Managing Corporate and Brand Identities in the Asia-Pacific Region

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A common Chinese idiom describes territory which is unknown but full of great treasures as “a place of hidden dragons and tigers.” Western companies, seeking to establish themselves in the Asia-Pacific Region are finding that the Region fits this description. Consider the following facts:

- The newly industrialized nations in the Asia-Pacific Region—the four Asian Dragons (Hong Kong, Singapore, South Korea, and Taiwan)—have enjoyed growth rates between 5 per cent and 10 per cent over the last decade. In 1992, the per capita GDP of Hong Kong and Singapore was higher than that of Canada, Australia, and New Zealand. Meanwhile, the People’s Republic of China (PRC)—with its 1.3 billion consumers—is undergoing a radical transformation toward a consumer society.

- The percentage of people living below the poverty line in the Region has decreased from 33 per cent to 10 per cent, even though the region’s population has surged by 40 per cent since 1970. The number of non-Japanese Asian households earning US$18,000 annually is expected to increase fourfold to 75 million by the year 2000.

- In 1992, annual trade between the U.S. and the Asia-Pacific Region exceeded US$360 billion—more than four times the figure from 15 years ago and nearly 40% more than America’s two-way trade with Europe. For the remainder of this decade, investors will be more enthusiastic about Asian emerging markets than about any other emerging markets. Hong Kong, Malaysia, the Philippines, and Indonesia were some of the top performing stock markets in U.S. dollar terms in 1993—all up more than 100 percent.

As Business Week put it, “under way is nothing less than a massive shift in the global economic balance of power, as the economies of East Asia
catch up with Japan and the West. The emerging powerhouse combines Hong Kong, Taiwan and China with the blossoming economies of Southeast Asia—whose business classes are dominated by ethnic Chinese. Throw in South Korea, and gross domestic product totals $2 trillion. East Asia will surpass Japan in purchasing power within a decade.\textsuperscript{12}

Most of this growth will occur in the domain of consumer goods—from soft drinks and computers to discretionary products and services, such as entertainment, home and leisure, convenience services, restaurants, consumer financial services, communications, apparel, health care, and fitness. High economic growth in the Region has translated into a rapid rise in people’s income and a surge in consumer spending. While disparities in the distribution of wealth in Asian societies are common, consumption trends have continued to move up-market. Even in the PRC, one of the less developed countries in the Region, more than 70\% of city households already own a telephone, at least one TV, and a refrigerator. For companies in consumer markets, but also for those in the industrial and services industries, establishing and managing viable corporate and brand identities is therefore the major challenge. To quote Fortune magazine, “brand equity may be buffeted at home, but across Asia, from Beijing to Bombay, American brands are commanding big premiums over inferior hometown competitors.”\textsuperscript{13}

For example, Nike used to only manufacture its shoes and sportswear in the Asia-Pacific Region; now it is increasingly selling there as well. In fiscal year 1993, US$500 million of the company’s total revenues of $4 billion were contributed by Asian markets, an increase of 66 per cent from 1992. IBM has about 300 people dedicated to the China market alone and is forecasting 40 to 50 per cent annual growth in its PRC sales over the next few years. Both Coca-Cola and Pepsi-Cola International have discovered the thirst for American-style soft drinks in the Asia-Pacific Region, the fastest growing beverage market in the world today. Along with other U.S. companies, the two soft drink giants are getting ready to target consumers in Indochina’s most attractive market: Vietnam. Both Coca-Cola and Pepsi have announced plans to produce there.

However, managers are also beginning to sense the intricacies and complications involved in operating in the territory of dragons and tigers. M&M managers were surprised to run into W&W candy bars, a brand that a manufacturer in Central China coined to confuse consumers and take advantage of M&M’s strong image in the market. Moreover, many companies had to change the names of their company and their brands as they moved between Asian markets because the names had different connotations in each market. Finally, some U.S. firms are getting frustrated at their lack of success in establishing positive relationships with customers and in persuading Asian consumers of the quality of their products.

In addition, competition among Western multinationals and with regional conglomerates is intensifying. Indonesia, at 180 million, is Asia’s third
largest market, and has become the battleground in a struggle between Procter & Gamble, Anglo-Dutch Unilever, and other multinationals. The Chinese government is in the process of following the Japanese examples of creating industrial conglomerates that are able to compete in international markets. Korean companies such as Samsung, Daewoo, Hyundai, and Lucky Goldstar spend heavily to develop their own brand names. Finally, Taiwan has started an ambitious Image Enhancement Program to upgrade the country’s economic identity and encourage companies to produce high-quality, brand-name products.

To meet these challenges, U.S. firms must develop increasingly sophisticated techniques for building and managing the identities of their companies and brands in Asian markets. Most importantly, U.S. managers must develop a sense for the unique way in which consumers respond to corporate and brand identities in the Region.

There are three major tasks involved in building and managing corporate and brand identities in the Asia-Pacific Region. Each management task requires a different focus and approach in the Asia-Pacific Region than it does in the West. Across Asian societies, it is thus possible to identify characteristics of corporate-identity building and brand management that differentiate, in degree or in kind, the Asia-Pacific Region from the West. Most of the management literature has focused in its analysis on Japan. However, because of China’s growing importance and cultural dominance in the Region, most of the illustrations in this article focus on Chinese culture, using examples from the PRC, Hong Kong, and Singapore.

Corporate Identity and Brand Equity

Corporate identity is concerned with the impressions, the image, and the personality projected by an organization. The task of creating a corporate identity begins with the selection of an appropriate corporate name. Other factors that contribute to corporate identity include the logo of the organization, marketing communications, and the image projected by various corporate activities.

Brand equity has been defined as “a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.” Brand equity thus refers to the differential effect of brand knowledge as a result of the marketing of the brand. Brand knowledge, in turn, consists of brand awareness (brand recall and recognition) and brand image/associations. One of the most important associations is quality. Brand management thus includes the key tasks of selecting a viable brand name, surrounding the brand with appropriate symbolism and associations, and enhancing consumers’ perceptions of quality.
The concepts of corporate identity and brand equity are related. In fact, corporate identity has been viewed as branding at the corporate level, and in many service industries (e.g., airlines, hotels, car rentals, and financial services), branding activities are almost synonymous with corporate-identity activities.

In sum, building and managing corporate and brand identities may be seen as comprising the following interrelated tasks: selecting viable corporate and brand names; establishing the right image for the corporation and its brands; and enhancing quality perceptions of the company and its products.

Due to differing linguistic and cultural contexts, each management task must be approached differently in Asia-Pacific than in Western markets.

Task 1: Selecting Corporate and Brand Names

Names (corporate and brand) serve several functions. First, they identify the company and its brands. Second, they serve as cues for remembering information about the company and its brands. Finally, names express the positioning of the company and its products in the market.

What is a good name? Brand-naming research conducted in the West has shown that a brand name should be short, distinctive, memorable and indicative of the product's functions. Similar criteria apply to corporate names. While these factors also matter for selecting corporate and brand names in Asia, there are additional considerations that complicate naming decisions. In research conducted in the PRC, the writing of the name and whether or not the name is a “lucky name” were found to be significant predictors of brand attitudes.

Linguistic and Cultural Aspects of Naming-Decisions—To understand the features of a good name in the Asia-Pacific Region better, it is necessary to examine pertinent linguistic and cultural aspects of corporate and brand naming.

Linguistic Aspects—Many languages in the Region, e.g., Chinese (Cantonese, which is spoken in Hong Kong and in Southern China; Mandarin, the official Chinese dialect; and Hokkien, the most common dialect spoken among Chinese in Southeast Asia, as well as in Taiwan, southern Fujian and Hainan), Japanese, and Korean are ideographic in origin and largely based on Chinese characters. Vietnamese also uses Chinese characters, though to a smaller extent. Chinese characters are sign-symbols composed of strokes. In contrast to letters in an alphabet, characters are inherently meaningful linguistic units, consisting of smaller units called radicals. There is a total of approximately 50,000 Chinese characters, of
which 7,000 are in general use. Chinese characters are pronounced differently in Cantonese, Mandarin, Hokkien, Japanese, Korean, and Vietnamese. Yet, although people in Hong Kong, Beijing, Taipei, Tokyo, Seoul, and Hanoi may not be able to talk to one another, they can communicate to a certain extent in writing.

In comparison to Western languages, languages of the Asia-Pacific Region have a large number of homonyms (words with distinct writing but identical pronunciation). For example, the Chinese pronunciation of “gong” corresponds to at least ten distinct characters with equally distinct meanings, which include “work,” “bow,” “public,” “meritorious service,” “attack,” “supply,” “palace,” “respectful,” and a surname. In addition, some languages in the Asia-Pacific Region such as Cantonese and Mandarin are tonal. That is, the same phonetic pronunciation has different meanings depending on how the word is pronounced, for example, with a falling, rising, or flat tone.

**Implications for Corporate and Brand Naming**—First, the ideographic nature of Asian languages must be taken into account in the creation of corporate and brand names and in marketing communications created to promote the company and its products. The way an Asian perceives and evaluates writing differs significantly from the way a Westerner views writing. A name is like a work of art, and the art of writing—“shu-fa” (calligraphy)—has had a long tradition all over Asia. A name should therefore “look good” and be rendered in appealing writing. It functions like a logo or trademark. Whereas advertisers in the West try to improve memorability for a corporation or a brand by means of jingles, marketing communications to Asian consumers should create distinct writings for the corporate and brand names and for product benefits. Indeed, in Asian marketing communications the corporate/brand name or the key benefits often stand out in the center of the ad to attract consumers’ attention.

Volkswagen’s ad campaign for its Shanghai Cheep exemplifies this approach. In different ads, Chinese characters, meaning “value,” “solid,” and “dependable,” rendered by famous Chinese calligraphers, were placed in the middle of the ad. In one ad, a calligraphy stroke was used as an imaginary slope that the jeep had to climb, creating a highly memorable interactive imagery. The campaign was a big success and widely copied by other Western firms. In the case of a Delta Airlines ad, however, artistic expression went too wild. 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.

Second, as sign-symbols, characters are inherently meaningful and even their smaller units, the radicals, consisting of two to five strokes, carry meaning. Therefore the connotations and meanings of a two/three
character-name must be analyzed at different levels (e.g., the meaning of the name as a whole, of its constituent characters, and of the radicals) to create an appropriate name and avoid negative associations.

Third, since Chinese characters are pronounced differently in different languages (e.g., the same character is pronounced as Toyota in Japanese but as feng-tian in Chinese), companies must examine whether a corporate or brand name sounds good in all its markets. Because of the large number of homonyms, it is possible that the spoken name has a homonym with undesirable meanings. Therefore, the full range of sound associations must be carefully examined, especially with respect to negative meanings that could hurt the corporate and brand images.

Finally, the tonal nature of some Asian languages further increases the chance of undesirable associations and confusions. To be sure, speakers of a tonal language pay attention to tones because they signify meaning. However, corporate and brand names are often novel names, consisting of two or three characters which are meaningful on their own but not necessarily meaningful as a unit. As a consequence, consumers may search for meaning and mistakenly associate the name with a character of a different tone, especially when they are exposed to the name through oral communications (e.g., radio or personal recommendations). Therefore, managers are well advised to make sure that such tonal confusions do not occur.

Cultural Aspects of Naming-Decisions—When choosing a name, aside from these linguistic aspects Asians also consider certain cultural factors such as the impact of the particular type of writing system. As mentioned earlier, Chinese characters are the common basis of the writing systems of Japanese and Korean. Yet, over the centuries, new writing systems have been invented in these languages and are used in addition to or interchangeably with Chinese characters. Japanese is a particularly complex example. Modern Japanese uses four writing systems: Chinese-character based kanji, two phonemic systems called hiragana and katakana, and the Western alphabetic writing system called romaji. Everyday Japanese writing is mostly a combination of kanji and hiragana. Yet, corporate names are typically spelled in romaji (and sometimes, in the case of foreign firms, in katakana), and brand names may be spelled in any of the four writing systems. For cultural and historical reasons, writing systems carry associations and are therefore more or less appropriate for certain product categories.

Specifically, brands that use the oldest writing system, kanji, are perceived to be “traditional”; as a result, kanji may be appropriate for tea products but not for high-tech products. For high-tech products, the most “modern” language system, katakana, is the best. The katakana system was introduced into the Japanese language in the nineteenth century and designed specifically for foreign loan words. It is most appropriate for foreign products and products associated with foreign lifestyles. Hiragana,
used exclusively for the first time in the famous novel *Genji Monogatari* ("The Tale of Genji"), written in the eleventh century by a courtesan, has a somewhat feminine image. It is frequently used for beauty products, hair salons and kimono stores. Clearly, companies entering the Japanese, and other Asian markets, should be familiar with the impact of different writing systems and writing styles on brand perceptions.

Another cultural aspect of brand-naming concerns the concept of a "lucky name." Pepsi Cola is a lucky name in Chinese (meaning "hundred happy things"). Also, to qualify as a lucky name, a name should have an appropriate balance of *yin* and *yang*—roughly, feminine and masculine qualities. Yang characters are made up of odd number of strokes in Chinese characters while *yin* words are made up of 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 better than *Yin Yang Yin*. Finally, the total number of strokes should be auspicious. In lucky names, the total number of strokes equals a lucky number such as 8, 11, 13, 15, 16, 17, 18, 25, 29, 31, 32, and 39.

An Analysis of Actual Name Selections in the Region—Asian firms spend an extraordinary amount of time and resources on selecting corporate and brand names. Some of the resources are spent on research. Others are spent on metaphysical inquiries: there are hundreds of "nomology" books on the market that interpret the "fate" of a name, and many companies consult fortune tellers as part of the naming decision. Most Western companies, in contrast, consider those practices as irrational. They rarely consider the linguistic and cultural complexities involved in brand naming and spend little effort and few resources on research.

The Intel Corporation is a notable exception. The company selected the Chinese name for its flagship processor, the Pentium, after carefully analyzing 500 entries submitted by Intel staff in Hong Kong, the PRC, Malaysia, Singapore, and Taiwan. Such a thorough, localized process can produce excellent results. Another example of a careful selection that resulted in a superb Chinese name is Coca Cola. Its Chinese name sounds like Coca Cola (*Ke-kou-ke-le* in Mandarin and *ho-hau-ho-lohk* in Cantonese) and means "tasty and happy." The Chinese name thus expresses the essential positioning of the brand. Other successful applications include Mercedes Benz (the Chinese name means "striving forward fast"), Boeing ("wave of sound"), and Sharp ("treasure of sound").

Most companies, however, end up with suboptimal solutions, perhaps out of necessity, or, worse, out of lack of thorough research. For example, some Western firms have kept the Western name and Western spelling. This approach may be appropriate in Japan where consumers are familiar with the Roman alphabet, but it is less appropriate in a fast-growing market such as the PRC, where only a minority of consumers knows the Roman
alphabet. Keeping the original, alphabetic name seems to work, however, for companies or brand names that are short and catchy such as 3M, IBM, AT&T, and M&M. In that case, the name becomes a visual symbol or logo and is remembered by its graphic qualities rather than as a linguistic unit.

Most companies that have translated their names have done so by sound (e.g., Ford or Winston), without considering the Asian name’s meaning. Because of the structure of Asian languages, this implies that the name must be written differently in different languages. Other companies have translated their names by meaning (e.g., United, Northwest, SAS, as well as General Electric, Digital Equipment, and Westinghouse Electric), irrespective of how the name sounds in different languages.

Finally, branding decisions in Asian-Pacific markets are often made on an *ad hoc* basis as the company enters market after market rather than on a pan-Asian basis. As a result, the company may have chosen a name which works in one market but the name does not transfer well to another market. For example, name awareness and positive associations may be established with a Cantonese name in Southern China but, as the company expands to Northern China, it discovers that the name has negative associations in Mandarin. Similar problems occur as the company enters the Japanese, Korean, and Vietnamese markets. Ultimately, the company may end up with a multitude of names, a different one for each market, which may hurt its perception as a global enterprise. Even Japanese companies operating in the Asia-Pacific Region are not immune to this phenomenon. Matsushita has adopted National for its brands in most Asian-Pacific markets but Panasonic for its brands in Western markets. When Matsushita first entered the PRC market through the South, *le-sheng* meaning “merry sound” was used for National in the Southern provinces. Later, in the North, *song-xia* was used; the character-combination *song-xia* is a meaningless name but the characters correspond to the corporate name pronounced *Matsushita* in Japanese. Johnson & Johnson provides another example. When it entered the Hong Kong market, the name *zhuang-cheng* was used, meaning “an official or lord during feudal times.” This traditional, upper-class association was seen as inappropriate for communist China. So, in the PRC *qiang-sheng* (“active life”), a name with a more upbeat, modern tone that matches well with the PRC’s drive for modernization was adopted. Nonetheless, Johnson & Johnson ended up with two names in the same culture.

To further illustrate the complexities of the naming-process, we now turn to the example of an individual firm.¹¹

The Robert Bosch Case—Robert Bosch, a German vehicle-parts and electrical-appliance giant with a long history of innovative, high-quality products and successful marketing, had been using the Cantonese name displayed as A1 in Table 1 since 1986 in Hong Kong and the South of China. In 1988, the name was registered as a trademark. At the same time,
Table 1. Translation of the BOSCH Corporate Name into Chinese

<table>
<thead>
<tr>
<th>Character</th>
<th>Mandarin</th>
<th>Cantonese</th>
<th>[BO]</th>
<th>Mandarin</th>
<th>Cantonese</th>
<th>[SCH]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>bò</td>
<td>bó</td>
<td>1</td>
<td>shù</td>
<td>syūh</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>bó</td>
<td>bok</td>
<td>2</td>
<td>shì</td>
<td>sīh</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>bǎo</td>
<td>bóu</td>
<td>3</td>
<td>shì</td>
<td>sāi</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>bǎo</td>
<td>bóu</td>
<td>4</td>
<td>shì</td>
<td>sīk</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>5</td>
<td>shì</td>
<td>sīh</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td>xī</td>
<td>sāi</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td>shī</td>
<td>sī</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td>xū</td>
<td>hēui</td>
<td></td>
</tr>
</tbody>
</table>

Note: Letters A to D display the four characters considered for the first syllable [BO], with the corresponding pronunciations in Mandarin and Cantonese listed next to it; numbers 1 to 8 display the possible characters and corresponding pronunciations for the second syllable [SCH].

The Pinyin transliteration system is used for Mandarin and Cantonese. The four tones in Mandarin are indicated in the following way: \( ^\cdot \) = flat; \( ^\prime \) = falling; \( ^\prime \) = rising; \( ^\prime \prime \) = falling/rising. The tones in Cantonese are indicated in the following way: \( ^\prime \) = high-falling; \( ^\prime \) = high-rising; \( ^\prime \) = low-falling; \( ^\prime \) = low-rising; \( ^\prime \prime \) = low-level; \( ^\prime \prime \prime \) = high-level. Middle level has no accent. Pronunciations ending in "k" or "h" indicate clipped tones.

A8 had been widely accepted in the PRC, especially among clients in the diesel-fuel injection-equipment field, one of Bosch’s core business sectors. When Bosch considered opening an office in Beijing during the same year, a name unification seemed necessary.

The options (displayed in Table 1) were considered carefully. The objective was to select a name (i.e., a combination of characters) that

- sounds like Bosch when pronounced in Mandarin and Cantonese;
- has positive meanings that relate to Bosch’s core business or image as a company;
- has no negative sound associations; and
- is distinct from other corporate names and therefore does not pose any registration problems.

All of the options displayed in Table 1 sound like Bosch in Mandarin (but less so in Cantonese). Also, each option involves trade-offs. For example, A1 had established name recognition in the South of China but negative connotations in the second character (the first radical means “death”). C5 does not sound as good in Cantonese as in Mandarin. It means “save time” or “time as a value” which is a positive association, although it does not
refer directly to Bosch; also the first character (C) has a homonym that means “insurance.” The word as a whole has a homonym in Mandarin that means “jewel.” B2 is used for the doctoral degree and has the association of “academic education”—a positive association but not appropriate for an industrial firm. B2 had also been registered by several other firms, including one firm selling generators and oscilloscopes, thus potentially contributing to customer confusion. D6 means “valuable from the West” but does not sound good in Cantonese.

B3 was ultimately chosen, even though Bosch felt that the new name sounded less good in Cantonese than A1, the original name used in Hong Kong and in the south of the PRC. However, those names that would have sounded better in Cantonese would not have sounded like Bosch in Mandarin or would have had associations of a welfare organization. The word’s connotations are favorable (B means “win,” “knowledgeable,” and “rich” and 3 means “world”; so the name may be interpreted as “winning all over the world”). In terms of luck, B3 is a twelve strokes/five strokes character-combination and thus a yin-yang word which does not have the most favorable condition of luck.

Of course, in other markets, e.g., Korean and Japanese, B3 would be pronounced differently (e.g., “bank se” in Korean and “Hakuse” in Japanese). Aside from the fact that both names do not sound good in either Korean or Japanese, the Chinese writing would be seen as old-fashioned and thus inappropriate. In Korean, the _hangul_ writing system is commonly used for foreign corporate names and in Japanese, as discussed earlier, _romaji_ or _katakana._

**Task 2: Establishing the Right Image**

Asians are perhaps the most image-conscious consumers in the world. Three image-enhancement strategies have been quite successful with Asian consumers: associating the corporation or brand with prestige and an upscale image; capitalizing on Asians’ beliefs in the supernatural; and providing appealing aesthetics.

Creating a Prestigious Image—With regard to image, “right” often means classy, upscale, and prestigious. The marketing of liquors, cars, and fragrances provide good examples. Johnny Walker’s most recent line extension, _Honour_, has been developed specifically for the East Asian markets, using the classy British spelling, a proprietary bottle shape and distinctive box design (an embossed box with seal and satin lining) to enhance the high-end positioning of the brand. Mercedes Benz, using upscale image advertising, is in big demand in Hong Kong and in the south of China. Champagne, the new fragrance by Yves Saint-Laurent, is making a fortune in Asia.
A prestigious image is an important asset not only for brands but also for companies. For Asian consumers, it is not only important that products be perceived as reliable and prestigious. The manufacturers should also have a positive image. It is therefore important for overseas manufacturers to promote not only their brands but also the image of the corporation.12

In Japan and other Asian countries, every television commercial from a consumer giant ends with a shot of the company’s logo. Because brands are most successful if they are linked to companies with a respectable image, a company’s image may be leveraged in the form of brand extensions. In the West, a diaper by the Japanese cosmetics firm Shiseido may be judged primarily in terms of whether cosmetics and diapers go together; in Asia the image of Shiseido provides enough justification for giving the product a try. Therefore, companies operating in the Region need to be very concerned about their company image because corporate identity is a major asset for marketing products.

Capitalizing on Beliefs in the Supernatural—As McDonald and Roberts have noted, “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.”13 Indeed, from ghosts in Japan to card-reading in China and healing techniques in the Philippines, the supernatural attracts most Asians. Managers should capitalize on Asians’ beliefs in the supernatural strategically to the benefit of their companies and brands.

Feng-shui is a particularly good example.14 Feng-shui, which is widely applied in Chinese culture but also in Japan and Vietnam, means “wind and water” and refers to the ancient art of geomancy—a calculated assessment of the most favorable conditions for any venture. Many Westerners believe feng-shui defies logical or scientific explanation. The PRC outlaws it, but it is nonetheless very common. In practice, a company’s image and reputation as well as the success of its brands can depend crucially on whether or not the company takes feng-shui seriously—not necessarily because of the usefulness of the advice but because of consumers’ perceptions. A company that consults a feng-shui expert (and publicizes it in the media) tells customers and employees that it cares for their prosperity and well-being. In Hong Kong, feng-shui is a multibillion dollar business, and it is spreading to other parts of the globe. City planners in Vancouver, Canada, have reportedly consulted a feng-shui expert as have executives at the Hong Kong and Shanghai Bank in London and at Motorola Semiconductor in Phoenix.

Feng-shui may be used primarily to enhance the image—and fate—of the corporation’s headquarters building and offices. To have good feng-shui, a corporate building should face the water and be flanked by mountains. At the same time, the building should not block the view of the mountain spirits. That’s why a number of major office buildings in Hong Kong such as
the famous headquarters of the Hong Kong and Shanghai Banking Corporation, designed by well-known architect Norman Foster, have see-through lobbies to keep the spirits happy. Sharp angles give off bad feng-shui. That's why the Bank of China in Hong Kong, designed by I.M. Pei, is perceived by many people as having bad feng-shui. Similar principles apply to the design and layout of hotels, restaurants, department stores, and corporate offices.

The concept of "lucky numbers" is related to the feng-shui system. Eight is a lucky number. To compensate for its bad geomancy, the Bank of China in Hong Kong opened its doors on the eighth of August 1988 (8/8/88), probably the luckiest day of the century. When the Hong Kong stock market closed on December 31, 1993, 115 per cent higher than the year before, most of the computer screens in town 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 by Chinese investors as a sign of further prosperity and good fortune in the new year.

The Role of Aesthetics—A general concern for aesthetics—i.e., for an attractive look, touch and feel, and attention to detail—is widespread in the Asia-Pacific Region; and, despite regional variations, the Region as a whole seems to share a common aesthetic style. Specifically, aesthetic expressions—whether in the arts or in the form of corporate aesthetic output (e.g., packaging, brochures, advertisements, store designs)—are guided by three aesthetic principles. First, Asians value complexity and decoration: they love the display of multiple forms, shapes and colors. This feature is most pronounced in Chinese, Thai, Malay, and Indonesian aesthetics. Second, beauty means balancing various aesthetic elements; harmony in aesthetic expression is seen as one of the highest goals. Third, Asian aesthetic expression values naturalism. In China, symbols and displays of natural objects—of mountains, rivers, and phoenixes prevail and are frequently found in packaging and advertising. From "Dragon Air" to "Tiger Beer" naturalism abounds in brand names and logos. In Japan, gardens, trees, and flowers are prime objects of aesthetic symbolism.

Finally, colors seem to have different meanings and aesthetic appeal in the Asia-Pacific Region than in the West. In Chinese culture, red has been appreciated for centuries as the most appealing—and most lucky—color. Blue, on the other hand, is considered to be a cold color and carries associations of being evil and sinister. Yellow is seen as pleasant and associated with authority, and white is associated with death. Whereas blue is clearly the favorite corporate color in the U.S., it is found less frequently in East Asia. Instead, red is the winning corporate color. In Singapore, prominent enterprises such as Singapore Telecom, Singapore Technologies, Wuthalam Holdings, and the Urban Redevelopment Authority use red. Blue is almost exclusively found in logos of companies whose business is related to the sea. The logo of the Sembawang Group, a diversified conglomerate with
core business in the marine and process engineering industries, is blue. So is the logo of the Navy. Other companies use the professional blue only in the writing of the corporate name but not in the actual logo. For example, the name of Singapore Airlines is written in blue but the crane logo is brownish-yellow.

Task 3: Enhancing Quality Perceptions

Whether or not a company is able to convince customers that it provides quality products is the key factor for determining customer loyalty and repeated purchase. Name recognition and a positive company or brand image may be established via mass media communications. But quality is affected by consumption experiences, and determined in Asia by what others think about the company and its products. Also, quality is closely tied to service. Asian consumers always expect a certain level of service, even if they are price-conscious, and the service concept in Asia seems to be different from the West. There are two ways of enhancing quality perceptions: using reference groups and social relations; and providing the appropriate level of service.

Reference Groups and Quality Perceptions—Individualism versus collectivism—the extent to which an individual considers group concerns, as compared to individual concerns, in making decisions—has been identified as one of the major cultural differences between Western and Asian cultures. Americans are said to be individualist and to resent conformity. Because Confucianism is part of their cultural background, Asians are said to be collectivist and motivated toward conforming to the norms of their reference groups. Indeed, Asians care greatly about others’ perceptions of themselves and are very concerned about guanxi, i.e., establishing social relations and connections. In turn, they are strongly influenced by the opinions of others in their reference group and concerned about “not losing face,” i.e., maintaining their social prestige and standing in the relevant reference group. Asians show how much they have embodied the group ideal by being like others.

The cultural dimension of individualism/collectivism has been applied mostly to the analysis of work-related values and negotiations. It also has important consequences for consumer behavior and for enhancing the perceived quality of a company and its products. For example, friendship circles or people living in the same area (e.g., an apartment building) often consume similar product categories, select the same brands within a category and purchase them in the same department store. Asians are less likely to complain when they receive defective products or inappropriate service; instead they change companies and products silently. Group acceptance of the company and its brands determines whether or not the
products will be accepted in the marketplace. Häagen Dazs ice cream, promoting its ice-cream with a European premium-quality image all over Asia, is primarily relying on word of mouth to expand its sales. Opinion leaders play major roles in promoting the quality of a product on TV. Comparative advertising and quality-comparisons, on the other hand, are seen as "bad-mouthing" the competition; a company that does it loses face.

Monitoring the societal and communal role is also significant in terms of promoting the company and its products. Every year, the magazine Asian Business nominates Asia's company of the year. The following criteria are used to evaluate the companies in the Region: quality of management; quality of products/services; contribution to the economy; size and type of charitable donations and establishment of educational foundations; concern shown for the environment; the image projected of being honest, ethical, and a considerate employer; and potential for growth. Note the heavy emphasis on social/communal activities and responsibilities. For building corporate reputations, a company's communal activities, sponsorships, and public relations are extremely important.

Providing the Appropriate Level of Service—Asia is, by its very traditions, a service culture. The service concept has been institutionalized, for example, in the rituals surrounding the serving and drinking of tea, in host-guest relations, and in the packaging rituals found all over Asia. Service is often crucial for enhancing quality perceptions.

What constitutes good service "Asian style"? First, service must be people-oriented. Personal characteristics matter: Asian customers find it strange to be served by an older person unless the person is the owner. Also, efficiency and time-savings are less important than personal attention. Customization rather than efficient standardization is the key. As a recent Sheraton ad, run in the Region, put it, "Service is what you want it to be."

Asia's profitable airlines are good examples of this aspect of the Asian service concept. Rather than focusing on schedules, number of destinations, baggage handling, and frequent-flyer bonus programs, Asian airlines have positioned themselves primarily as providing superior inflight service, centered around the flight attendants. Singapore Airlines took the lead years ago by creating the icon of the Singapore Girl as an idealized version of the young, gracious, and courteous Asian hostess. The campaign has been copied by other airlines in the region (e.g., Malaysian Airlines, Thai Airways, Hong Kong's Cathay Pacific), which have also positioned themselves by superior inflight service and used the stewardess as the focal point of their ad campaigns. When Virgin Atlantic tried to engage Cathay Pacific in a price competition on the profitable Hong Kong-London route, Cathay responded with "inflight service enhancements."

In addition to personal attention, Asian consumers value the ritualistic aspects of service—e.g., the movement, the pose, and the look of the service
Table 2. Strategic/Tactical Recommendations for the Three Management Tasks.

<table>
<thead>
<tr>
<th>Unique feature</th>
<th>Strategic/tactical recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selecting Corporate and Brand Names</strong></td>
<td></td>
</tr>
<tr>
<td>Ideographs</td>
<td>Choose name with desirable connotations</td>
</tr>
<tr>
<td>Homonyms</td>
<td>Choose name with desirable sound associations</td>
</tr>
<tr>
<td>Multiple tones</td>
<td>Choose name with desirable tonal associations</td>
</tr>
<tr>
<td>Writing as art</td>
<td>Present names in attractive calligraphy</td>
</tr>
<tr>
<td>Multiple writing systems</td>
<td>Use writing system appropriate for product category</td>
</tr>
<tr>
<td>Lucky names</td>
<td>Choose name associated with luck based on stroke number and yin-yang</td>
</tr>
<tr>
<td><strong>Establishing the Right Image</strong></td>
<td></td>
</tr>
<tr>
<td>Prestige</td>
<td>Create prestige associations, promote the image of the corporation and leverage corporate image in brand extensions</td>
</tr>
<tr>
<td>Mysticism</td>
<td>Check for mysticism and feng-shui</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>Focus on complexity, balance and naturalism</td>
</tr>
<tr>
<td><strong>Enhancing Quality Perceptions</strong></td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td>Use reference groups as influencers</td>
</tr>
<tr>
<td>Societal role of company</td>
<td>Engage in community projects and sponsorships</td>
</tr>
<tr>
<td>Personal service</td>
<td>Customize service elements</td>
</tr>
<tr>
<td>Service rituals</td>
<td>Attune to movement, gestures and rituals</td>
</tr>
</tbody>
</table>

personnel. Although present all over the Region, the ritualistic element is the most pronounced in Japan. For example, Japanese women speak in a higher-pitched voice in customer-contact situations than in private situations. Every salesperson is trained in elaborate gift-wrapping techniques. In five-star hotels, the bellboy accompanies the guest to the departing bus or car and waits until the guest has departed. Even in fast food outlets, ritualized service is quite common.

Conclusions

Table 2 summarizes the unique features of corporate-identity and brand management in the Asia-Pacific Region and our key recommendations concerning each management task. Some of our recommendations (e.g., use prestige or communal activities) are of a more general strategic nature because they define a broader range of objectives and activities for a company while others may be seen as tactical (e.g., present names in attractive calligraphy). Moreover, although we have discussed the unique features of Asian cultures as independent from one another, with occasional cross-references, they are in fact highly interrelated. For example, feng-shui and yin-yang concepts refer to names, numbers, colors, and other facets of the material and immaterial world, thus creating unifying concepts and themes
that form the basis for other concepts. As a result, corporate identity and branding decisions such as the choice of a name and logo should not be approached in a sequential fashion (first considering the sound of a name, then the meaning, then the number of strokes, then the color of the logo etc.), but in a parallel fashion in which the overall gestalt of the end-product as well as its various components are considered. As stated earlier, Asian consumers appreciate balance and harmony of different elements in the final product.

Building and managing corporate and brand identities in the Asia-Pacific Region is, in many respects, similar to corporate identity and brand management anywhere else in the world. At the same time, there are subtle, yet crucial differences related to linguistic and cultural factors, which require that managers pay close attention to local conditions. Some of the issues that we have discussed (e.g., the linguistic issues) are likely to be permanent factors because they reflect intrinsic differences in consumer perceptions and information processing. Other differences may diminish over time. For example, in the consumption of some product categories such as clothing, entertainment, and consumer electronics, there seems to be a convergence of lifestyles and preferences, at least among certain strategically important market segments such as city dwellers. Managers must be sensitive to both and must be able to distinguish which is which: the unchanging aspects of consumer perceptions and behaviors deeply rooted in language and cultural traditions, and the ephemeral preferences resulting from changing lifestyles and sometimes consumer fads.

References


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