Issues of Corporate Identity in East Asia

East Asian companies are increasingly positioning themselves as international players, carrying their corporate and brand identities across East Asia and beyond. Companies in the U.S. and Europe have, meanwhile, sought to compete for business in East Asia, with regionally targeted marketing campaigns of their own. The author points out that corporate identity—the names and symbols that businesses use to represent them in East Asia—must be defined differently than in the West in order to appeal to regional clients and customers. Faced with tough competition in terms of quality and cost, managers of corporate identity must be sensitive to linguistic and cultural factors in order to sell their products. This article summarizes the author’s research on the linguistic and cultural factors pertinent to naming and visual identity issues and illustrates how strong sales in East Asia can be partially attributed to an appreciation of these factors.
Corporate identity concerns the image projected by an organization and its products. Managing corporate identity involves two key tasks: 1) selecting appropriate names for an organization, its brands and products and 2) selecting attractive visual symbols for logos, signs, labeling and packaging. Over the last few years, the author has undertaken several collaborative research projects on corporate identity and brand identity in East Asia. The results of these studies as well as numerous conversations with managers of businesses in East Asia indicate that corporate identity (i.e., corporate and brand names and visual symbols) must be approached differently in East Asia than in the West. Successful managers must be sensitive to linguistic and cultural factors in East Asia when deciding the names and visual identities of the brands and products they market.

Before looking at the findings and their practical implications, this article describes three trends that point to the importance of names and visual symbols in East Asia and the need for companies to take the management of their identity seriously.

TREND 1: The Emergence of Leading Players

As a result of impressive economic growth rates (between 5% and 15% over the last two decades), per capita gross domestic product levels close to or exceeding those of Canada, Australia and New Zealand and a decrease in poverty from 33% to 10% (despite a population surge of 40% since 1970), East Asia has seen the creation of leading global companies. These companies are no longer merely providers of low-end products and services, but compete with Western multinationals in practically every industry.

In a recent survey of East Asian executives asked to identify Asia’s most admired companies, the number one position in eight out of ten industry groups was occupied by a non-Japanese East Asian company: Singapore Airlines in the airlines industry, San Miguel Corporation in the retail/consumer category, Siam Cement in heavy industries, DBS Bank in banking/finance, Ayala Land in property/construction, Shangri-La in hotels, Hong Kong Telecom in the telecommunications/media industry and Samsung among conglomerates. Many of these companies are among the most competitive in the world in their respective industries. Most have recently revamped their corporate identities by changing their names, logos or other visual images they employ.

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TREND 2: Pan-Regional and Global Positioning

East Asian companies are increasingly positioning themselves as international players, carrying their corporate and brand identities across East Asia and beyond. For example, in a quest for access to Western markets, technologies and brand names, South Korea's conglomerates (known as chaebol) have begun investing in well-known consumer-goods and high-technology companies worldwide. Even smaller companies now compete head-to-head with U.S. and European multinationals doing business in their own region. Jollibee, a fast-food corporation in the Philippines, founded in 1975 as an ice-cream parlor, has a 70% share of the East Asian hamburger business—well ahead of McDonald's. Giordano, a Hong Kong casual-clothes retailer, is positioned against multinationals such as Benetton and Esprit in Hong Kong, Singapore and mainland China.

Moreover, these pan-Asian and global extensions are strongly supported by governments in the region. For years, the Singapore government has taken the lead by stressing the importance of a company and national image. Taiwan has started an Image Enhancement Program, announced in multipage advertising spreads in The Economist and Time magazine, to upgrade the country's economic identity and to encourage companies to produce high-quality, brand-name products. Even the Chinese government, alarmed by the fact that many domestic enterprises are squeezed out of the market by foreign counterparts, is paying attention to corporate identity and branding issues and has asked companies to upgrade their logos and images as part of a “famous brand strategy.”

TREND 3: The Changing Face of Retailing

Retailing has become increasingly sophisticated throughout East Asia, and the companies that survive will be those that create distinctive identities for their brands. Gone are the days of small-scale, run-down neighborhood stores. Expansive shopping malls have arrived in the cities of East Asia. Seoul boasts Lotte World and Hong Kong has its Pacific Place and Times Square; Singapore has become one vast shopping mall. In Shanghai entire neighborhoods have been cleared to make way for new shopping malls, and Hong Kong malls are interconnected via skywalks to allow for stress-free shopping during inclement weather. All over East Asia, shopping complexes are built adjacent to mass-transportation systems to facilitate commuter access. Following the lead of the major Japanese department stores, other East Asian department stores include designer boutiques and food “streets.” To cut through this retail clutter, a company needs a voice in the market, a memorable name and an attractive visual identity.

Language and Consumer Perceptions

Faced with tough competition in terms of quality and costs, one important way of differentiating a brand is on the basis of intangible elements such as corporate and brand image. Over the last few years, the author's research identified some of the basic linguistic and cultural factors pertinent to naming and visual identity issues. More than a century ago Benjamin Whorf, a businessman and amateur linguist, proposed that speakers of different languages perceive reality through the frames of their native languages. Languages, according to the Whorfian Hypothesis of Linguistic Relativity, affect perceptions and thoughts, and speakers of different languages have different worldviews. Following Whorf, East Asian and Western consumers should perceive and respond to corporate and brand names and other linguistic information very differently. Therefore, an understanding of the essential structures of languages spoken in East Asia and the resulting consumer perceptions is critical for building viable corporate and brand identities.
The Chinese Writing System

To understand the impact of languages on consumer perceptions, this article will focus on Chinese, the most prominent language spoken in East Asia. For naming decisions, image building and positioning, several aspects of the Chinese language are of particular importance.¹

One of the most complex aspects of Chinese culture is its writing system. The basic unit of the Chinese writing system is the character, an arrangement of strokes that form a syllabic unit. There are approximately 50,000 characters (about 7,000 in general use). Each character carries its own meaning. The sheer abundance of Chinese characters (in comparison to the 26-letter Latin system) is one of the reasons why names, and the written word in general, have a mystique in East Asia. Chinese names express the essence of a thing, whether a person, an object, a company or a consumer product. A name is viewed as a work of art, and calligraphy is a tradition all over Asia.

Chinese characters are ideographic in their origin. To read Chinese, it is critical to pay attention to and remember thousands of visual patterns. This skill is different from that involved in reading English or other languages based on alphabets in which it is necessary to sequentially process a string of individually meaningless letters that acquire meaning only in their conjunction.

Studies conducted in China and the United States have shown that differences between the Chinese and English writing systems affect perceptions and mental representations of names, product categories and communications.² Specifically, Chinese native speakers tend to encode verbal information in a “visual mental code,” whereas English native speakers rely primarily on a “phonological code.”³ Chinese native speakers preserve in their minds the visual characteristics of characters—a skill that draws visual attention to visual corporate images as well—whereas the English speaker is encouraged to remember sound images (e.g., brand-name jingles).

Studies also show that Chinese-speaking consumers judge a brand name based on its visual appeal as well. Native speakers of English, by contrast, judge a brand name based on whether the name sounds appealing.⁴ Finally, in Chinese, the product-category image and the script of the brand name must match; a feminine script for a masculine product may result in a negative impression.⁵ For English speakers, a match of the product-category image and the sound of the brand is typically more important.

Taken together, these results suggest that managers in East Asia should pay close attention to something as seemingly unimportant as the writing of the name. Indeed, Asian firms spend extraordinary amounts of time and resources selecting corporate and brand names, while most Western companies rarely consider the linguistic and cultural complexities involved in brand naming and spend little effort and few resources on research.⁶ For Western firms conducting business in East Asia, however, investing more time in such decisions is advisable.⁷ Coca-Cola’s Chinese name is a good example. The name sounds like Coca-Cola (Ke-ke-le in Mandarin and ho-ho-loh in Cantonese) and means “tasty and happy.” The Chinese name thus expresses the essential positioning of the brand. Other examples include Mercedes-Benz (the Chinese name means “striving forward fast”), Boeing (“wave of sound”) and Sharp (“treasure of sound”).

Moreover, not only the name but also the logo should appeal to the visual nature of Chinese consumer thinking. Simple, memorable logos are beneficial. In an informal survey of Chinese students, the simple graphic logos of Volkswagen, Mercedes-Benz and Lexus were appealing, while the logos of Cadillac, General Motors and Fiat were found less appealing. Among the various communications media, print media are more important for marketing than “sound media,” such as radio, because print media allow consumers to see a name (rather than hear it) and, therefore, to remember it better.

Finally, the name, logo and other elements of an advertisement should form a unified whole. In an advertisement for Volkswagen’s Shanghai Cheep, a calligraphy stroke was used as an imaginary slope that the vehicle had to climb, creating a memorable integrated image.⁸ The style of the advertisement was imitated by other Western firms. In contrast, Delta Airlines used a map of its Asian destinations to suggest a novel, mock-Chinese character. Although the ad was visually striking, Asian consumers, searching for meaning in the mock-Chinese character, were confused.
Chinese Homonyms

Like other East Asian languages, Chinese has a large number of homonyms, words that are pronounced the same way but have distinct meanings. For example, “gong” corresponds to at least ten characters with distinct meanings, including “work,” “bow,” “public,” “meritorious service,” “attack,” “supply,” “palace” and “respectful.”

Western marketing specialists know how easily confusion can arise when a word has multiple related meanings and allows for puns. Because of the large number of homonyms in East Asian languages, the risk of confusion is increased. Context is often expected to illuminate the intended meaning of a word. However, corporate and brand names often supply only limited context. Company names that have been translated by sound alone (e.g., Ford or Winston) without attention to their meaning are especially at risk of being misconstrued. Therefore, it is critical for marketers to select precise, meaningful names with a relatively small number of primarily positive associations.

Chinese Grammar: The Example of Classifiers

The grammar of East Asian languages is radically different from the grammar of English and other Indo-European languages. Most languages spoken in East Asia are largely uninflected (i.e., there are no markers for plurals and tenses). Counterfactuals (“Had I sold it earlier, I would have made a profit”) are difficult to express, and gender is poorly marked (i.e., “he” and “she” are represented by the same word). This raises important questions regarding persuasive messages.

Another important feature of Chinese grammar for product-category perceptions is classifiers. Classifiers are special types of measures that are used in conjunction with numerals (a, one, two, three, etc.) or determiners (the, that, this) to form noun phrases. While classifier structures are part of a universal grammar, they only exist in languages spoken in East Asia and are practically nonexistent in Indo-European languages, such as English, French, German and Spanish, although measure words indicating number and amount do exist (e.g., pair of, pack of, flock of, a few, some).

For example, the counterparts in Chinese for the English phrase “a table” is “yi zhang zhuo-zi.” “Zhuo-zi” means table and “zhang” is the associated classifier for flat, extended objects such as tables, desks, photos and papers. Typically, classifiers depict physical features of objects, such as shape, size, thickness and length, and other perceptual and conceptual properties associated with objects. They are linguistic devices for classifying the world into categories.

Interestingly enough, a lot of new products, such as lipstick, shampoo, electric pianos and fax machines, may use different types of classifiers. For lipstick, both the classifier “zhi” for long, thin objects, such as pencil, pen and rifle, as well as “guan,” used for pipe-like, big objects, such as toothpaste tubes, are used. Several studies have shown that the use of the two classifiers results in different perceptions of the lipstick’s physical appearance and different inferences about the product. For example, if the classifier “zhi” is assigned to lipstick, then consumers may infer that the product provides less quantity and will not last as long. Classifiers are subtle language devices to affect the image of the product categories that a company markets; since they are a necessary part of Chinese grammar, marketers should pay close attention to them.

Chinese Semantics and Pragmatics: The Example of Lucky Names

Others have noted that managers may find it worthwhile to consider Asian beliefs in the supernatural. McDonald and Roberts wrote, “in contemplating the symbolic impact of a brand, prudent marketers in the Asia-Pacific region would be well advised to probe folklore, taboos and superstitious and religious connotations by colors, numbers or symbols.” From card reading in China and healing techniques in the Philippines to ghosts in Japan, the supernatural attracts most Asians. The supernatural is even worth considering in naming decisions because there are “lucky names” and “lucky numbers” that are significant in terms of attitudes toward corporate and brand names.

To qualify as a lucky name, a name should have an appropriate balance of yin and yang—i.e., of feminine and masculine characteristics. Yang characters are made up of an odd number of strokes, while yin characters are made up of an even number of strokes. In a name consisting of two or three characters, the combination of yin/yang elements matters too. Yin Yin Yang is considered better than Yin Yang Yin. Finally, the total number of strokes should be considered. In lucky names, the total number of strokes is a lucky number, eight being the luckiest number of all. Therefore, many Chinese products, models of products and corporate phone numbers contain...
the number eight. License plates in Hong Kong are auctioned and those with the number eight in them draw the highest bids. The Bank of China in Hong Kong opened its doors on August 8, 1988 (i.e., 8/8/88). And when the Hong Kong stock market closed on December 31, 1993, most of the computer screens in the city showed the Heng Seng index at 11,878. But when the official figure came from the stock exchange, it was 11,888, the triple eight being regarded as a sign of further prosperity and good fortune in the new year.24

Visual Identity

Visual symbolism is the second key aspect of a firm’s corporate identity. As Aaker observes, “when products and services are difficult to differentiate, a symbol can be the central element of brand equity, the key differentiating characteristic of a brand.”25 Symbols are an important aspect of identity management, especially for Western firms active in those parts of East Asia where most consumers are not familiar with the English language. There are three important aspects of visual symbolism: color, style and overall aesthetic impressions.

Colors

Colors have different meanings in the East than in the West.26 In Chinese culture, red has been appreciated for centuries as the most appealing and most lucky color. America’s prime corporate color, blue, is considered in East Asia to be a cold color and carries associations of evil and sinister behavior. Yellow is seen as pleasant and is associated with authority.

In Singapore, as elsewhere in East Asia, prominent enterprises such as Singapore Telecom, Singapore Technologies, Wuthelam Holdings and the Urban Redevelopment Authority use red. Blue is almost exclusively found in logos of companies whose business is related to the sea, such as the Sembawang Group, a diversified conglomerate with core business in the marine and process engineering industries. Other companies use the professional blue only in the writing of the corporate name, but not in the actual logo.

In East Asia, certain color combinations are also particularly appealing. The combination of red, gold and black is found frequently, especially in Korea. One of the most prominent design firms in Korea, DCA Associates, has used this color combination in several advertising campaigns. Finally, pastel tones, expressing softness and harmony, are preferred to loud colors. This is especially true in Japan.

Aesthetic Styles

According to the author’s research with Alex Simonson and Joshua Marcus of PAOS, a Japanese identity firm, corporate styles can be categorized along two primary dimensions: complexity (minimalism vs. ornamentalism) and representation (realism vs. abstraction).27 East Asians’ preferences are clearly in the ornamentalist/realist quadrant of the aesthetic perceptual space.

East Asians value complexity of expression and decoration; they love the display of multiple forms, shapes and colors. This feature can be found in the aesthetics of all prominent cultures in East except that of Japan. Moreover, East Asians value naturalism. In Chinese culture, symbols and displays of natural objects—mountains, dragons and phoenixes—prevail and are frequently found in packaging and advertising. In Japan, gardens, trees and flowers are prime objects of aesthetic symbolism. In Southeast Asia, the natural world of animals is emphasized.

The Shangri-La hotel chain makes prominent use of this ornamentalist/realist symbolism in its corporate identity. From the corporate name (Shangri-La stands for a magical mountain in Tibet) to the abundant use of realist images in its lobby and guest rooms to the mountainous or scenic locations of most of its properties, Shangri-La has made use of East Asia’s preferred visual imagery to create the sense of a “paradise on earth.”
Overall aesthetic expressions can be classical/traditional, modern/contemporary or futuristic/avant-garde.\textsuperscript{28} The preferred East Asian imagery is modern/contemporary, yet with a traditional element. The preference for modern/contemporary may be explained on the basis of the economic development in the region. Modern/contemporary expressions reflect change without the daring uncertainty of an avant-garde look. The traditional twist relates to the importance of East Asians’ time orientation. Research on time orientations consistently finds that East Asians are “past oriented” and try to keep traditions alive. All of the major religions and ideologies in the region (Buddhism, Confucianism and Taoism) stress the importance of history and tradition. East Asian preferences for a modern aesthetic with traditional elements reflect this orientation.

The Cathay Pacific Case

To illustrate how visual imagery can be used to appeal to East Asian preferences with respect to color, style and overall aesthetics, consider Cathay Pacific Airways’s new corporate identity.\textsuperscript{29} Cathay Pacific, one of the world’s most profitable airlines, was founded in Hong Kong in 1946 by an American and an Australian entrepreneur. Cathay Pacific’s corporate identity did not undergo a comprehensive redesign until 1994, when the company unveiled a new logo and livery and announced an entire redesign of the interior of its planes, reservation offices, uniforms and advertising. The new look, designed by Landor Associates, came after three years of market research and design and cost Cathay about H.K.$25 million (U.S.$3.2 million).

Although the existing logo and livery were well known and strongly associated with the company, research indicated that they did not express Cathay Pacific’s modern values and corporate positioning: an international airline with a distinct Asian element reflecting the unique nature of Hong Kong as a place where East meets West. By the start of the 1980s, Cathay customers were no longer primarily European. Seventy-five percent were Asian, with increasing numbers from Taiwan, Hong Kong, Singapore and Japan. Moreover, mainland Chinese customers represent Cathay Pacific’s fastest future growth segment, particularly because Hong Kong will return to China in 1997.

The contemporary Asian visual imagery was created through the blending of colors, styles and expressions that represent core Asian (and, in particular, Hong Kong) values. Cathay Pacific’s new logo depicts a white Chinese calligraphy stroke suggesting the wing of a bird against a dark green background. The new logo is intended to symbolize “East meeting West” in addition to representing Cathay Pacific’s two core strengths: technical excellence and superior customer service. The symbol of the bird reflects Western aviation technology, while the brush stroke is supposed to reflect Cathay Pacific’s Asian style of service. The color green, Cathay Pacific’s color from its start, was retained in the new identity, but darkened and softened by using Pantone Green Number 323 to appear more stylish. It reinforces Cathay Pacific’s modern, caring image and its “Asian international identity.”

Color schemes in the cabins and in the lounges were also designed to create a soft, relaxing and contemporary Asian atmosphere. The colors relate to the external look but with more natural palates, drawing on such themes as ripples of water and patterns of slate. The menu design depicts the Five Elements of Nature of Chinese religious beliefs—water, metal, wood, fire and earth—which are seen as sources of refreshment, nourishment, comfort and pleasure. The new identity is supported by a stylish new advertising campaign: “Cathay Pacific. The Heart of Asia.” With background music composed by a Japanese contemporary composer, TV ads show Cathay Pacific’s brush stroke. Quiet, exotic moments are contrasted with the vibrancy of Hong Kong. Print ads show brush strokes against green backgrounds displaying objects such as a heart, a smile and a bamboo tree (reflecting the Asian value of flexibility).

The Cathay Pacific case illustrates how visual imagery can be used to express a company’s corporate identity. The campaign makes sophisticated use of the meanings that colors, styles and aesthetic expressions have in East Asia. The resulting images combine East Asian concern for tradition and legacy with a desire for a contemporary feeling and look.
Summary and Conclusion

To make appropriate naming decisions, it is necessary for managers to understand how East Asian consumers process linguistic information. To select an attractive visual identity, managers must understand East Asian aesthetic preferences. East Asians differ from Westerners in significant ways. Due to the visual nature of the writing system, East Asians are attuned to visual information processing and pay close attention to the writing of a name. Due to cultural traditions, colors carry different associations. Therefore, in positioning corporations and marketing products in East Asia, it is necessary to adjust a global identity to local tastes.

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Notes and References

1. Olins, Naples.
3. Data and information for these trends drawn from recent articles in Business Week, China Daily, The Economist, The International Herald Tribune, Newsweek and Time as well as personal observations by the author.
4. Asian Business 31 (May 9, 1995): 24-38. One thousand senior managers from each of these countries participated in the survey: Hong Kong, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.
7. All of the features of Chinese discussed here are shared by other languages spoken in East Asia such as Japanese and Korean.
20. McDonald and Robert.
24. Notwithstanding these efforts, by the end of the year, the market had dropped by 30 percent.
29. Information for the Cathay Pacific case has been compiled from Cathay Pacific brochures, articles in the South China Morning Post and communications with Cathay Pacific managers.

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