

LOCAL JEWELS AND GLOBAL HEROES

THE FUSION MODEL OF GLOBAL BRAND MANAGEMENT

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PREFACE

This paper aims to explore globalisation from a marketing – and particularly brand management – perspective. In order to investigate the opportunities and threats of globalisation for the brand landscape, we briefly introduce a theoretical framework of brands in a global world. The Fusion Model distinguishes three different types of brands according to their heritage and link to local or regional cultures and history: local jewels, brands in fusion and global heroes. The model claims that these different types of brands require different strategies of brand management. In order to test our assumptions we will present the results of a qualitative case study Ipsos Germany and Ipsos China conducted as a joint study. Since wine making is traditionally rooted in the Western society and culture, we chose wine to be the subject of ‘testing the limits’ of global brand stretchability. Opportunities and barriers of German wine in the Chinese market will be compared to consumers’ reactions towards Chinese wine in the German market. According to our knowledge, this will be the first empirical investigation in both markets to focus on neither ‘copy cats’ of Western concepts and products in China or India nor a ‘digital innovation’ with a high level of credibility of Asian origin. Our analysis will also be based on further empirical evidence of consumers’ reactions regarding global brands, brands in fusion and local heroes.

GLOBALISATION – THE ROOT OF ALL EVIL?

Whilst the author is generating this paper, police are using water cannons on scattered stone-throwing demonstrators as protesters swarmed the seven-mile fence surrounding the G-8 summit where George W. Bush and German Chancellor Angela Merkel met. The protest against the summit and the globalisation process turned into violent street fights resulting in hundreds of injured protesters, police officers and journalists as well as the imprisonment of people who violently expressed their attitude of anti-globalisation or were intending to do so.

The right of free demonstrations was restricted by the German government that generated criticism not only amongst German protesters, left-wing politicians and lawyers but also within an international scope. Globalisation is a topic of heated discussion not only amongst the world leaders but can also be picked up in pubs of the average man or woman on the street. Naomi Klein’s book ‘*No Logo*’ started an intense discussion of the future of branding in a global world in 2000, which was of interest not only for international brand managers. ‘Globalisation’ still is a buzzword creating immediate attention and emotional reactions as if it were an unavoidable and scary new epidemic one would not want to be infected with. For the anti-globalisation movement it seems to be the root of all evil encompassing spreading epidemics, poverty, war, famine and global warming. From a political point of

view, it evoked a political criticism and activism Germany has not experienced since the disarmament and peace movement in the 1980s.

From an economic point of view, globalisation has been linked with a variety of positive and negative aspects. The “increasing connectivity, integration and interdependence in the economic, social, technological, cultural, political, and ecological spheres” (Wikipedia) is seen to offer opportunities as well as risks. Unilever set the flag of globalisation with its ‘Path to Growth-Strategy’ in the 1990s, aiming to reduce the global brand portfolio from approximately 1,600 brands to 400 brands altogether. The fundamental reasons of this core market strategy were economies of scale in Research & Development, sourcing and supply, production and distribution. The discipline, consistency and breadth of reduction of brands caused not only positive reactions amongst consumers, particularly where preferred local brands were eliminated. Due to the high economic relevance, this example of how to manage brands in increasingly interconnected markets, the future of regional brands and producers appears to be doubtful (Staack, 2005). However, some voices clearly focus on the potential of globalisation beyond the economic growth of multinational giants:

“Some say you can deal with globalisation in only two ways: join in or seal up, losing your identity or your business. The other way around seems to be the better approach: To open the world through competition and differences. In the region.” Wolf Lotter, brand eins, 09/06

Competing constructively and making use of regional and cultural differences can be a business opportunity to open up when the local markets are catered for.

‘Think global act local’ was stated as strategy to manage the gap between local cultures and a global perspective. But what does this mean? How can a global business perspective be implemented in marketing strategies and day-to-day business? What are the opportunities and the barriers of positive globalisation effects? Does globalisation necessarily mean de-localisation? What is the impact of the globalisation process on the

new emerging markets as well as ‘good old Europe’?

In this paper, we focus on globalisation from a business perspective – in terms of marketing and market research – by taking a closer look at the emerging market of China. The analysis will start from a theoretical angle by presenting a framework of brand management in a global world. Three different types of brands will be distinguished according to their heritage and link to local or regional cultures and history: *local jewels*, *brands in fusion* and *global heroes*. Our hypotheses are that these different types of brands require different strategies of brand management in terms of intercultural competence in order to be successful internationally. We will present a first test of the hypotheses and the brand model we call *The Fusion Model* by an empirical case study Ipsos Germany and Ipsos China conducted in a joint qualitative project. We wanted to ‘test the limits’ and therefore decided wine to be the subject of exploration, since wine making is largely regarded as a traditional part of the Western food and drinks culture. We examined the opportunities and barriers of German wine entering the Chinese market as well as Chinese wine in the German market – based on consumer needs and perceptions in these markets. From a broader perspective, local heroes, fusion brands and global heroes will be investigated through the eyes of German and Chinese consumers.

ARE WE ON THE ROAD TO A GLOBAL BRANDSCAPE?

Globalisation covers a wide range of distinct political, economic and cultural trends and has quickly become “one of the most fashionable buzzwords of contemporary political and academic debate” (Stanford Encyclopedia of Philosophy). Global players created brands that seem to have a universal character without a detectable country of origin since the same products can be found in the streets of Shanghai, Les Galleries Lafayette in Paris as well as the first hypermarket in Nairobi / Kenya. On the other side, Germany is currently facing an ‘ostalgia’ as products and brands from the former German Democratic Republic are celebrating a renaissance in some parts of the population.

But not only does longing for an irretrievable past trigger the preference of local or regional brands. 'Country-of-origin effects' have been intensively investigated since the 1980s: consumers' perception of quality (Han & Qualls, 1986); the impact for uni-national compared to bi-national products (Han & Terpestra, 1988; Heslop, Liefeld & Wall, 1987); gender differences (Heslop & Wall, 1985, 1987); age differences (Leek, Szmigin & Carrigan, 2001); income level effects (Staack, 2005); and the impact of the country of origin on consumer behaviour (Ittersum, 2002). Different regions and their effect on consumer perception of products and brands were explored: mostly the effects of Eastern origin such as Japan compared to Western origin (mainly the US) (Nagashima, 1970, 1977; Narayana, 1981), but also European countries in their role of heritage were the focus (Niffenegger & Marmet, 1980; Papadopoulos, 1993), and few paid attention to the African brandscape (Rademacher, 2002). In addition, the variability of country-of-origin effects was investigated which resulted in a stronger sensitivity for certain product categories (Kaynak & Cavusgil, 1983).

So, does country matter? Yes, it does. Cognitive, affective and normative effects of the knowledge of the country of origin could be demonstrated fairly consistently (Jaffe & Nebenzahl, 2001; Verlegh & Steenkamp, 1999). Nevertheless, despite the large body of empirical studies, the very nature of the country-of-origin effect and its dynamic still is poorly understood. The strength of the impact on aspects such as perceived quality, attitude and purchase intention varies significantly in different studies. Different patterns occur in different markets, target groups, age groups and product areas. In addition, the interaction of these influence factors remains a complex mystery.

How shall today's brand manager cope with this situation in a very dynamic and time-pressured environment when not even academic experts understand whether local or global brands will be the paving stones of the path to growth in the near future?

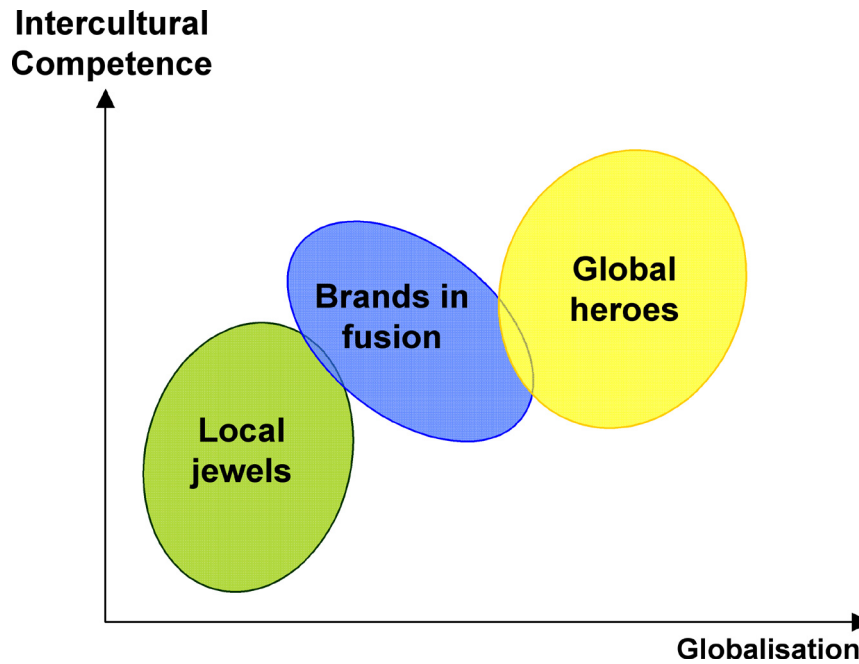
We would like to present the '*Fusion Model*' as a *theoretical framework* and starting point for inspiring an intercultural

perspective on branding for the community of marketers and market researchers. New approaches and paradigm regarding branding have been taken into consideration in this model by encompassing rational-technical aspects as well as emotional and social dimensions of brand-consumer relationships (Gobé, 2001; Kotler, 2001). The Fusion Model differentiates three different types of brands (see figure 1).

1. *Local jewels*: Brands whose brand personality and brand image consist of values, attributes, habits, needs and aims that are strongly rooted in or connected with the local or regional culture and / or history. The local character can be reflected by a truly local heritage, a myth about the brand and its origins or strong local ambassadors of the brand. Interestingly enough, longing for '*Heimatstolz*' ('new patriotism') is a current trend in the German market (Güldenbergh, trendreport 2006) which has been spread in the media particularly since the World Cup in 2006 when German flags went out of stock due to unexpectedly strong demand. Local brands can become successful due to specific local attributes and gain the aura of 'local heroes'. Since they are strongly rooted in the culture of origin, their management requires only little intercultural sensitivity and competence (Hecht-El Minshawi, 2003) as long as the explicit and implicit rules of the culture are taken into consideration. However, local jewels might get into trouble if managers and marketers stemming from other countries and cultures are in charge of their development.

2. *Brands in fusion*: Like South Africa's fusion cuisine offering a unique blend of traditional African dishes and French haute cuisine, brands in fusion provide a unique and distinct character integrating local roots and origins as well as global trends, habits and values. These brands might have become a part of an international brand portfolio because they used to be local jewels in important markets and regions and have 'stretched' into a more global dimension either driven by their international success or a strategic marketing decision. The brand management of fusion brands requires intercultural competence since the local roots have to be

FIGURE 1
FUSION MODEL



taken into consideration as well as the new territories they have entered, regardless of the degree of freedom brand managers are given in order to blend or combine local specifications and peculiarities with international values and characteristics.

3. *Global heroes*: Global heroes are brands that have managed to successfully target the international community by a fairly consistent brand image and communication. These brands will appear to have a kind of ‘universal’ character in the eyes of consumers around the globe regardless of their country of birth in terms of foundation or production. Some might not even need a home at all since global brands emerge in a similar manner and appearance all over the world – such as today’s ‘global teenagers’. Brand may have become global and universal by a long international track record demonstrating that they successfully conquered the world as was initially planned. It is more likely that brands can become global successfully when addressing consumer needs that are relevant for specific target groups regardless of their place of birth or residence (e.g. YouTube). The brand management of global brands

requires a rather trans-cultural understanding and strategy.

FUSION OR CONFUSION? – GLOBALISATION PUT TO TEST

We will illustrate these different types of brands through examples of the German and the Chinese markets based on a *qualitative case study* we conducted in Hamburg (Germany) and Shanghai (China) in June 2007. The aims and research questions of this joint study are as follows:

1. Understanding consumers’ perception of brands in today’s world of globalisation;
2. Cognitive, affective and normative dimensions of consumers’ mental ‘brandscape’ in terms of internal representation of brands;
3. Importance of the country of origin in the perception of brands;
4. Evaluation of Chinese brands and products entering the German market on the basis of the assessment of Chinese white and red wine.

In order to control the effect of the product category, we wanted to investigate an exemplary product of the same category in Germany and China. To emphasise cultural influence factors, we chose a category that is extremely sensitive to the local culture and habits: edibles, and more specifically beverages (Staack, 2005). In this area, personal and culturally shared values, needs and features are key (Karmasin, 1999; Lupton, 1996). Empirical evidence is given that food marketing is particularly affected by country-of-origin effects (Skaggs, Falk, Jaime & Cardenas, 1996; Staack, 2005) and therefore an ideal arena to test the limits.

In eight focus groups held in China and Hamburg, consumers conducted sorting exercises and projective techniques to express their views and feelings about brands in today's world and discussed a possible effect of the globalisation trend: the acceptance of 'exotic' products, such as Chinese Chardonnay and Cabernet Sauvignon tested by German wine drinkers accustomed to Riesling and Grauburgunder, and German wine entering the Chinese market tested by Chinese open towards wine drinking. Each focus group lasted approximately 2.5 hours and consisted of

between six and eight participants each. Besides the common recruitment criteria (e.g. excluding people with a marketing, research or gastronomic background, decision makers regarding the relevant product in the household), we screened the participants according to the following *profile*:

- Age (two groups with younger consumers aged between 20-35 years and two groups with older consumers aged between 40-55 years in each country);
- Gender (approximately 50% males and 50% females per group);
- Income level (only China) and education level;
- All aware of international brands and purchased of some brands within the past two months (mix of presumably global / fusion / local brands that are relevant in the market);
- Familiar with (grape) wine and consumption at least one to two times per month;
- Attitude towards globalisation according to statement battery (two groups with pro-pro- consumers and two groups with anti-globalisation consumers in each country). (See figure 2.)

FIGURE 2
SAMPLE DESIGN

Pro-Globalisation, younger consumers	Pro-Globalisation, older consumers
Anti-Globalisation, younger consumers	Anti-Globalisation, older consumers

THE MEANING OF BRANDS IN A GLOBAL WORLD

A brand has been defined as “symbolic embodiment of all the information connected to a product or service serving to create associations and expectations around it” (Wikipedia) and as “identifying symbol, words, or mark that distinguishes a product or company from its competitors. Usually brands are registered (trade-marked) with a regulatory authority and so cannot be used freely by other parties. For many products and companies, branding is an essential part of marketing” (investorwords.com). The symbolic meaning in the minds of the consumers is ideally represented by a logo (visually and / or brand name). Literally, branding stems from the common practice of branding one’s herd in order to prevent theft or loss of animals of this herd.

The mark ‘made in Germany’ has been perceived as a seal of approval which indicated high quality standards, craftsmanship and reliability for decades – which was important not only and maybe not even most important for German consumers. Accordingly, the country of origin can be regarded as brand itself since it allowed the distinction of German and non-German products in the more and more international competitive environment. Furthermore, consumers related symbolic meanings and specific expectations regarding German products compared to products from other countries. The country of origin appears to be particularly important for food products due to their physical and cultural meaning as well the symbolic meaning and impact of the incorporation of food products (Rademacher, 1991; Lupton, 1996; Karmasin, 1999).

This impact of the product and brand perception was one of the reasons why the EU has prevented regional and local protectionism (Becker, 2000) in the relevant product category of agricultural products for quite a while. Accordingly, manufacturers of food products cannot fully exploit the symbolic meaning of a certain region and country anymore to support brand values such as naturalness, purity, trustworthiness, competence etc. This restriction is not necessarily common around the globe. In 2002, South Africa launched a big cam-

paign ‘buy local’ to overcome image deficiencies of local products and to strengthen awareness, competence perception and pride within the South African consumer culture (Rademacher, 2002). The situation within the Chinese market allows either indicating or neglecting the country of origin as product information. Thus, it is difficult to establish a global strategy on how to manage the local versus non-local feel of food products in different markets. These circumstances should be kept in mind when exploring the acceptance of Chinese wine in the German market and German wine in the Chinese market – as one example of the opportunities and limits of globalisation – at a later stage of this paper.

In our case study, in general, the country of origin seems to play a different role in consumers’ perception of the current ‘brandscape’ when comparing the results of German and Chinese consumers. For most Chinese consumers, foreign brands (especially European and American brands) with their presumed quality superiority are very welcomed. Generally, Globalisation is a positive term that implies the ‘good’ changes taking place in China, in terms of technology, standards, etc. The top-of-mind brands spontaneously mentioned by the participants encompassed only one Chinese brand of the luxury area: LaoMiao – a Chinese jewellery maker with a long tradition. Other than that, positive brand characteristics were only associated with non-Chinese brands whereas the specific country of origin remains unclear to the Chinese and is of almost no relevance to the consumers at first glance. When asked explicitly, the country of origin triggered competence-related brand strengths for products such as German cars, French perfume and Swiss watches in the minds of the Chinese consumers which indicates a possible subconscious impact on the brand perception.

“Germans are very serious....very rigid...their cars are good.” (Chinese consumer)

“Let me give you one example: Mercedes Benz. It integrated the German culture...so its design is good...it just tries to provide you the best stuff.” (Chinese consumer)

"It's very famous and universally known that the preciseness and accuracy of the Switzerland watches."
(Chinese consumer)

"French brands are romantic, very fashionable and trendy... look at all the designers and fashion shows. When it comes to perfume, I think of France." (Chinese consumer)

The perception of German consumers differed. In almost all groups, the country of origin was one of the top-of-mind characteristics when thinking of and talking about brands spontaneously:

"It is very important where a brand stems from since it has an impact on the quality and trustworthiness."
(German consumer)

"I feel proud of a brand being German. I have noticed in my social environment that people have tended to prefer German cars as company cars lately." (German consumer)

"It gives me a sense of security and re-assurance if a brand comes from one's own country." (German consumer)

"German products are related to security and trust. That's even more so in foreign countries. People say 'I buy a Merc or a Miele' since they are of good quality. We do have a different lifestyle and working ethics as opposed to Greece for instance. In their culture, different things are of importance." (German consumer)

Interestingly, even Chinese consumers tend to be cautious or even critical about the performance and quality level of Chinese brands when assessed on a global scale. Some participants referred to examples of Chinese brands that apparently did not even meet one of the core expectations regarding branded products (compared to non-branded products): delivering products of a consistent, positive quality.

"Our Chinese brands don't know how to maintain their reputation ... Say BuBuGao [VCD/DVD player brand], it was very popular one time and now it just disappeared. Its quality was great at the beginning but it dropped like a shooting star." (Chinese consumer)

In our view, this finding is a serious warning signal since the difference between branded and non-branded goods is crucial in emerging markets (Rademacher, 2002). If Chinese brands undermine the trustworthiness of brands themselves through 'shooting star' track records, average consumers might struggle to experience added value and benefits of branded goods compared to non-branded goods in general. As a result, the opportunities of Chinese brands to compete with well-established non-Chinese brands – whose long history and superior quality consumers are familiar with – will become a difficult battle. Economic analyses of the future of the Chinese economy (e.g. Herrmann-Pillath, 2005) might have neglected this threat so far.

In addition, the understanding of a 'long track record' seems to differ significantly between the German market with brands having been around since World War II (more than 60 years ago) and the long-standing brands having existed for a maximum of two decades in the Chinese market. In line with this finding, Chinese consumers expect a higher and more frequent innovation cycle – particular in connection with technical goods and consumer electronics. Fast-moving appears to have a different meaning in the Chinese market!

In both countries, being a branded product (compared to non-branded goods in the Chinese market and discount brands / dealer-owned brands in the German market) is associated with higher and consistent product quality which is regarded as the critical dimension for all brands:

"First of all, branded products resemble good quality."
(Chinese consumer)

"It means good quality and good service that we are confident to buy and to use." (Chinese consumer)

"Quality is fundamental for a brand. It's the life for a corporation. If a brand cares about its reputation it will exist for a long time." (Chinese consumer)

"Brands equate quality and identity." (German consumer)

"I associate brands with quality, life-long guarantee and performance as Stiftung Warentest (a quality test

conducted by an independent non-profit organisation) indicates.” (German consumer)

Other attributes and marketing activities like advertising, after-sales services and reputation more or less indicate this quality from a different perspective:

“If there were lots of consumer complaints they wouldn’t dare advertise extensively.” (Chinese consumer)

It is intriguing to note that for Chinese almost all well-known non-Chinese brands were recognized as global brands (e.g. Nokia, Motorola, Volkswagen, Mercedes Benz, BMW, VW, Braun, Rolex, Omega, Apple, Levis, Chanel, Dior, Lancôme, Nestle, Lipton, KFC, Ikea, Swatch, L’Oreal, Sony, Panasonic, Canon, Siemens, Philips, Coca-Cola, Pepsi, etc.). The analysis of the brand maps and the discussion reveal that Chinese participants characterise global brands according to the following attributes:

- Available in a large part of the world (as experienced or presumed);
- Are manufactured in different regions of the world to save transport cost;
- A high level of brand awareness globally;
- Adjust a little bit to be adapted to local market;
- Considerable history.

One could say that the dichotomy of Chinese versus non-Chinese brands might – to a certain extent – be fuelled by the lack of information and personal experience of the rest of the world as travelling the world is still hardly possible for the majority of the Chinese population – even though Chinese leaders decided to open up the market and to start embracing foreign things already 20 years ago. However, a similar result could be found in the German focus group since German consumers predominantly differentiated global / international brands and local / regional brands in their brand mapping in which they had to distinguish ‘brand families’ that have something in common without suggesting any brand characteristic as sorting criteria. But, for German consumers it turned out to be more difficult to clearly differentiate between global and local brands during the exercise although the spread of availability was regarded

as a crucial brand dimension their ‘brand-scapes’ often were based on:

“If Mercedes produces most parts of their automobiles outside Germany, is it still a German brand?” (German consumer)

“Brands that you can find around the globe in a comparable quality ... it is difficult to say where they actually originate from.” (German consumer)

In tendency, it was easier for Chinese consumers to capture the country of origin and its impact on the brand imagery. In their mindsets, country of origin has a two-fold meaning:

1. The place that the brand originated from – an aspect which contributes to the brand imagery; it is important for certain product categories, such as cars, electronics, watches;
2. The place where the products are made – very important in deciding the quality perception of a product even under the same brand.

In principle, both dimensions were also reflected by German consumers but – in tendency – other concepts and specifics such as the founder / inventor of certain products, such as Carl Benz (1894–1902), the first location of production, the success story of the brand, the countries the designs and concepts are generated in as well as the country-related standards of quality have an impact on deciding how local or global a brand feels, looks or even tastes:

“You can enter McDonald’s in every corner of the world. The restaurants and products more or less look and taste the same. I like the fact that I can trust the quality regardless of the country I am in and it somewhat makes me feel at home.” (German consumer)

“Even if a BMW is not produced in Germany I can rely upon the fact that it is produced according to the German quality standards.” (German consumer)

As a result, the globalness or localness of certain brands was discussed ambivalently and the consumers often felt

that it was almost impossible to provide an exhaustive, one-dimensional grouping with distinctive groups. For most participants, other aspects interfered and interacted with being a global or local brand. Prestige / status / classiness – the potential to serve as a ‘social marker’ indicating the social class of its owner was mentioned by several consumers (in tendency rather males). It is obvious and easy to understand that this social function is of immense importance in emerging and up-coming societies and markets such as China, India, Russia or African countries. Surprisingly, in our study also German consumers more often referred to this symbolic function than in previous studies. It can be suggested that the increasing need for demonstrating one’s (seemingly) social position is a reflection of the current psychological state the German society is in (Grünewald, 2006).

“You can also hide a bit behind a brand. Represent something that you might not necessarily be. This can make you feel being a more valuable person.” (German consumer)

“We decided that our groups should be based on status: we have the group of the common crowd [Volkssklasse],

the upper middle class and the superlative first class. Everyone knows that these products are expensive and not every Tom, Dick and Harry can afford them.” (German consumer)

In a nutshell, being a global or local brand in terms of international availability and awareness was an important dimension for Chinese as well as German consumers – even if their understanding of being global or local and positive / negative attributes ascribed to local and global brands differed. In the actual presentation, we will display in more detail some examples of the brand mappings Chinese and German consumers generated in the groups to visualise these findings.

But what about the Fusion Brands of the Brand Model proposed? Does the fusion of local and global brands only do justice to marketing minds? Is this concept even a glocal false labelling? Or does this type of brand exist in the minds of the consumers?

The answer is yes and no. On the one hand, German as well as Chinese consumers did not refer to fusion brands spontaneously and had difficulties allocating

FIGURE 3
BRAND MAP / EXAMPLE



specific brands to this type of brands even when probed. Even when the moderators used metaphors and examples from other areas – such as the fusion cuisine – that consumers are familiar with, participants struggled to transfer the fusion character to brands. On the other side, consumers in both countries referred to some brands as having a somewhat ‘diluted’ origin and heritage. Some brands were spontaneously described as not offering a clear country of origin whilst being assessed as attractive, trustworthy, reliable and appealing. What is most striking is that a lack of a clear local identity seems not to have a detrimental impact on the brand value and health in general. Consumers rather reacted with a ‘don’t care’ attitude – even in the area of food products which is usually more sensitive to foreign disruptions than others:

‘Now KFC and McDonald’s are making Chinese style food...so I don’t think they are American anymore and I don’t really care.’ (Chinese consumers)

Although consumers do not care about the local identity of global brands either, some brands were segmented as a type of its own which reflects several characteristics of Fusion Brands as described in the model despite the fact that consumers struggled to represent and entitle them as fusion brands. Therefore, we would like to argue that Fusion Brands do exist in the minds of the consumers in the global village but are not necessarily represented as brands in-between a local past and a possibly international future with a unique blend of local and global elements. Marketers should bear in mind that consumers rather felt irritated, confused and disoriented through brands being neither genuinely local nor truly global. Therefore, Fusion Brands can be perceived and treated as such in connection with global marketing strategies but should not be communicated as Fusion Brands to consumers. Based on the results of our study, we strongly feel that – in terms of communication and positioning – either a tangible local feel with a clear focus on locally rooted positive brand characteristics, values and benefits should be demonstrated in the brand communication or the strengths and advantages of being a global brand should be transported in a well-defined manner.

In our study, Chinese consumers rather felt confused when positive, global brand aspects became mixed with local features that were perceived as rather detrimental:

“IKEA is a Swedish brand, it should be classic with unique style...now its idea is created based on the some local figures. I feel it is losing its identity.” (Chinese consumers)

On the other hand, local brands of value are in risk of losing not only their identity but also brand values and benefits when going global – which we asked the participants to envisage as future scenario. Concerns were raised amongst those consumers with a more negative attitude towards globalisation in general as well as amongst older consumers:

“Let’s say LaoMiao goes global. If it were to be made outside of China, the style and the design could be very different and the traditional style won’t be there anymore.” (Chinese consumer, Anti-Globalisation, older)

In Germany, local adaptations of global brands were not such a critical issue since international brands are not perceived as superior in general. However, a certain amendment to local standards is appreciated particularly in areas where local elements and attributes are culturally rooted (e.g. taste) or perceived as superior to international standards (e.g. quality of engineering, security standards of German cars).

I HEARD IT THROUGH THE GRAPEVINE – PRODUCTS WITHOUT LIMITS?

If Fusion Brands have a rather confusing and disorientating effect on consumers, which opportunities can products deeply rooted in a specific culture and economy have in a foreign market? How can they overcome barriers and concerns when entering new markets? How can a brand balance the need for still being rooted in local soil and at the same time expand into new dimensions?

To put globalisation to the very test, we asked our participants to assess the potential of Chinese wine in the German market and – vice versa – German wine in the Chinese market. In our view, this cross-over

experiment is particularly interesting since neither China is regarded as a trustworthy country of origin of wine by German wine drinkers nor does Germany represent an aspirational origin of high-quality wine in the eyes of Chinese wine drinkers:

"I don't think that Germany has any country advantage on wine compared to France. When I think of wine I think of France and their tradition of wine-making."
(Chinese consumer)

France is clearly the country associated with the best expertise of winemaking by the Asian participants, and only very few German participants were aware of the fact that winemaking has been part of the Chinese culture for more than 2000 years. A further source for heated discussion could be negative stereotypes about China as country-of-origin in the mindset of German consumers. Inferior quality standards, product piracy, reservations towards the political and social system as well as being a global leader in terms of global warming is probably not a fertile soil for building positive brand images of Chinese brands. Fears of being taken over and ruled by Chinese companies and economic power were clearly stated (Bartsch, 2005).

How do consumers feel about it?

In Germany, participants expressed mixed emotions regarding China. Lack of identification, feelings of alienation and negative examples of product piracy were mentioned as well as the vision of China as a new and prosperous market that the German economy can also benefit from. The attitude of pro- or anti-globalisation had a clear impact on the general perception of China offering their own brands in the future and the acceptance of a Chinese wine entering the German market which definitely will have an effect on the definition of potential target groups. The spontaneous reactions regarding the Chinese wine differed between curiosity and scepticism. On the positive side, the uniqueness of wine produced in China was reflected in the design of the bottle which created some interest. Information about the region of cultivation, the process of production and the type of wine enhanced trustworthiness and quality appeal.

However, principal concerns manifested in the perception of the wine (before and after tasting):

"China is a mass market, maybe they can produce somewhat different wine that will be offered in the average supermarket for the run-of-the mill consumers."
(German consumer, Pro-Globalisation)

"Thinking of China, I think of copies, stealing other people's ideas. They tend to be a pretty cunning breed. They have stolen product ideas from all over the world. I doubt that the wine is pure and not a bad blend."
(German consumer, Anti-Globalisation)

"I am really concerned about the pollution of the grounds and the water in China. I am not sure whether I would like drinking Chinese wine at all."
(German consumer, Anti-Globalisation)

"I don't associate positive feelings of relaxation or pleasure with the Chinese culture. Doesn't go together with wine for me."
(German consumer, Pro-Globalisation)

In terms of marketing, a thorough analysis of visuals transporting positive aspects linked to China with relevance for wine consumption (e.g. exotic touch, extravagance, fit with Chinese cuisine) would be required in order to generate recommendations for the packaging optimisation. Unfortunately, tasting the red and white wine rather confirmed negative expectations of critical consumers and lead open-minded consumers to disappointment. Only very few German consumers appreciated the unique taste of the Golden Dragon and Tasya wines. Since we chose up-market wine that was even awarded medals from wine experts, the negative perception is based on the rejection of the unique taste – stemming from different climate or soil – rather than quality deficiencies. Although sophisticated wine drinkers might get used to this palate when exposed more often in future, we would rather advocate trying to please the familiar Chardonnay and Cabernet Sauvignon tastes more to increase consumers' acceptance.

In China, the foreign identity was mainly recognised by the English label. A clear indication of the Blue Nun

being a German wine was missed by the participants and should be adapted accordingly. The shape was positively perceived as different and attractive. The expectations regarding the wine were strongly influenced by the strengths linked to Germany as manufacturer in general: solid manufacturing and good quality. A positive transfer to the world of wine consumption, pleasure and indulgence was difficult and should be facilitated in the product design. Since Germany is considered to be an industrialised and technologically advanced country, its competence in agriculture was perceived to be weak. Chinese consumers were insecure whether or not they could judge the quality of the wine by its taste and we refrained from a taste exposure.

Altogether, we are inclined to say that limits for a global stretch are given – and more clearly so in the arena of food products. The individual and cultural acquisition of taste can set boundaries to the globalisation enthusiasm of marketers. A wise balance between the potential for offering interestingly different innovations (that can be incorporated in one's own culture and habits) and alienating consumers is difficult to perceive. The communication of the product and brand should be based on a solid understanding of the positive triggers of interest, curiosity and trust in the specific culture and product category as well as the negative triggers of concerns. In connection with the Brand Model proposed, we would argue that consistent brand segmentation across product categories is not advisable and the general sensitivity towards local specifics needs to be tested prior to developing consumer-relevant brand segmentations. Methods such as multi-dimensional scaling of a set of globally relevant brand equity dimensions seem to be the best methodological approach. Global and local brands build a dichotomy consumers represent in the cognitive representations of brands. Although brands with a fusion nature were characterised by consumers in their own words, it is not advisable to make use of this nature in connection with brand communication since fusion brands seem to have a rather confusing nature as they lack clarity and identity.

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