Globalizing Chinese Brands: Perspectives And Strategy Implications

*Dr. Inder P. Khera

THE IMPORTANCE OF BRANDING

"The heart of marketing strategy is sustainable competitive advantage (SCA) and the heart of SCA is the brand." (Gao, Woetzel & Wu, 2003). Branding is arguably the most powerful commercial innovation and is often a firm's most important asset for future earnings. It allows the owner control over the management and reputation of the brand; helps enhance customer loyalty and create shareholder value. It also obligates the owner to be responsible for quality, performance and ethical practices regarding the brand. Brands have a powerful influence on customers, employees, and investors which, in a world of abundant choices, is crucial and strategic for commercial success. According to Webber (1997), to be successful over the long haul, brands must be viewed as reliable and trustworthy. They must consistently deliver a core value, performance, safety, service, design qualities, and positive emotional experience over time and across geographic boundaries. Brand differentiation is the critical factor which allows the owner to develop brand enhancements which create desirable customer value perceptions, allow the brand to sustain a price premium, create customer loyalty and facilitate brand extensions.

BRANDING IN CHINA

Modern commercial branding started in China with the advent of capitalism in the late 20th century. Even though rapid brand development has occurred during the past thirty years, China still lags far behind the West in branding sophistication. According to Li Guangdou of Beijing Huasheng Shidai Advertisement Co., China in 2005 had over 2 million registered trademarks but one out of every six registered companies had only one brand and, 25% of the trademarks were owned by foreign-funded companies.

In spite of such a short history, China's consumers seem to have embraced the concept of brands. Joe Wang (Ogilvy & Mather, Southern China) contends that this phenomenon is a result of repressed demand resulting from Mao's denial of commercial development of brands during his chairmanship. O'Leary (2007) quotes Mr. Wang, *"There were no brands; you had a lipstick from factory No. 463 of the Shanghai Chemical Co. and it was red. You were lucky to find it in stock in a store."* Chinese consumers and manufacturers are still more comfortable with the concept of products rather than brands. As a result, fierce price competition, rather than building brand equity has become the dominant business model. Cheaper local brands, which are often copies of Western brands, have much bigger market shares than MNC brands (Hollis, 2006), and the market remains dominated by pricing. Sales, not marketing, seems to be the hallmark of most Chinese brands and the emotional bonds which define true brands and provide increased margins are few and far between (Sudhaman, 2007). Chinese executives generally think of brands as a name, a logo, packaging, reputation etc. They are not so familiar with the positioning and identity of a brand in terms of consumers' emotional connections with brands (Lazarus, 2005).

In spite of being aware of high profitability enjoyed by well established foreign brands in China, most Chinese firms do not undertake the hard task and long-term investment required to build their own brands. Instead, they produce items similar to what is already on the market but for a lower price. This trend is also fueled by the fact that brand building produces no immediate returns and most Chinese firms, being short on technological sophistication, R & D experience, and product innovation, chase short-term market shares instead of undertaking long-term brand-building strategies. This leads to price wars and makes building brand equity nearly impossible (Ying, 2007). The result is a huge multiplicity of brands, most of which are merely identifiers rather than symbols of quality, reliability, prestige etc. with which consumers can develop emotional connections. Price trumps loyalty and margins become razor thin. Quality suffers and shortcuts become tempting and common, which further erodes quality and stifles innovation (Smith, 2004).

---

* *Professor of Marketing & International Business,* Raj Soin College of Business, Wright State University, Dayton, Ohio, USA.
E-mail: inder.khera@wright.edu

BRAND AWARENESS

According to The Gallup Organization, between 1994 and 2004, awareness of some brands more than doubled among affluent consumers in the three big cities of Beijing, Shanghai and Guangzhou. Awareness of Mercedes-Benz, for example, went from 39% to 76%, that of BMW jumped from a mere 11% to 69%, of Panasonic from 60% to 76%, and that of Samsung from 31% to 70%. Movius (2008) found that even the middle class large-city dwellers recognized an average of 63.9 luxury brands compared with 51.7 in 2006 and continued to exhibit enthusiasm and aspiration for foreign luxury brands, primarily driven by the desire for status, prestige, and social visibility. However, Hollis (2006) found that middle-class urbanites were beginning to move beyond buying brands solely on the basis of brand status (foreign brands) or price (Chinese brands), to valuing brands based on how well they met their specific rational and emotional needs. Perceptions of leadership and product quality were the main reasons for emotional connections with brands.

CHINA'S FAVORITE BRANDS

A 2004 China Marketing and Media Study (Asia Times Online, 2005), found that Lenovo computers, Sony digital cameras, Nokia mobile phones, Gree air-conditioners, Olay shower gel, Rejoice shampoo, Huiyuan juice, Peony bank cards, KFC fast-food restaurants and Nike sports shoes were, at that time, the most competitive brands in their respective categories. Only four of these were Chinese brands and the foreign brands enjoyed much greater loyalty than did the domestic ones.

Furthermore, domestic brands disappeared almost completely among affluent consumers (US$7,500 US$25,000 annual income) in the three major cities where brands like Adidas, Puma, Nike, Sony, Toshiba, Panasonic, Samsung, Nokia, and Motorola were mentioned most often. According to O'Leary (2007), the two most important criteria for such customers were brand name and quality, but they also expected value to be a part of that equation. These customers also associated Procter & Gamble, Unilever, and Johnson & Johnson brands with good quality while the only Chinese brands they were enthusiastic about were appliance and computer maker Haier and PC maker Lenovo. This is an important group because the ranks of these middle class consumers is predicted to swell to around 520 million, or about 61% of the urban population, by 2025 compared to 5% in 2005.

In a 2008 MasterCard panel study among the affluent in the same three major cities, 36.5% of the panel members indicated *the brand* as being *extremely important* while 57.5% rated it as being *important*. The main reasons given by the respondents for their brand preferences were *world famous luxury* (20%), *foreign* (36.3%), *up-market domestic* (19.8); and *domestic* origin (11.2%). Brands most preferred in different product categories were BMW (33.5%), Nokia (67.7), IBM (45.9), Haier (25.3), Rolex (28.0), Chao Tai Fook jewelry (29%), Channel (15.3), Nike (51.5) and other, mostly foreign, brands.

Anesties, *et al*. (2008) found that younger people (18-40 yrs. old) in the top three cities preferred foreign brands to local brands while older consumers (41 to 50 years) preferred local brands to foreign ones. Foreign brand preference was higher for consumer electronics, home appliances, and designer & luxury goods while local brands preference was higher for cosmetics, personal care products, apparel & footwear, along with other frequently purchased consumer goods. One reason for the higher proportions of local brand preferences discovered by this survey was the *chameleon brands phenomenon,* i.e., brands that are foreign but are perceived as being local. For example, a large proportion (up to 90%) of the survey respondents believed that brands such as Tide, Pantene, Head & Shoulders, Safeguard, Colgate, Crest, Avon, Wrigley, Lux etc. were local brands. Brands perceived as local were viewed as being cheaper, more appealing to Asian tastes, and indicated patriotism. Foreign brands, on the other hand, were viewed as being more expensive, better made, and more reliable.

BRAND DEVELOPMENT

Because of the extremely rapid rate of new business formation since the 1980s and intense competition among these manufacturers, the supply of many products in China far exceeds demand. A 2003 report by the Chinese Department of Commerce found that, of the 600 main consumer products, supply and demand for only 170 was in balance, the supply of the remaining 430 exceeded demand and there were no products for which demand exceeded supply. Given such severe oversupply, it is natural for firms to fight for every customer, and Chinese firms have used price and distribution, rather than brand building, positioning and building brand equity as their preferred weapons.

Contrary to the West where brand development has been a private, corporate phenomenon born out of competitive needs, the push for brand building in China has come primarily from the government, which in 1980 introduced the concepts of *Provincial Famous Brands* and *China Top Brands,* and encouraged companies to work hard to get these designations. The emphasis in such famous brand strategies is to improve quality and customer satisfaction.

In 2001, the central government established the Famous Brand Strategy Promotion Committee (FBSPC) and charged it with conferring *China Top Brand* designation upon products whose physical quality had reached international standards, which had achieved leading domestic market shares, had shown high levels of customer satisfaction, and had achieved strong competitiveness. By 2007, the FBSPC had conferred a total of 1957 such designations on 226 different types of products. Among the one hundred or so appliance products that received the designation, brands like Haier, TCL, and Galanz have become popular brands that are now more competitive with foreign brands in China. Similarly, such China Top Brand food products as Qingdao and Yanjing beer, Shuanghui sausage, Yili and Mengniu milk have also become very popular in China, Hong Kong, and neighboring countries.

Such rise in China Top Brands has transferred some of the domestic consumption enthusiasm from foreign brands to domestic brands and transformed China's rising consumption ability into a driving force for improving quality and manufacturing standards (Zhao et. al, 2007).

GLOBALIZING IMPERATIVE

While China has captured the title of *"Factory Floor to the World"* through its manufacturing prowess, it still remains primarily a contract manufacturer. The country has over 20,000 toy manufacturers, 9,000 home appliance makers, 125 automobile companies, countless garment and hand-tool makers, and millions of other factories making everything from candles to cars. While most American and Europeans have homes full of Chinese-made products, hardly any can name a Chinese *brand* except perhaps, for Lenovo and Haier. Thus, while supplying high quality, sophisticated products to well-known foreign companies, China has not been able to create its own well-known brands in foreign, especially Western, markets.

Because of chronic oversupply, most Chinese firms are forced to cut corners on product quality, design, and innovation in their domestic brands. The result is that they have not been able to put forth the time, effort and managerial resources required to develop successful brands for overseas markets. Also, because of the very large and rapidly growing domestic market, many Chinese firms do not feel the need to establish their own international brands. They find it a lot cheaper and easier to either remain low-margin, large-volume contract manufacturers for foreign brands, or to offer cheaper, inferior quality copycat products to the domestic market. Either strategy can provide very comfortable livelihoods for most owners and investors without the need to implement complex brand building and international market development activities.

The copycat culture has become so entrenched that, no matter how simple or complex the item, copycat competitors jump in soon after the introduction of any successful product (Dunn, 2005). To get away from such predatory, domestic copying strategies and brand stagnation, the PRC government has, for years, called on, and even ordered, Chinese companies to start producing and exporting their own *famous brands*, set up overseas operations, acquire foreign assets, and transform themselves into multinational corporations (Barboza, 2005).

Appalled by the slow speed of foreign-market development, the central government some years ago decided that 30 to 50 of its best state firms should be built into *national champions* or *globally competitive multinationals* by 2010. Domestically, these companies were given tax breaks, cheap land and virtually free funding via the state-owned banks. Abroad, the government would help them secure contracts or exploration rights (*The Economist,* 2005).

GLOBAL EXPANSION

As a result of such government prodding and through their own initiative, many Chinese companies have been testing the waters of international brand-building. The initial efforts have primarily been in Third World countries, where they can capitalize on the appeal of low-cost products and hone their brand-building craft. Even the Chinese companies with good product quality have a reputation for poor brand management and marketing support. There is often a lack of understanding of international consumer tastes and trends. This ,however, is changing and companies like Huawei and ZTE have established successful operations in Africa, India, Brazil, Pakistan and other countries (English & Beebe, 2006). Haier, in addition to Europe and North America, also has a growing business in many Asian, African and Latin

American countries (Chinaview.cn, 2005). These operations have given Chinese companies a base of useful experience and new insights into global consumer markets and preferences (Carbone, 2007).

In addition to corporate efforts, the Chinese government has increasingly been leveraging its political influence in the developing world by providing aid to many such nations. This helps raise the profile of China and Chinese products and companies (Perlez, 2006). In Africa, for example, China's trade approached $40 billion in 2005, up from $10.6 billion in 2000 (Kent 2006). In 2007, China pledged $20 billion to finance trade and infrastructure across the African continent over the next three years with $800 million going to Zambia alone. From South Africa's manganese mines to Niger's uranium pits; from Sudan's oil fields to Congo's cobalt mines, China's hunger for resources has been a shot in the arm for Africa, increasing revenues and helping push some of the world's poorest countries further up the ladder of development (Polgreen & French, 2007).

China currently gets more than a quarter of its oil from Africa, and has trade agreements with 40 African nations primarily for the purchase of minerals and other raw materials. Hard currencies earned by such trade not only generate goodwill among African leaders but also pave the way in those countries for Chinese products and brands (Accenture, 2005). In addition to trade, China also provides political support for many African and Asian countries in their international dealings, and provides low-strings economic, technological and military assistance to many African and Asian countries. In 2006, for example, China offered Cambodia $600 million worth of few-strings-attached development aid - a figure that surpassed the total amount offered by the International Monetary Fund, which sought to impose many caveats the Cambodians didn't like (Perlez, 2006). Similar assistance has been provided to Pakistan, Myanmar, Indonesia, Bangladesh and other countries in the region. Between 2005 and 2015, the Chinese government plans to invest over $100 billion in Latin America in manufacturing, telecommunications, infrastructure, and many other areas. Such economic relationship-building also helps prepare fertile soil for Chinese companies to develop those markets (Accenture, 2005).

Compared to other regions of the world, the rapidly growing China-Africa economic and political relations have paid the highest dividends for Chinese companies. While large, state-owned Chinese natural resources firms have become major importers of raw materials from Africa, thousands of Chinese consumer products manufacturers have begun exporting huge volumes of manufactured goods from clothes and flashlights to cell phones, motorcycles, refrigerators, and computers to Africa (Polgreen & French, 2007). Most state-owned Chinese MNCs have business models heavily reliant upon political support, receive financial backing from the state, and are involved in mining and energy industries. Thus, their rapid entry into the global economy can be attributed to the financial support provided by the Chinese government which, in pursuit of its broader global ambitions, picks *corporate champions* that, with active and generous state support, are being groomed to join the ranks of the Fortune 500. About 180 companies have been designated to receive preferential finance, tax concessions and political backing to *go global*. Chinese companies also have the advantage of building their overseas businesses on the back of a booming home market and leveraging the economy of scale advantage provided by the combined demand (Alden & Davies, 2006).

Because of the trade opportunities opened by intergovernmental agreements, Chinese firms have become a leading source of FDI in Africa. The diversified investments span 48 African countries and, besides resource-seeking large state-owned enterprises (SOEs), many investments are market-seeking small and medium-sized enterprises (SMEs), especially in the manufacturing and the construction sectors. Amazingly, between 2003 and 2006, Chinese investment into Africa registered a sevenfold increase (OECD, 2006).

BEYOND THE THIRD WORLD

Typical strategies for Chinese expansion overseas have been through partnerships and joint ventures with existing foreign firms, direct acquisitions, and acquisitions through foreign subsidiaries of unlisted parent companies. Firms such as TCL, Lenovo, Huawei Technologies and others have started establishing substantial presence in the global economy, especially in the information and communication technology sectors. While such leading-edge companies are attempting to develop an independent global presence, most overseas operations of Chinese firms continue to be under the control of their parent companies in China (Alden & Davies, 2006). Such control often stifles innovation and long-range brand building strategies.

In spite of world class technology and up to 30% competitive price advantage, many Chinese firms still have difficulty competing in Western markets because of a lack of service infrastructure, short-term profit focus, and propensity to use volume sales rather than innovation and larger margins. In 2004, Huawei, for example, was active in more than 70 countries, employed over 3,000 overseas nationals and generated over 40% of its more than $5 billion revenues from outside China. However, much of its overseas business was in emerging markets where there is little competition. In addition to having built up commanding domestic market shares of 20-70% for most home appliances, the Haier group has offices in more than 100 countries and overseas revenues of over $1 billion. However, most of its international sales are in niche markets and it lacks the cost control, production discipline, market dominance and sales support it needs to compete with foreign rivals outside China. Even at home, it has had to resort to price wars to regain market share lost to better foreign products. Also, because of scant experience in the First World, some overseas projects of even high technology Chinese firma have foundered. Thus, TCL has failed to turn around the DVD and television businesses of the French company Thomson that it acquired in 2004, and Haier could not gain control of the US firm Maytag and is only a niche player in the U.S. refrigerator market (The Economist, 2005).

THE OBSTACLES

Despite facing difficulties in gaining traction for their brands in the First World, many Chinese firms are optimistic about getting there sooner or later. In interviews with senior executives at 39 large Chinese companies, McKinsey & Company (2008) found that nearly 80 percent stated globalization as a strategic priority and almost half of them wanted their companies to become true multinationals within ten years. To that end, Chinese industries in such sectors as automotive, pharmaceuticals, high technology, energy, and basic materials have already started establishing themselves internationally, while those in real estate, consumer goods, and retailing have remained primarily local (Dietz and Orr, 2008). However, consumer goods are precisely the ones where brands are fundamental to success and this is the sector where the Chinese brands lag far behind their Western counterparts. Some key reasons for such failure include issues from managerial style to disasters in global reputation of the country's products.

MANAGERIAL STYLE

Most senior managers in large Chinese firms are either rooted in the top-down, command type of managerial style inherited from the Maoist era, or they have current or former ties to the military which still owns, controls, or has large influences on many firms. These executives have often carried this management style to their foreign operation which has prevented their foreign operations to be flexible, adaptive, innovative and market-oriented, all of which are keys to success in the First World. Additionally, in spite of having manufactured parts and components for sophisticated foreign companies, most Chinese firms still don't have the technical know-how to design and produce high-quality *complete* products acceptable to consumers in advanced markets, nor do they have the *managerial skills* to develop brand equities in those markets. Chinese firms are especially deficient in consumer research, product design, pricing, and promotional/advertising methods (Perlez, 2006).As a result, most Chinese consumer products companies do not command the necessary logistical and foreign distribution networks required for marketing their brands. Although some, for example Lenovo, have tried to bridge this gap through acquisitions and joint ventures, the results have been far from adequate. Chinese firms still remain significantly behind their North American, European, Japanese, and even Korean competitors in this regard.Ironically, the rapid development of the Chinese economy has contributed to the lack of desire on the part of many companies to undertake the slow and demanding task of tackling Western markets. The emergence of millions of new enterprises has brought with it a fierce competition for domestic market share which leaves little time for to pay much attention to foreign markets. Since a vast majority of the Chinese consumers are low income rural dwellers, low price, rather than brand preference, has become their primary reason for purchase. This tempts many companies to take short cuts in quality and manufacturing processes, further reducing the viability of Chinese products in all but the poorer (mostly African) countries where availability and affordability are the main criteria for purchase. Such liberties with quality have resulted in serious blows to the reputation of Chinese products. Recent cases have involved the use of lead paint in toys, toxic chemicals in pet food, tooth paste and cough syrup; melamine in milk products, baby formula and even eggs (via chicken feed); cadmium in costume jewelry, and more.

Another major factor that has severely tarnished Chinese products' reputation is the widespread practice of counterfeiting and piracy which are estimated by the U.S. Chamber of Commerce to have cost the US economy between $200 to $250 billion annually. For the six months ended March 31, 2008, 81 percent of the fakes seized by U.S. Customs & Border Protection originated in China (Clark, 2008). Despite the efforts of Chinese and foreign authorities, easily faked sporting goods, clothes, consumer electronics and even critical parts for major US and British weapon systems continue to enter world markets. According to a source connected with the Beijing based Quality Brands Protection Committee (QBPC), *"The bad guys develop skills much faster than law enforcement, so while there are stronger and stronger efforts, the collaboration is lagging behind the counterfeiters."* (Balfour, 2007)

STRATEGY IMPLICATIONS

The amazingly rapid transformation of its economy from a rural, agrarian society to a global manufacturing powerhouse would lead one to expect China to be equally successful in promoting its own brands around the world. Unfortunately, such has not been the case. Except for a few scattered success stories, China has painted itself into a corner of mediocrity and poor reputation from which it may take years to emerge. The few companies that truly want to make a name in overseas markets need to distance themselves from the many which often pursue dubious practices to get temporary gains in sales and revenues. Contrary to the current practices of many Chinese firms to flood Third World, especially African, markets, the road to success for Chinese companies must go through the developed world. While it is an arduous task to earn respectable reputation in developed markets, but it is precisely such reputation that will help dedicated Chinese companies achieve success in *all* markets.

To climb the ladder of international success in consumer products, Chinese companies would need to rethink several things. The first is to understand that Western consumers relate to products and brands not only through attributes like price, quality, service, design, style, etc., but also via such subtle cues as trust in the seller, brand positioning, brand personality, social acceptance, emotional connections with the brand and other satisfying experiences which successful international brands try hard to provide. They continue to be innovative and stay fresh by aligning themselves with customers' changing needs and wants. They use innovative rewards to encourage customer loyalty and provide superior total experience to gain sustainable competitive advantage.

Chinese firms need to recruit managers who have a deep understanding of Western consumers, culture, and management. Country managers should be allowed to be innovators and pioneers in their pursuit of developed country markets through effective brand building and customer relations management. Instead of dutifully carrying out policies dictated by the parent-company managers in China, they should become sources of information, ideas and strategy options for their parent-company management.

Furthermore, it is not just the number, style, and location of outlets but the overall management and development of the distribution channels that pays dividends. Just like consumers, retailers themselves have needs beyond trade discounts and promotional allowances. Successful brand sellers understand that dealers are partners and the success of their brands results from coordinated activities on both sides. They work hard to make sure that the dealers understand the brand, are trained to sell it properly, and enjoy the financial rewards of their cooperation. Besides attractive margins, brand manufacturers have the responsibility to provide timely communication, sales training, management assistance and other activities that engender a sense of loyalty in the distribution channel.

It is not impossible for Chinese firms to create highly desirable products and command high levels of brand loyalty as evidenced by the iconic status of the Panda brand of Chinese cigarettes which has become so exclusive and desired that it commands nearly fifty times the price of domestic competitors and over five times the price of well-known international brands like Marlboro. Even its distribution is so exclusive that it is not available through regular retail stores but through exclusive hotels and restaurants (Daye, VanAuken, & Asacker, 2008).

In summary, what Chinese consumer products companies need is a fierce devotion to quality consistency, top-notch service, a thorough understanding of customers' motives, meticulous management of the foreign distribution networks, creative responses to competitors, continuing innovation, and a much longer-term outlook as some of the tools to establish themselves in Western consumer markets. A successful cultivation of the developed markets along with China's lower cost manufacturing would inevitably afford Chinese manufacturers sustainable competitive advantage in the developing markets as well.

(Contd. On Page 17)

12. Krishnan G (2002), "Challenges in Rural Marketing", *Strategic Marketing Forum*, Available at http://www.estrategicmarketing.com
13. Narang R (2001), "Reaching out to the Rural Markets of Uttar Pradesh", *Indian Management Studies Journal*, Vol. 5, October, pp. 87-103.
14.Reddy G S (2004), "Buyer Behavior of Home Appliances with Special Reference to Microwave Products in Bangalore City", *Indian Journal of Marketing,* Vol. 34, No. 1, pp. 19-24.
15. Raj Mano John S and Selvaraj (2007), "Social Change and the Growth of Indian Rural Market: An Invitation to FMCG Sector", International Marketing Conference on Marketing & Society, IIMK
16. Saini D R (1986), *Marketing: A Behavioral Approach*, Printwell Publishers, Jaipur.
17. Shirodkar S (2005), "Analyzing Chinese Consumer Behavior with Respect to Foreign Brands", Submitted for PGPIB-Semester III, Available at http://www.Google.co.in
18. Shivakumar K and Arun G (2002), "Buying Behavior in the Hinterland", *Indian Management*, October, pp. 55-57.
19. Shrotriya Viaks (2008), "Rural Marketing A Perspective ", Advertising Express, ICFAI University Press, October
20. *The Hindu* (2004), "Understanding Rural Consumer Psyche Key to Success", Available at http://www.thehindubusinessline.com
21. *The Tribune* (2005), "Middle Class Will Constitute 13 Pc Indians by 2010", August 10, Available at http://www.tribuneindia.com
22. P. Pirakatheeswari (2010) ,"Rural Marketing A Critical Review" Available at http://www.cis.co.in/rural-marketing-a-critical-review
23. Trehan R and Singh H (2002), "A Comparative Study on Urban and Rural Consumer Behavior", *Indian Journal of Marketing*, July, Vol. 33, pp. 7-11.

Websites

1) www.indiainfoline.com
2)www.financialexpress.com
3) www.rmai.org

(Contd. From Page 8)

BIBLIOGRAPHY

1)*Accenture*, 2005, China Spreads Its Wings -- Chinese Companies Go Global. (www.accenture.com).
2) Alden, C, and M. Davies, 2006, A Profile of the Operations of Chinese Multinationals in Africa, *South African Journal of International Affairs*, Volume 13, Issue 1, Summer/Autumn, p. 83-96 http://www.ccs.org.za/downloads/Alden%20and%20Davies%20-%20SAIIA%20-%20Vol.%2013.1.pdf
3) Anesties, M., H. Hsu, V. Hui and C. Liao, 2008, Foreign or Local Brands in China: Rationalism Trumps Nationalism, 2007 Boston Consulting Group Survey, *BCG Focus*, 2008.
4) Balfour, F., 2007, Chinese Fakes: Tough to Police, *Business Week Online*; 10 January, p13-13.
5) Barboza, D., 2005, China seeks known brands to go global, *The New York Times,* June 30 (http://www.iht.com/articles/2005/06/29/business/brands.php)
6) *Chinaview.cn*, 2005, We Will Be Volunteer 'Spokespersons' for Haier, African Party Officials Say, June 28, http://news3.xinhuanet.com/english;
7)Clark, E., 2008, A Growing Headache: Fakes From China Seen As Rising Woe In 2008, *WWD: Women's Wear Daily*; 27 December, Vol. 194 Issue 133, p. C-C.
8)Carbone, C., 2007, Five Forecasts on Chinese Brands: Part III : World 2 and 3 Focus,
Changewaves, April 2, http://changewaves.socialtechnologies.com/display/ShowJournalEntry?moduleId=493850& entryId=992088&printerFriendly=true
9) Daye, D., B. VanAuken, & T. Asacker, 2008, Exclusivity: Brand Equity Power, *The Branding Blog*, 12 March http://www.brandingstrategyinsider.com/2008/03/exclusivity-bra.html
10) Dietz, M. C., Orr, G., Xing, J., 2008, How Chinese Companies Can Succeed Abroad. *McKinsey Quarterly*, Issue 2, 22-31.
11) Dunn, M. J., 2005, From Fat Profits to Hardscrabble? The Outlook for China Car Market 2005-2010," *Automotive News China Conference*, 20 April http://www.autonews.com/files/china2005/presentations/china_english/ Mike_Dunne.ppt#1378,2,Slide 2
12)English, M. and A. Beebe, 2004, Going Global, Prospects and Challenges for Chinese Companies on the World Stage, *IBM Consulting Services Podcast*, http://www-935.ibm.com/services.
13)Ewing, Kent, 2006, China Mixes Rice and Neo-Colonialism, *Asia Times Online*, Oct. 6.
14) Gao P., J. R. Woetzel, and Y. Wu, 2003, Can Chinese Brands Make It Abroad? *The McKinsey Quarterly, 2003 Special Edition: Global directions* www.forbes.com/2003/10/17/cx_pm_chinabrands_6.htm
15) Lazarus, S., 2005, I never Said that Haier and Lenovo are not Brands, *Peoples' Daily Online,* Feb. 28, http://english.peopledaily.com.cn/200502/27/eng20050227_174878.html
16) Li, G. (Beijing Huasheng Shidai Advertisement Co), 2005, *Asia Times Online.*
17) *MasterCard World Insights*, 2008. Brand Preference of China Affluent, 2007 Panel study in Beijing, Shanghai and Guangzhou, 1Q:
18) Movius, L., Brand Awareness, 2008, Luxe Buying Said to be on Rise in China. *WWD: Women's Wear Daily*; 2 July, Vol. 196 Issue 2, p12 .
19) OECD, 2006, China's Outward Foreign Direct Investment (OFDI), *OECD Investment News*, March, Issue 6 (http://www.oecd.org/dataoecd/28/10/40283257.pdf)
20) O'Leary, N., 2007, Keeping up with the Jiangs, Brandweek; 1 January, Vol. 48 Issue 1, p14-20.
21) Perlez, J., 2006, China Competes with West in Aid to Its Neighbors, *New York Times*, 18 September, p1, Op.
22) Polgreen, L. & H.W. French, 2007, New Power In Africa: China's Trade in Africa Carries a Price Tag, New York Times, 21 August, http://www.nytimes.com/2007/08/21/world/africa/21zambia.html?pagewanted=1&_r=1
23) Smith, J., 2004, China's Youth Define "Cool", China Business Review Jul/Aug 2004, Vol. 31 Issue 4, p30-34.
24) Sudhaman, A., 2007, Few China Brands Prepared to Capitalise on Olympics. *Media: Asia's Media & Marketing Newspaper*, 15621138, 23 March.
25) *The Economist,* 2005, Special Report Struggle Of The Champions: China Wants To Build World-Class Companies. Can It Succeed? Vol. 374, Issue 8708, 8 January, p59-61.
26) Webber, A. M, 1997, What Great Brands Do, *Fast Company.com*, Issue 10, August
http://www.fastcompany.com/magazine/10/bedbury.html?page=0%2C0
27) Ying Sun, N., 2007, Chinese firms face struggle of branding. Plastics News; 18 June, Vol. 19 Issue 16, p6-6.
28) Zhao J., Li Y., Ye J., and Liu Y., 2007, China top brand strategy and innovation, *Chinese Business Review*, Volume 6, No.5 (Serial No.47, May) .