the theory section by Dong and Helms (2001). They segmented Chinese consumers based on their education and profession (see point 2.2.2.3.3). Their findings indicate that the largest proportion of the Chinese population still consists of rural residents and urban middle class, with a moderate to low income and limited to no knowledge of the English language. This is quite a vital point when it comes to brand naming in China, which is also confirmed during the empirical findings. Companies need to somehow know the level of understanding of their target consumers (DM). Henkel’s marketing director, for example, believes that it is necessary to consider the level of education of their target consumers. He argues that education levels can vary extremely per location. In more urban areas such as Shanghai, Beijing and Hong Kong, consumers are much better educated than in rural areas. This influences their perception towards foreign brands and brand names (MC).

Based on the theoretical findings and their confirmation by the interviewed experts, the authors conclude that the “Diversity among consumers” is a factor that is influencing brand naming in China. The location, generation, education and profession of a Chinese consumer can influence his or her perception of a brand name. It is comprehensible that companies cannot take all these aspects into consideration, since it is nearly impossible to cater to the great diversity among Chinese consumers. Nevertheless, the authors believe that in order to create strong brand names, companies should define their target group very precisely and investigate their demographics and attitudes.
6.3 Linguistic

The factors that have been established within the theoretical framework are displayed in the figure below.

![Linguistic Perspective](image)

*Figure 9 Factors Linguistic Perspective Reviewed (by the authors, 2012)*

**Factor: Chinese language system**

Since the Chinese language system is completely different compared to Western languages, brand naming becomes a distinctive task.

The theory established in point 2.2.3, which emphasized the crucial importance of the linguistic component for brand naming in China, has been confirmed by almost all experts (BM; DH; DM; MC; MR; LY; VD). One key argument that was provided in the theoretical foundation of this thesis was that the Chinese language system is fundamentally different compared to Western languages. Thus, brand naming in China becomes a totally different task for Western companies (Chan & Huang, 1997; Chan & Huang 2000). This has also been acknowledged by different experts that have been interviewed for this study (MR; VD; DM; BM). The main point that came up during the conducted interviews was that Chinese brand names convey a meaning, which ultimately relates back to the Chinese language system and the fact that every single Chinese character does have a specific connotation (Chan & Huang 2000).

Based on this, it can be stated that the “Chinese language system” is certainly a factor that needs to be incorporated when it comes to brand naming in China.

**Factor: Sociolinguistics**

Sociolinguistics is essential for successful brand naming in China.

In almost all interviews, except the one with lawyer Maarten Roos, semantics of Chinese brand names have been addressed (BM; DH; DM; MC; MR; LY; VD) and, consequently, the topic of sociolinguistics was discussed extensively. This is also reflecting the theoretical framework of this paper, which dedicated a lot of attention to sociolinguistics (see 2.2.3.2). Downes (1998) argued that brand naming is an application of language symbols that have been shaped by factors such as cultural beliefs and values. A brand name can communicate specific attributes such as product benefits, beliefs or values. These attributes are also related to culture, meaning that the social cultural component or semantics of a brand name have to be taken into account (Chan & Huang 2001; Downes, 1998; Li and Shooostari 2003). The experts agreed with the crucial importance of semantics when it comes to brand naming in China (BM, DM, DH, MC, MR, LY, VD), which underscores the significance of sociolinguistics. Moreover, it shows that the people who are currently
working within the field of brand naming in China are not only aware of the sociolinguistics component, but also try to incorporate it in their work and use it to their advantage. This leads to the conclusion that sociolinguistics should not only be seen as a potential pitfall, as it is often discussed in scientific articles, but rather as an opportunity for marketers to create stronger brand names for the Chinese market by conveying positive meanings via the name.

During the interviews several ways of successfully attaching positive meanings to brand names were discussed. For example, the brand name of the French sparkling water *Perrier*, which is translated to “(pa lì shui). This name is incorporating a clear meaning and aspiration since it is translated to “water from Paris”, which contributes to the image of a premium water by linking the name to the elegance of Paris and its lifestyle (DM). This example illustrates how a brand name can contribute to the brand equity, while conveying a desired brand image. Kapferer (2008) addressed this while stating that a brand name can create favorable associations in the mind of a consumer. Another example that was discussed was the Chinese brand name of *Carrefour*. The brand is called “(Jia-le-fu), which means “family happiness” and “luck” (LY; DM). This name also conveys positive connotations and is additionally related to the Chinese virtues that have been discussed in “Sociocultural Perspective” (see point 2.2.2).

One could argue that it is particularly favorable to attach brand names to values that are deeply rooted within a specific culture. This has been also addressed in point 6.2, which opens up an interesting discussion. During the interviews, one expert classified semantics in two types. One in which the brand name has a semantic meaning that has strong associations within the Chinese culture and another type in which the semantics convey a meaning that is relating back to the brand or product itself. An example for the second type of semantics is the name of *Hong Kong and Shanghai Banking (HSBC)*, which is called “(Wei Fong) in Chinese. The name means accumulation and fertility (VD), which is related to the brand identity and image of HSBC. This differentiation between semantics goes beyond the established theory of sociolinguistics in point 2.2.3.2, however, it brings up an interesting point. The question if semantics, which relate to values that are deeply rooted in Chinese culture, are more efficient than semantics that “only” relate to the brand or product. One expert stated, that it is good to incorporate Chinese values such as happiness or auspiciousness, but it should not be the starting driver when it comes to creating a brand name for the Chinese market (VD). This is further confirmed by two experts that state that the name should preferably have some kind of relationship to the brand or product (MC). This is of course not always possible, but should be aspired (DM). Thus, it can be stated that a majority of experts were of the opinion that the foundation of a brand name should be the product or the brand itself, not certain Chinese virtues that convey positive connotations (VD; MC; DM). This can be also linked back to basic brand naming theory that states that a brand name should imply product benefits and qualities (Kotler and Armstrong, 2008). Nevertheless, the authors of this thesis argue that the question what kind of semantics are more efficient is an interesting point.

When looking at “Sociolinguistics” as a factor for brand naming in China, it becomes evident that it is an absolute necessary element. Both the rich discussion in the theory section as well as the empirical findings underscore the importance. Marketers need to consider the meaning a brand name can convey since the semantics of a brand name can either damage or contribute to the brand equity. In general it should be mentioned that sociolinguistics should not only be seen as a potential pitfall but rather as an opportunity
for marketers to create stronger brand names for the Chinese market by conveying positive meanings via the name.

**Factor: Criteria for a good brand name**

P9 *The criteria for a good brand name (phonetic, morphological and semantic) are also valid in China.*

In the theory section of this thesis it was stated that there are three linguistic requirements for a brand name: phonetic, morphological and semantic (Chan & Huang 1997). So far, only the semantic component has been stressed during this analysis. However, the phonetics and morphology are also an important part of a brand name (Kotler & Armstrong 2008; McCarthy & Perreault’s 1987). This has been confirmed in the empirical findings as well, where it was discussed that a Chinese brand name should meet semantic, phonetic and morphologic requirements (DH; BM). This shows that a Chinese brand, despite all the meanings it might convey, also needs to fulfill the basic criteria of a good brand name. For example, that it sounds good (phonetic) and is memorable (morphological).

One could argue that this is the basic foundation of a brand name that does not change in different countries and cultures. However, the way to fulfill these criteria is different in China. Therefore, Western companies need to carefully consider the linguistic features of the Chinese language when operating on the Chinese market. One very important fact in this matter is that it does not play a role if companies are going for a translation or not, Chinese consumers will attach some meaning to the brand name (MR, MC). Meaning if a company decides to use their foreign name in China, the way Chinese consumers pronounce it needs to be considered (MC). This leads to the conclusion that a company needs to take the Chinese pronunciation of their Western brand name, and the meaning it conveys, into account when operating on the Chinese market. Therefore, sociolinguistics play a role, even if a brand name is not translated into Chinese characters, because Chinese consumers will build their own translation based on their pronunciation. This was also addressed within the theoretical foundation (see point 2.2.3.2), while discussing the case of *Coca Cola* (Alon et. al, 2009; Dong & Helms, 2001; Li & Shooshtari, 2003).

Briggs (1986) also stated that the structure of a name should not be the only concern of marketers and that the role of context is crucial. The danger of only focusing on the phonetic translation of a brand name was very evident for the experts. They were well aware of the characteristics of the Chinese language and its pitfalls. One could argue that this is very obvious, since all experts are working within the Chinese environment and, therefore, should be familiar with the Chinese language. Nevertheless, the authors believe that this is an important finding.

As indicated above, the phonetics of a Chinese brand name cannot be seen isolated from its semantics. Companies should carefully consider if and how they translate their brand name. The option to not translate a foreign name can be good, as long as the name does not imply any negative connotations (DH). This is a major issue, since companies also need to think about what meanings the Chinese pronunciation of a foreign brand name can convey. It is of utter importance to ensure that all possible connotations are positive and do not link to anything that can potentially be perceived negatively (BM). This became very clear during the empirical findings and is coherent with the theory and articles that have been discussed within the point 2.2.3 “Linguistic perspective” (Alon et. al, 2009; Chan & Huang, 1997; Dong & Helms, 2001; Li & Shooshtari, 2003; McDonald & Roberts, 1990).
A point that goes beyond the established theory in 2.2.3 is the fact that Chinese consumers even create their own brand names. This is a highly interesting point that came up during the interview with L’Oreal’s marketing director, Luo Ye, who pointed out that some brand names have become less important since they were too academic and complicated. The Chinese consumers henceforth create their own “nicknames” for a brand (LY). This can be linked back to the morphological requirements of a brand name (i.e. short, simple and memorable) that have been discussed within the theoretical foundation (Chan & Huang, 1997). Furthermore, these “consumer-created” brand names also bear specific meanings that relate to the product attributes. For example, “Lancôme essence” which is referred to as “小黑瓶” (Xiao Hei Ping) meaning “little black bottle”. This relates back to the fact that the product comes in a small black package (LY). So, they are also conveying a semantic meaning that is related to the product.

One point that was already mentioned during this analysis is that marketers try to attach meaning to their brand names. Coca Cola’s current Chinese brand name “可口可乐”, which is pronounced “kě-kǒu-kě-lè” and can be translated to “tastes good and makes you happy” or “can-be-tasty-can-be-happy” can be considered one of the best practices of Chinese brand naming (Li & Shooshtari, 2003; Dong & Helms, 2001). This example was also broad up during several interviews (MC; BD; BM; MR). It can be classified as a real benchmark, since it is a perfect combination of phonetic requirements (appealing pronunciation that resembles the English brand name), morphological requirements (simple and short) and a positive meaning that relates back to the brand (semantics). This illustrates, that marketers can take the established linguistic criteria for a brand name (i.e. phonetic, morphological, semantic requirements) as a foundation for brand naming in China. However, these criteria need to be reviewed in front of the linguistic features of the Chinese language. By catering to the specific requirements of the Chinese language, marketers can create very strong brand names.

It has been proven that the “Criteria for a good brand name” is a factor for brand naming in China. Phonetic, morphological and semantic requirements do also apply in China. However, these criteria should be reviewed in front of the linguistic features of the Chinese language. By catering to the specific requirements of the Chinese language, very strong brands can be created.

### 6.4 Legal

The factors that have been established within the theoretical framework are displayed in the figure below.

<table>
<thead>
<tr>
<th>Legal Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese legal system</td>
</tr>
<tr>
<td>Brand name protection process</td>
</tr>
<tr>
<td>Counterfeiting</td>
</tr>
</tbody>
</table>

**Figure 10**: Factors Legal Perspective Reviewed (by the authors, 2012)
Factor: Brand name protection

P10 Legal protection of brand names in China is of utter importance.

During the literature review, the authors of this thesis came across several studies (Chevalier & Lu, 2010; Huang & Qian, 2011; Alon, et al, 2009) that stressed the importance to legally protect brand names in China. This was also highlighted by all experts (BM; MRO; MC; DH; MR; VD; LY; DM; MB). During the interview with lawyer Maarten Roos, the “Legal Perspective” (see 2.2.4) questions were discussed more in-depth. Nevertheless, legal protection of brand names was mentioned in all interviews and the fact that several experts elaborated on its importance, confirms their vital role as a factor for brand naming in China.

Factor: Trademark registration process

P11 Companies need to comprehend the different steps of the Chinese trademark protection process.

As described in the “Roadmap for Intellectual Property Protection in China” (IPR2, 2008), it is not possible to register one single trademark that will automatically apply all around the world. Devonshire-Ellis (2012) outlines that having a trademark registered in the West does not provide any protection in China. Legal expert Maarten Roos confirms this and adds that the Chinese legal system is very different to the European or American system. However, he also stated that the legal system does offer a lot of opportunities for companies to protect their brand names, as long as companies know how to use it (MRO). When focusing on correctly protecting a brand name, both theory (Huang & Qian, 2011; Chevalier & Lu, 2010) and empirical findings (MRO; DH) affirm that companies have to be aware of the different rules and regulations within the registration process. The authors would like to emphasize these points, since they show that Western companies have all the instruments at their availability in order to protect their brand name.

One of these regulations is that brand name registrations in China should be done in different product categories. This includes categories the company is already active in and categories a company wants to be active in, in order to block the brand name from usage by others (Devonshire-Ellis, 2012). Since the same point is brought up by the legal expert and both marketing directors (MRO; MC; LY), the importance of category registration can be confirmed. Linking this to the already mentioned fact that product category penetration in China is rather low (see point 6.1), the authors believe that category registration should be stressed even more.

Different rules regarding to which category a brand name belongs have been discussed by the experts (DM; MRO; LY). Chinese product names, for example, always need to mention the special function of the product. This means when the product changes (e.g. different formula) the name has to be changed as well. Therefore, some Chinese product names became very long (LY). The authors derive from this finding that it might even complicate the whole naming process, since product names have to be adjusted on a regular basis.

Regarding the registration process itself, the legal expert states that it is relatively easy and quick, it takes around one year and costs approximately 500 US-dollar (MRO). This is contradicting to the time frame giving in the theory section of this paper, which states an
estimated period of two to three years. Nevertheless, the trademark registration process should be one of the first steps a company takes before starting to operate on the Chinese market (BM; MRO; LY). This can be linked the first-to-file policy, described in the theory section (IPR2, 2008). This policy gives people the right to register a brand name in China without actually using it. The authors can derive from these findings that managers not only have to be aware of the different Chinese legal system, the importance of registration and the category processes, but also have to act fast when it comes to brand name registrations. Lastly, Alon et. al (2009) and Yan (2012) explain that companies are often advised to register similar sounding translations for their Chinese brand name in order to avoid confusion. This belief is not further stressed by the experts.

To conclude, every trademark has to be registered in China in order to be legally protected. Managers have to be aware that brand names have to be registered separately for each product category. Even though a company might not be present in China yet, early registration of brand names is encouraged since the first-to-file system applies. As mentioned above, legal protection of brand names plays a vital role for brand naming in China. Ultimately, the protection of brand names is determined by understanding the Chinese legal system and following the correct procedures, such as the trademark registration process. This justifies “Trademark registration process” as a factor for brand naming in China.

Factor: Counterfeiting

Counterfeiting is affecting brand names in China.

Where the theory only briefly touches upon the subject of counterfeiting (Chevalier & Lu, 2010), several experts do point out this topic in more detail (MRO; MR; LY; MC). One of the experts stated that counterfeiting is perceived as a smart decision rather than a criminal act among some Chinese people (MR). Legal expert, Maarten Roos, explains that the authorities do not follow up as much as they could when they receive a complaint regarding trademark violation (MRO). The marketing directors confirm that although legal departments and legal agencies are consulted to fight counterfeiting, not all cases can be brought to justice, therefore companies have take it case by case (MC, LY). Nevertheless, companies should never take their losses and move actively forward against counterfeiting. Since the Chinese law system is based on evidence, companies need to obtain information about the counterfeiter (MRO). Therefore, the authors conclude that the protection of brand names is also determined by the information and knowledge a company possesses about the Chinese market. Given the extend in which counterfeiting occurs in China, companies need to pick their battles wisely and consider what is important to them (MRO), meaning not every single case of counterfeiting should be followed up by companies. However, the bigger cases should definitely be pursued (MRO).

To conclude the topic, “Counterfeiting” is still a major problem in China. Although it does not directly influence a brand name, it certainly has serious consequences for the brand image and brand equity. Therefore, companies have to make sure their brand name is registered correctly in order to take action against counterfeiting. Furthermore, they need to have sufficient information about the Chinese market and the counterfeiting activities, in order to take actions against infringements.
6.5 Holistic view

So far the empirical findings have been discussed in front of the four perspectives that were established in the theoretical framework. Although the authors believe in the significance of each perspective, they also acknowledge that the different perspectives and the factors within these perspectives can be related to each other. Therefore, the authors decided to also discuss the topic of brand naming from a more holistic viewpoint in which the interrelation between the perspectives will be addressed.

The factors within the marketing perspective can be seen as the foundation for brand naming in China. The brand naming decision itself is determined by the brand identity, the positioning and the market strategy. Additionally, the Chinese market and its characteristics have to be considered, which includes the penetration of product categories and the competitive landscape. It can be argued that the Chinese consumers could also be seen as part of the marketing perspective, nonetheless, the authors believe that they should be reviewed within the social cultural perspective.

During this thesis it was illustrated that different social backgrounds as well as cultural and social connotations are influencing the perception of brand names. Thus, there is a strong overlap between the marketing and sociocultural perspective. Due to China’s high-context culture, connotations become extremely important. These connotations can be directly linked to the semantic component of a brand name. This connects the sociocultural perspective directly with the linguistic perspective. Furthermore, it can be argued that the sociocultural perspective also affects the legal perspective. For example, counterfeiting is perceived differently in China than in Western countries. While the marketing perspective can be seen as the foundation, it can be argued that the sociocultural one is influencing all other perspectives that have been established in this research.

The linguistic perspective seems to be particularly vital for brand naming in China. Naturally, linguistic aspects are important for a brand name. However, in China they play an even more essential role. This has been extensively discussed during this study. A company can develop a brand name that is very good from a marketing perspective, meaning it is based on the brand identity, reflects the positioning and follows the chosen market strategy. However, if it does not cater to the specific features of the Chinese language, the brand name might convey negative associations and eventually damage the brand equity.

When looking at the legal perspective it becomes clear that companies need to consider the different factors within this perspective in order to protect their brand names correctly. The authors see legal factors as a basic element that every company should consider. However, they definitely should not be neglected since even simple mistakes in this area can damage a brand tremendously. Even the best brand name from a sociocultural, linguistic or marketing perspective is worthless, if it is not legally protectable.

To sum up, the different perspectives within this research show a clear overlap and interrelation of factors. Nevertheless, the authors still believe that it is valid to review brand naming from different perspectives and classify the most important factors in them. However, it needs to be emphasized that the perspectives should not be seen independently. Based on this outcome, it can be concluded that the model that has been provided in chapter 3 “Approach of Study” (p.22) does not accurately reflect brand naming in China and, therefore, needs to be revised.
7 Conclusion

In this chapter the authors will summarize the outcome of the analysis and answer the research question of this thesis.

The purpose of this thesis was to explore the different factors that are crucial for brand naming in China. The overall research question was defined as: What are the crucial factors for successful brand naming in China?

The findings derived from the literature review have been evaluated and tested of their applicability to the practice of brand naming in China. This has been achieved by means of the outcome of the empirical research conducted. The results confirmed the four perspectives that have been established within the theoretical framework of this thesis. Within each perspective, several factors have been identified and crosschecked via expert interviews. In addition to that, the factors have not only been confirmed but were further elaborated. Moreover, the authors came to the conclusion that the four different perspectives are interrelated and cannot be seen independently.

Based on these findings, the authors developed a model that displays the crucial factors for brand naming in China and illustrates their interrelation. This model answers the overall research question of this study (see Fig. 10).

![Model Brand Naming in China](image)

**Figure 10** Model Brand Naming in China (by the authors, 2012)

The authors would like to emphasize that the research at hand cannot be considered conclusive. It became evident that exploring the crucial factors for brand naming in China is a complex task, which cannot be fully accomplished by this qualitative study. However, the results do provide a valuable insight and overview of different factors that are vital for brand naming in China. Thus, this thesis can be seen as a foundation for further research.
8 Discussion

The last chapter provides a discussion that goes beyond the scope of this thesis. Furthermore, the limitations of the study at hand as well as opportunities for further research will be addressed.

The authors anticipated from the beginning of this study that more insights beyond the original scope of their research could come up. By using semi-structured in-depth interviews, the different experts were able to bring up every point they thought could be of importance when it comes to branding and brand naming in China. This freedom eventually led to several additional insights, which were not displayed in the empirical findings since they were not linked to any of the four perspectives. Nevertheless, the authors believe that these insights can be very beneficial and highly interesting for the reader, wherefore they are discussed in more detail below.

A first point that can be brought up for discussion is the role of the visual identity and its relationship to a brand name. Where this thesis primarily focused on the brand name itself, the authors recognize that also the visual component of a name (e.g. font, color) can be an important part of the overall perception of a brand name. Visual aspects can extend a brand name by using certain associations to convey characteristics of a brand. When looking at China as a high-context culture, these influences could play a vital role.

Another insight that went beyond the scope of this research is the influence of Internet for branding in China. With a rapid growing online population in China, a lot of potential consumers are online. This leads to the conclusion that as soon as a Western brand is available on the Internet, it has the potential to reach an audience all over China. This means that some brands, which are not even physically present on the Chinese market, can already reach the Chinese consumers. Chinese websites such as Renren (similar to Facebook), Taobao (similar to eBay) or Weibo (similar to twitter) enable the Chinese consumer to find and discuss Western brands. Thus, Western brands can be brought into the market by Chinese consumer themselves. With China being the fastest growing consumer market, every international brand with no presence in China might already has to start thinking how online consumers in China potentially perceive their brand. In this regard, the brand name becomes critical again, since it is an important touching point with consumers. With and expected middle class, four times the size of the US middle class in 2030 and a current internet penetration of only 37,7% (Lee, 2011), the authors believe that marketing brands to online consumers in China will be a big challenge for Western marketers within the next decades.

The next question that can be discussed is how much control a company has over a brand and a brand name. As established above, Chinese consumers can bring brands into the market autonomously. Another interesting point is that Chinese consumers even create their brand names. This was already touched upon during the analysis, where the marketing director of L'Oreal, Luo Ye (see point 6.3) explained that Chinese consumers create nicknames for certain brands. This brings a new aspect to brand naming in China. It clearly illustrates that companies can lose control over their own brand names at some point. This raises the question to what degree consumers can influence the brand identity.

Finally, the authors want to bring up the importance of project management for brand naming in China. As mentioned by several experts, many different parties are involved when it comes to brand naming in China, wherefore project management becomes crucial.
Multinational companies, such as Henkel and L’Oreal, are working with several local partners and external agencies. The significance of acquiring expertise through working with local partners who are specialized in the different perspectives of brand naming is certainly an interesting point. Companies need to build a network of experts that can all contribute to the desired outcome: a good brand name.

8.1 Limitations

The purpose of this research was to define the different factors that are crucial for brand naming in China. This is a challenging task when reviewing other studies conducted on brand naming in China, which usually only focus on one particular perspective. Therefore, the depth of each perspective and the provided factor can be questioned.

By focusing on the established four perspectives (i.e. marketing, sociocultural, linguistic, legal), the authors somehow limited their view of brand naming in China. There might be other perspectives and factors that have not been considered. Although similar factors were highlighted by the experts, which strengthened the overall outcome of this research, the authors believe that if more experts had been interviewed, several new insights could have come up. In addition to that, the authors also became more familiar with the topic of brand naming throughout the different interviews, wherefore it could be argued that the different interviews did not have the same depth and level of quality.

The authors believe that the experts have deep and leading knowledge on brand naming in China, however, the outcome of this thesis cannot be considered conclusive. Nonetheless, it provides an overview about the crucial factors for brand naming in China and can be used as a starting point for further research.

8.2 Further research

Based on the limitations discussed above, it can be argued that some of the perspectives and factors have not been discussed profoundly enough. Therefore, further research could be done in order to increase the understanding of certain factors.

In the beginning of their research, the authors set very clear delimitations. Within these delimitations, one can find several potential points for further research. One way could be to break brand naming in China down into a more specific research question. For example, brand naming in a particular sector or industry (e.g. luxury brands or B2B sector).

Further it would be possible to analyze brand naming in China from a very strategic point of view. For example, the question to what extent Chinese and Western brand names can cater to the overall strategy of a company and its brand portfolio.

Besides the already mentioned possibilities of further research, the authors also derived more potential starting points during the empirical study. These are mainly based on the discussion, which is presented in the beginning of this chapter. The impact of consumers’ online behavior for brand naming in China could be a new valuable research topic. Additionally, investigating the perception of visual identities in relation to brand names could be beneficial and would potentially increase the understanding of brand naming in China.
Another point that the authors would like to address, is the question to what extent companies have control over a brand name. It can be argued that consumers can bring brands into the Chinese market and even take part in the brand name creation itself. Considering the rapidly growing amount of Chinese online consumers, one can conclude that this is definitely a promising starting point for further research.

A final potential research topic that the authors want to mention is the importance of project management and its influence on the process of brand naming. Especially, when it comes to acquiring local expertise through external partners and the management of the different parties involved in the process of creating a brand name (i.e. linguistic agencies, legal advisors, consultants and market researchers).
List of references


LinkedIn (2012g) *Public profile Vladimir Djurovic* [Online], Available at: http://www.linkedin.com/in/djurovicvladimir (Accessed: 4 April 2012).


Appendices

Appendix I Interview Guides

Interview guide Legal, Interviewee: Maarten Roos. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Marketing, Branding, Interviewee: Mark Chan. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Marketing, Branding, Interviewee: Luo Ye. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Linguistics, Interviewee: Dolph Heyning. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Marketing, Branding, Interviewee: Interviewee: Lucid 360 (Dara MacCaba; Ben Miao). Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Sociocultural, Mary Bergstrom. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Linguistics, Interviewee: Vladimir Djurovic. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf

Interview guide Marketing, Branding, Interviewee: Martin Roll. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_I.pdf
Appendix II Transcripts of Interviews

Interview transcript Maarten Roos, 11 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Mark Chan, 12 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Luo Ye, 12 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Dolph Heyning, 12 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Dara MacCaba, 13 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Ben Miao, 12 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Mary Bergstrom, 18 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Vladimir Djurovic, 19 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf

Interview transcript Martin Roll, 24 April 2012. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_II.pdf
Appendix III Coded Interviews

Coded interview Maarten Roos. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Mark Chan. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Luo Ye. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Dolph Heyning. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Lucid 360 (Dara MacCaba; Ben Miao). Available upon request or under following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Mary Bergstrom. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Vladimir Djurovic. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf

Coded interview Martin Roll. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_III.pdf
Appendix IV Findings per Interview Categorized by Code

Findings per interview categorized by code Maarten Roos. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_IV.pdf

Findings per interview categorized by code Mark Chan. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_IV.pdf

Findings per interview categorized by code Luo Ye. Available upon request or under the following link: http://dl.dropbox.com/u/840909/Appendix_IV.pdf

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