

## 論文内容の要旨

論文題目:      **Brand      Environmental      Diagnosis:      Consumer-based**

**Brand-marketing in Emerging Countries – An Empirical Study in China**

(ブランドにおける環境分析:新興国(中国)における消費者に基づいたブランド・マーケティングに関する実証的研究)

氏名              **Tay Meng Fui (テイ メンフィ)**

Knowing the consumer-based brand relationship that emphasizes individualism may not be applicable to the emerging markets, this research aims to provide another approach of consumer-based branding that fits the environment and nature of emerging markets. The three dimensions studied are *Pseudo Brand Resonance*, brand-environmental relationship and brand localization. The research proposed a new concept- Pseudo Brand-Resonance as an essential element in accelerating brand equity in emerging markets. Research also discovered that Brand Relationship that accentuates individualism does not suit an economy-transformed market such as China that emphasizes collectivism. A socio-psychology cum political model that suits this new market is proposed. A verification of Brand localization in a holistic approach was also proposed and scrutinized. Research found that brand localization is inevitable but the instability of a new market may cause over-localization that will jeopardize foreign investments and global branding.

Keywords: Branding, Brand-environmental Relationship, Pseudo Brand-resonance, Brand Localization, Emerging countries

### **1. Introduction**

When the world concentrations start directing to the emerging markets, a proliferation of products and brands begin to fill the markets providing consumers more choices. However, the differences between developed markets and emerging markets have deepened the divide in branding. The three dramatic changes in emerging markets – explosion of product offerings, explosion of disposable income, and emergence of middle class consumers have driven the consumers to seek for more information and knowledge about brands. Whilst multinational corporations incline to apply western marketing and branding models on the new markets, the local firms on the other hand, are in the mess of developing their original branding models that suit the domestic market. It is indeed essential to reasoning the consumer-based brand-marketing in emerging countries.

## 2. Objectives

The main objective of this research is to construct a robust consumer-based brand environmental parameter for emerging markets which involves three components, namely Pseudo Brand-Resonance (PBR), Brand-environmental Relationship (BER), and Brand Localization.

In order to reasoning the three components that affect the brand environment in emerging countries, this study focuses at the world largest emerging market- China with the four aims:

1. To survey the consumer behavior on brand choice and brand localization in China;
2. To examine the branding of Japanese multinational corporations (MNCs) in China;
3. To introspect the balance and need of brand localization in China; and
4. To develop a theoretical framework on Branding in the context of Chinese Marketing

## 3. Conceptualization

The three dimensions studied are Pseudo Brand-Resonance, brand-environmental relationship and brand localization.

### 3A. *Pseudo Brand Resonance (PBR)*

*Pseudo Brand Resonance (PBR)* is a new concept synthesized from brand resonance advocated by Keller (1998). Brand resonance in the western context is a sequel of brand loyalty that entails the sense of belongings to a brand. PBR however, takes place in the premature stage of brand recognition in emerging markets that practicing collectivism.

*Pseudo Brand Resonance (PBR)* is a psychological consensus and adoption of a phenomenon (a brand) base on mass acceptance and recommendation in a community or society. The reciprocal interaction among the consumers in emerging countries is believed to have contributed to the existence of PBR. In order to examine the existence and significance of Pseudo Brand-resonance which will further enhance the construction of the PBR model that fits the emerging countries, the following proposition was set:

Proposition 1: Pseudo Brand-Resonance contributes to brand equity in emerging countries

### 3B. Brand-environmental Relationship

Different from the Brand Relationship panegyricized by the western academics (Blackston 1995; Mundkur 1997; Cross & Smith 1998; Fournier 1998, Duncan & Moriarty 1999), Brand-environmental Relationship is proposed to tailor emerging markets with concentration given to the socio-psychology and political factors that affect their collective activity in the country.

Using China as a target research, four socio-psychological elements are extracted – MIANZI (Self-prestige), Consumer Ethnocentrism, GUANXI (Contact) and Family Ties; and the propositions set are as follows:

Proposition 2: MIANZI/ Self-prestige affects Brand-environmental relationship (BER)

Proposition 3: Consumer Ethnocentrism contributes to BER

Proposition 4: GUANXI/ Contact affects BER

Proposition 5: Family or social knot contributes to BER

### **3C. Brand Localization**

Localization is not a new concept in business management (Kotler 1992;Kapferer, 1997;関満博 2004). While branding has resolved the marketing barriers in business management, localizations are still being operated separately and are more corporate-oriented. Consumers normally feel very little sense of belongings for the localizations executed from a corporate point of view. Foreign firms usually need more time to win over loyal customers. Holistic consumer-based brand localization is indispensable in synchronizing consumers' loyalty and corporate profits.

In this research, brand localization is grouped into three categories, namely product localization, marketing localization and brand communications. And two propositions for brand localization were tested:

Proposition 6: Consumer-based brand localization is needed in emerging countries

Proposition 7: Over-localization has negative impacts on branding in emerging countries

### **4. Methodology & Operationalization**

Four surveys were conducted throughout the whole period of research. The country of research was targeted at the world largest emerging market-China. The first survey was meant to comprehend the brand choice of middle class consumers in China. The second survey was at an exploratory basis meant to measure the barometer of Pseudo Brand-resonance (PBRSCALE) and Brand Environmental Relationship (BERSCALE). Likert-scale questionnaire was designed to test PBRSCALE, whilst 4 categories of 5 Likert-scale items were extracted and designed for BERSCALE. Besides the barometer for Consumer ethnocentrism which applied Shimp and Sharma's CETSCALE barometer (1987), the other barometers were originally designed based on secondary literatures. Reliability analysis using SPSS software was utilized to test inter-correlations to obtain cronbach  $\alpha$ .

The third consumer survey and corporate surveys were designed to examine 11 scope of inquiries related to this research with a list of hypotheses tested. This consumer survey involved 7 cities in China with 115 respondents in each city (from 7 provinces). The survey was carried out between May-July, 2005. A total of 750 valid respondents (93.17%) were obtained for the survey.

A corporate survey which involved Japanese MNCs in China was carried out to study their brand strategies, brand management and brand localization. Selection of respondents was based on 中国進出企業一覽 2003-2004. Telephone calls were first made to confirm if the firms are marketing their brands directly to the end users in China A total of 92 Questionnaires were faxed/mailed only to Japanese firms who met the above requirements and agreed to participate in this survey from May 1-June 30, 2005. A total of 42 valid questionnaires were returned which made a valid percentage of 45.65%.

SPSS software was used for the data analysis. The analysis methods used for consumer and corporate surveys including frequency analysis, crosstabulations, multi response analysis, Mean, reliability analysis, correlations and regression analysis.

## **5. Research Findings**

### **5.1 Pseudo Brand-Resonance (PBR) & Brand-Environmental Relationship (BER)**

The consumer survey that involved 750 respondents from the middle class society has again testified that PBRSCALE and BERSCALE are valid and these elements do affect the brand-environmental relationship in China. Among the mean score ranged between 3-21 for each group of items, the impact and tendency of "Family Ties" in affecting the brand choice and brand consumption is most remarkable in China with a mean that reaches 16.2693, followed by PBRSCALE (M=15.2467).

*Mianzi* and *Guanxi* also contribute to brand-environmental relationship in China with a relatively higher level of mean scores (*Mianzi*: M=12.4480, *Guanxi*: M=14.1280) and the reliability values that exceed 0.80. Consumer-ethnocentrism seems to have less influence in BERSCALE (M=10.2800) but the result shows that consumer-ethnocentrism does contribute to brand-environmental relationship with a level of significant at 0.0076 ( $p < 0.01$ ) and a reliability value that surpasses 0.70, a value which is sufficient to prove the reliability of questionnaire.

### **5.3 Brand Localization**

Research found that brand localization is expected by the consumers in China with the desire for profound brand localization on Fast Moving Consumer Goods (FMCG) is higher than durable products (electrical appliances) and least on prestige items (Cars). Consumer survey in China showed that the respondents perceived brand localization have positive impacts especially on prices, sales networks and human resources.

However, instability in new markets and immaturity of local managers manipulating brand localization may cause substantial negative impacts on brand localization particularly in terms of quality, technology, products design and brand image. Profound and over-localization may cause confusion and consumers will have problem differentiating local and foreign brands. Survey shows that about 40% of the respondents would consider changing to other foreign brands when they find the brands they consume are too local

## **6. Conclusion**

The research found that Pseudo Brand-Resonance is a factor contributes to brand equity in emerging countries, and based on this finding as well as the theoretical reviews and observations in China, the researcher has thus proposed a PBR model in which a detail explanation on the construction and rational of the model were discussed. Besides, socio-psychology and political factors also contribute to Brand-Environmental Relationship in emerging countries. The brand contact model proposed in this study is found feasible and applicable to emerging markets.

Research also noticed that brand localization is vital but profound brand localization needs to be examined to avoid loss in brand extension and brand equity. MNCs need to aware of over-localization in emerging markets for the uniqueness and instability of the market. The research thus suggests that outlining consumer-based brand localization parameter will help stabilize business management of a multi-national corporation in emerging markets.