



Ca' Foscari
University
of Venice

Master's Degree
in Language and Management to China

Final Thesis

**The choice of brand names for home
furniture companies entering the Chinese
market and its relation to marketing policy**

Supervisor

Ch. Prof. Giorgio Francesco Arcodia

Assistant supervisor

Ch. Prof. Tiziano Vescovi

Graduand

Giulia Gabellini

Matriculation Number 866890

Academic Year

2021 / 2022

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Abstract

This thesis analyses the choices of brand names for foreign enterprises that decide to enter the Chinese home furniture market. The main goal of this study is to identify the strategies that companies adopt in their choice of Chinese names and what they aim to convey to their consumers, providing also some case studies of furniture firms and their expansion in China. The study is divided into three main parts.

The first chapter analyses the functions and characteristics of brand names. Starting from the main techniques for word formation, it is possible to identify some of the most common methods for foreign brand name creation in Chinese. Together with linguistic components, it is important to focus also on the meaning of characters and elements that play an important role in Chinese culture.

In the second chapter, we discuss the value and perception of Chinese brand names and their impact on consumers. Companies have to take into consideration many aspects from brand personality and cultural influence to marketing strategies and brand equity. Moreover, the choice of adopting a Chinese brand name constitutes an extremely precious resource for companies, but it is always important to remind that the success of a business is linked to many different factors.

In the last chapter, we connect the different elements of the first two parts to a particular business sector and describe some examples of Chinese brand names adopted by foreign companies in the home furniture market. First of all, we discuss the establishment of the home furniture sector in China and its evolution in recent years, focusing on the purchasing decisions of Chinese consumers, the distributive channels and the main actors in the competitive landscape. Secondly, we offer some examples of Chinese brands adopted by six foreign company, IKEA, Leroy Merlin, B&Q and three cases of Italian companies: Scavolini, Kartell, and FAB. In conclusion, we analyse their history, investments, strategies in the market and their impact on the perception of the furniture sector for Chinese consumers.

引言

这篇学术论文的议题是进入中国市场的家居企业品牌选择及其与营销策略的关系。本毕业论文不仅主要研究中国品牌名称的主要特点，而且也要分析国外品牌选择名称的创作方法。此外，我希望介绍一些采用中国品牌名称公司的例子及其它们在中国的业务发展，特别关注家居家具行业。

第一部分注重关于品牌名称的创建及功能。品牌名称是制造商或组织应用于特定产品或服务的名称。品牌的目的是鉴别产品或服务，名称需要区别于竞争对手的名称、标识、象征及组合。一个品牌名称不仅向购买者传达一系列特征和优势，还表达生产者的价值以及产品在市场上的定位。

品牌名称的主要功能之一是识别。品牌名称是顾客接触到的品牌的第一个元素，它必须对产品起到良好的识别和描述作用。品牌名称的另一个功能是促进销售。品牌名称是产品广告的重要组成部分，一个好的品牌名称能给人留下深刻的印象，能引起人们的购买欲望和兴趣。因此，品牌名称是现代经济生活的一个重要方面。如果这些商品想要在国外市场上被接受，品牌名称的翻译对他们的声誉和品牌形象非常重要。

对于很多进入中国市场的跨国公司而言，他们面临的第一个障碍就是语言障碍。中国人使用表意文字，多数人不懂罗马字母，国际品牌需要选一个合乎其意的中文名字。事实上，为了创建品牌名称，他们应该学习汉语形态学的语言特征以及外来词的汉语翻译。

除了语言因素外，还有诸多其他因素。命名还需要考虑产品特点、品牌营销定位、文化价值观念、目标受众等其他方面。品牌命名在本国文化中是一个难题。如果我们选择一个外国名称，还要考虑语言复杂性和文化差异，所以更是难上加难。

没有哪个简单规则可以保证绝对完美的商品名称，但为了促进商品的销售和保持良好的声誉，品牌名称的翻译应该遵循某些原则。在中国，好的品牌名称应该具有以下主要特征：简短、上口、好记、能说明产品的好处和积极的内涵。此外，特别重要的是，一个好名称应该意义贴切，书写有魅力。

创造一个战略上所期望的好名称有两个基本的方面：一是便于理解、记忆的内在能力，二是提升产品既定的战略定位或形象的程度。一个品牌的精髓在于它必须拥有印在消费者记忆中的名字。

将一个外国名称翻译成中文一般使用三种方法。

1. 直译或音译。使用与原品牌发音相近的中文，但没有特殊意义。这样我们就可以得到一个音韵接近原名的名称。

2. 意译。根据外国名的意思或其中文意思来翻译，不考虑原来的发音。因此，该技术的目的是根据原始名称的含义找到品牌名称的自然对应物。

3. 混合译。既考虑发音，又考虑意思。原名的读音决定新名称的发音，决定发音之后再选择意思。混合译法似乎是三种译法中最盛行的，但也是最复杂的。它所产生的中文名称不仅与原名音似，还有意义。在论文中，我们要分析可口可乐的例子。

然而，还有其他创建品牌名称的方法，例如：创建独到名称 (Creation of Original Names)、混合形式 (Hybrid forms) 和图形借款 (Graphic Loans)，这些方法将在下述内容中作更详细的阐释。

第二个部分讨论中国品牌的价值、认知及其对消费者的影响。

为国际品牌挑选中文名称不是一个简单的任务。在这个翻译过程中，有三个密切相关的要素：语言、文化价值和品牌营销因素。商标名称作为一种特殊的语言形式，不仅是民族文化的具体反映，并且是传播、传承民族文化的重要工具。如果公司想进入市场，品牌需要了解中国文化，避免任何可能冒犯中国消费者的事。

运气在中华文化的价值观里深入人心。消费者为图个吉利选择一个好听吉利的品牌，因此众多商家用吉利的字词给品牌命名。有些“吉利”的字眼用得泛滥，一个吉利的品牌名可能市场找到业已存在的类似的名字。例如，“福”“乐”“顺”“丰”等含有文化强势模因和吉祥色彩的词汇。

中华文化强调“天人合一”，重视个人与自然的和谐统一，汉语商标中也有相当一部分是用吉祥动物名称来命名的，或者含有深厚文化底蕴的地名、山、川河流名称命名的颇多。除了上述的一些因素以外，历史因素、价值取向、幸运数字也可能影响到一个品牌名称。

商标是一种特殊的语言形式，是用以区别不同商品或服务的标志。商品不仅要有优良的品质、合理的价格、精美的包装，还应有个性鲜明、内容丰富、富于联想的商业标识。品牌得创造意义和个性，从而激发消费者的情感反应并产生购买欲。

这些特征很重要，因为它们对消费者有影响。一个有效的品牌名称可以与顾客建立情感和认知上的联系，他们比同类产品更具吸引力。在研究中的许多案例中，品牌名称为消费者提供理想的形象、创造温暖的想象、产生愉悦的体验并与客户建立密切的联系。实际上，一个好名称是任何品牌价值的基础，并且在当今竞争激烈的市场里有着举足轻重的地位。

市场要求品牌名称能够呈现产品优势，并具有交流性、可推广性和说服力。品牌名称在营销策略中也起着至关重要的作用，是广告活动的重要组成部分，也是企业的资产。许多公司明白这是营销政策需要考虑的方面，所以开始在品牌创建过程中投入更多资金。

在本文中，我决定分析一些公司的品牌名称示例，以了解品牌名称的选择是否始终直接影响产品在中国市场的成功，并评估对其业务活动的影响。毫无疑问，消极的含义或草率取名会引起消费者的困惑。常见问题包括：负面联想、相似名称、定位不清等。但是，一个好的名称不一定会让公司有更多的利润，正如我们所分析的那般，还有许多其他方面需要参考。

最后，这篇论文的第三个部分讨论关于部分中文品牌名称的例子。我们决定以家具行业的品牌公司名称为例，并且分析它们选择的方法及规则。

首先，我们讨论中国家具行业的建立及演变。中国是世界上最大的家具生产国和出口国。

最近几年，中国家具市场具超速发展。主要原因是住房条件的改善、房地产市场的增长和改革、城市化进程、经济稳定化和旅游业的发展。在此背景下，最重要的关键因素是消费者，中国消费者发生了翻天覆地的变化。随着收入的增加，他们开启了新的生活方式，并越来越关注家居产品、分销渠道及电子商务等方面。

为了制定适当的策略，了解消费者行为、文化及生活习惯是必不可少的先决条件。中国的家具市场充满机遇，不仅有本地公司，也有国际公司，因此竞争非常激烈。市场上的外国公司越来越多，特别是来自日本、德国和意大利的公司。意大利制造的公司在中国确实很有名，因为消费者欣赏他们更高的质量、对细节的关注、设计和材料的选择。

因此，我们决定研究一些外国公司的中文品牌名称，并且分析它们在中国市场的历史和演变。这些品牌和公司分别是宜家(IKEA)、乐华梅兰 (Leroy Merlin)、百安居(B&Q) 和三家意大利公司，斯卡沃里尼 (Scavolini)、卡特尔 (Kartell) 和飞霸 (FAB)。

首先，我们要重点关注他们品牌名称的结构，他们采用的翻译方法和汉字的意思。然后，我们分析他们的营销策略和他们在中国的业务扩张。当然，这六家公司有不同的特点，也有共同点。

一些公司决定关注声音，例如，斯卡沃里尼、卡特尔、乐华梅兰更愿意保持原来的发音。其他公司，宜家、百安居、飞霸试图找到意义和声音之间的良好折衷。这些公司的扩张策略也不同。宜家、百安居、乐华梅兰在中国拥有多家超市，消费者可以在一家商店找到所需的家具。而斯卡沃里尼、卡特尔和飞霸的商店规模较小，销售的产品也比较具体，设计和高品质是最重要的因素。由于跟中国当地伙伴的合作，它们也在上海和北京开设展览室和多品牌商店。

这些公司的一个共同特点是适应能力。尽管最初困难重重，但是这些公司能够根据中国市场的情况调整它们的战略、产品、服务和商户模式。它们也强调电子商务和社交网络的重要性。所有公司都开发微信程序、移动应用和天猫网上商店。

最后，这六家公司都希望满足消费者需求，保证质量、设计和安装服务，并且帮助中国客户实现他们完美住宅的梦想。

Chapter 1

The creation of Chinese brand names

1.1 The definition of brand names

“Branding is the identification of a particular product or service. Brand names play a crucial role in the marketing of products and services and in their acceptance by the public” (Charmasson, 1988:5)

A brand name or trade name is a name applied by a manufacturer or organization to a particular product or service. Brand names are a crucial part of the advertisement of a product, they are the symbol of the quality, characteristic and specification and they play a significant role in sales promotion.

A brand name is the most prominent mark of a product, a good brand name can leave a deep impression upon the mind of people and can arouse their desires and attract their interest to buy it. For this reason, brand names form an important aspect of modern economic life.

The import and export of commodities around the world gave rise to the need for the translation of brand names. Nowadays, because of globalization, national boundaries are being surmounted, international cooperation and business communication are strengthened, products are exported and sold in nearly every country of the world, so choosing the “right translation” for them is a critical point. If these commodities want to be accepted in the foreign market, translation of brand names is really important for their reputation and for building up a good brand image.

Naming a product is more complex than most people realize and translating brand names in a foreign language can be even more difficult, considering the differences of language and culture between countries. When an organization decides to expand globally, it has to consider how the name comes to life in new markets; what it means, how it’s pronounced, and what it evokes. These are key points to consider for connecting with new audiences around the world. If we link these aspects to a language with a completely different writing, pronunciation, lexical and

grammatical system, like Chinese, choosing a name when taking a product abroad becomes a huge challenge for many companies.

Due to the acceleration of economic globalization and China's WTO membership, the interchanging of goods between China and other countries is becoming extensive. The international competition is increasing every day and so the success or failure of a company depends also if the brand name chosen can be accepted by the customers. For this reason, all the companies try to adjust their management strategy and market orientation in order to introduce their own products better than other competitors, occupy more international markets and finally win the competition.

A good brand name would have great influence on consumers and can stimulate their purchasing desire. In fact, no one would choose a product that has a negative meaning or which values are far away from the culture of their country. And China, more than other countries, pays much attention to this particular aspect. New, attractive, creative brand names can be visible to consumers quickly, and this has an incredible effect on sales, but it is also important that the choice of the name respects the traditions and customs of the foreign country.

Transforming a brand name from one language to another one keeping the original style, meaning, charm and connotation is not easy. The translation of brand names is not only a process to find a counterpart in the target language, but also a process of re-creation, and this is due to the many differences in the cultural backgrounds between countries. In fact, as we will discuss in this work, the techniques to use and the choice of translations are not unique, but more often different styles are used together and translation may not always be a literal one. Translators should not only understand the literal meanings of the original names, sometimes they should also get rid of the mechanical and technical equivalence and translate the brand names in a creative way to attract more consumers. The brand name is not only a way to represent the ability and knowledge that people have of the language and translation techniques, but it also refers to their cultural awareness of their enterprise and of the country where they wish to expand.

The process of brand naming involves many steps, in this chapter we will analyse the main characteristics and the functions of brand names that influence companies' decision for their name choice and also the methods and principles that are used in the translation of brand names.

1.2 The functions and characteristics of brand names

Brand name is the first detail consumers learn about a product or service and it constitutes a fundamental component in the brand dimension of every company and product. The name embodies all the characteristics, the history, the reputation of what it is called to represent, for this reason it is important what it wants to communicate to customers or it could lose their loyalty before they even try the product or service itself.

Before analysing the various techniques to translate brand names in Chinese language, it is important to understand what are the main functions and characteristics that a brand name should have. This could help companies and translators to identify the best name for their product and business in China.

1.2.1 Three functions of brand names

One of the main functions of brand name is *identification* (Chen, 2002). A brand's name is one of the most foundational components of brand identity, helping establish and maintain a unique presence in the minds of customers and audiences. Brand name is the first element of the brand that customers will encounter, it has a key role in identifying and describing products and companies.

A brand name has to reflect the quality and features of products and express their characteristics, benefits and values in the market. So, it is important that the name represents the property of that product and company, in this way it can help customers to immediately understand what they are examining. A brand name identifies and represents a specific product, so it differs in the names, logos, symbols and combinations from other competitors. In fact, the choice of the name is also important to distinguish that particular product or service from other similar brands, especially when competition in the market is high.

The second important function of brand names is *verification*, so to authenticate that a product or service is the genuine or desired article and hence guarantee to customers its quality. A brand name is what consumers use to identify the provenance and authenticity of the things they consume. All consumers around the world want to relate with brands that accurately and

authentically represent their mission, vision and core values. The purpose of brand names is to make information about goods available to the public and convince the potential consumers to buy that specific product because it corresponds to what they are looking for.

In order to verify that the characteristics of the product correspond to what customers want to buy, they have to be able to understand it. A good brand name should be clear to the target audience and precisely because of this special function, determining its translation is different from translations of other types of words and texts. The purpose of translating is not just to create an equivalent of that word in a foreign language, but it has also the task to promote the image of a product and increase sales in the target market. A successful brand name translation is the one that helps break down the cultural barriers, promote sales of the product and augment its competitiveness in the market.

The third function of brand names is connected to the purpose of translation and it includes *promoting sales*. Brand names can give publicity to products' quality, function and reputation and stimulate consumption. The first impression of a brand name has a tempting effect on people and it's vital that the name is memorable, in order to resonate with the target audience, stick in their minds, build and maintain trust with consumers and remain relevant also in the future as the company evolves. In other words, a strong brand name is essential to establishing a strong brand identification and reputation.

Brand and sales go side by side. More brand names are creative, more people will be attracted and this increases sales, just like in advertising campaigns. Companies focus specifically on the unique qualities of brand name and must convince consumers that a brand name is better than other similar products.

1.2.2 Five main characteristics of brand names

In order to promote sales of commodities and maintain a positive reputation among them, the translation of brand names should respect some principles. Over the past years, numerous articles have been published on the characteristics and standards of good brand names (Robertson 1989; Kohli, LaBanh 1997), although the points emphasized are different, many

studies agree that a good Chinese translation of foreign brand names must have the following main 5 characteristics:

1) The translation should be simple, concise, and short. Brevity is an essential characteristic for Chinese brand names that should not comprise too many syllables. Two or three characters words are easy to recognize and remember in Chinese as these are the preferred word forms in the modern language; as we will see in the next section.

2) It should be unique, distinctive and meaningful. These are fundamental characteristics in order to capture and keep customers' attention and avoid confusion among target audiences. As commodities have to be sold to consumers, their brand names should be common, popular, concise and easy to understand, pronounce and remember.

Sonority refers to the sound of the words chosen for brand names and plays an important role in drawing consumers' attention. "Brand names should be sonorous, and the syllables as distinct as possible" (Tang, 1990:37). Furthermore, the sound of the brand can also create some linguistic associations that can influence sales and become memorable in customers' minds. A brand name doesn't have much value if no one can remember it. If the Chinese version of a brand name is strange, it will fail to be effective.

3) Brand names should give an idea about products' qualities and have a meaning that can be linked to the brand. This is connected also to the functions of brand names. In order to be useful, a brand name should suggest service connotations and attributes and describe the benefits, strengths and positive content of the product.

4) "Brand names are usually attractive in meaning so that when people read them beautiful images would come into their minds" (Wei, 1997: 34). Translating foreign brand names requires a good understanding of the product and, equally important, a good understanding of the language and the culture of the target consumer and it should not portray bad and wrong meanings. For getting this result, it's important that brand names have a good fit to Chinese culture and respect consumers' cultural habits, including fashion, community, psychology, moral criterion, religious tradition etc. Different countries and areas have great differences in

traditions, and people with various cultural backgrounds have various ideas about the same arguments. This is due to moral criteria, religions, beliefs, and modes of thinking that are not always the same and for this reason translators should pay more attention to cultural differences, avoiding misapprehension and negative terms.

5) Finally, other important aspects of brand names are originality and novelty. “A brand name should be as novel and unconventional as possible in wording, pronunciation, meaning and other aspects, so as to arouse the interest of the consumers and leave a deep impression on them” (Tang, 1990: 38). This can be regarded as an aesthetic requirement in the brand naming process and it’s essential to distinguish that particular product from the competitive ones.

These are some characteristics that we should consider when choosing a brand name and we will analyse some famous examples that have incorporated these principles in the following chapters. In addition to these features, cultural aspect and auspicious meaning, it is also important to consider the linguistic, morphological and semantic aspect of brand names, especially for a language very distant from English and other European languages like Chinese.

1.3 Brand names and word formation

In Chinese language we cannot start describing and analysing brand names and their techniques without first mentioning morphology. Indeed, when we choose a brand name in Chinese language, we should consider phonological, morphological and semantic aspects. In this part we will discuss the linguistic characteristics of Chinese morphology that are relevant for the creation of brand names and how foreign words are made in Chinese.

The linguistic characteristics of brand names may differ according to the language; for example, Chinese brand names have many differences from European ones, this is due to the typological and structural distance between Chinese and European languages and to the differences in the writing systems.

The Chinese language is considered an example of an isolating language, in fact it is characterized by a nearly total lack of inflection and has few affixes. The form of the words is normally invariable. Analysing nouns, there is no information on case, gender and number; verbs are not modified according to person, mood or tense like for example in Italian or English where we have past, present and future forms. In Chinese it isn't necessary to indicate masculine or feminine gender, a word remains the same in singular or plural form and it can possess several grammar classes at the same time. For example, many words can act both as a verb and as a noun. For instance:

考试 *kǎoshì* > to take an exam (verb) or examination/test (noun) ;

帮助 *bāngzhù* > to help (verb) or assistance/aid (noun) .

Chinese is also an analytic language, which means that syntactic and meaning relationships are indicated by the order of the constituents in the sentence and by the presence or absence of grammatical markers and specific particles (Abbiati, 1992).

1.3.1 Morphemes and words in Chinese

In order to deal with word formation, we have to start from the basic unit of morphological analysis, the morpheme, so the “smallest meaningful or grammatical unit participating in word formation operations” (Huang, 2014:3). The great majority of Chinese morphemes are

monosyllabic, and the morpheme mostly corresponds to an orthographic character and to a meaning.

For instance the words 米 *mǐ* “rice” or 花 *huā* “flower” where a single syllable (*mǐ* - *huā*) corresponds to a morpheme, which in turn corresponds to a character in writing (米 - 花) and also to a meaning (rice - flower) .

In this way, we can say that in Chinese there is a correspondence between syllable, character and morpheme so the Chinese language can be defined a morphosyllabic one, in fact the monosyllabic morpheme is composed of only one syllable, this type of word is also known as “simple word”, in Chinese 单纯词 *dānchún cí*.

Even if in Chinese the ratio between morpheme, characters and meaning tends to be 1:1:1; so one syllable, one character, one meaning; words in modern Chinese are not necessarily monomorphemic. In fact, the majority of words is composed of several syllables and morphemes instead of monosyllabic words. Analysing words in Chinese, we can also identify three more types: polysyllabic monomorphemic words, monosyllabic plurimorphemic words and polysyllabic multimorphemic words.

- ❖ *Polysyllabic monomorphemic words* are words composed of two or more syllables but that possess only one meaning.

For instance:

葡萄 *pútāo* > ‘grape’ ;

咖啡 *kāfēi* > ‘coffee’ ;

巧克力 *qiǎokèlì* > ‘chocolate’ ;

意大利 *Yìdàlì* > ‘Italy’ ;

Other examples are onomatopoeic words like:

轰隆隆 *hōnglónglóng* > ‘rumbling’ ;

叽叽喳喳 *jījīchāchā* > ‘twitter’ ;

丁当 *dīngdāng* > ‘dindon’ .

These words, except for onomatopoeias, are usually “loan words” transliterated from other languages, their pronunciation was adapted to Chinese phonology and they are usually formed of more than one syllable. The two or three syllables of these morphemes often have no meaning by themselves. These words are just two or more syllables when being read, they are composed by two characters when being written, but they have only one meaning.

- ❖ *Monosyllabic plurimorphemic words* are monosyllabic morphemes followed by the subsyllabic suffix 儿 *er*. This suffix 儿 (-r) is sometimes used as a nominal mark or purposely to differentiate the verbal form of a morpheme from the nominal, otherwise unrecognizable one (Abbiati, 1992). For example:

画儿 *huà-r* > ‘painting’ (unlike 画 *huà* ‘to paint’).

It is also used to form diminutives and pet names as in 猫儿 *māor*, ‘kitten’, or has a purely phonetic value like 这儿 *zhèr* ‘here’ (especially in the North of China).

- ❖ *Polysyllabic multimorphemic words* are words formed by a combination of two or more morphemes and so by consequence of two or more syllables and characters. For example:

电脑 *diàn-nǎo* > electricity-brain ‘computer’ ;

洗碗机 *xǐ-wǎn-jī* > wash-bowl-machine ‘dishwasher’ .

This type of word corresponds to the vast majority of modern Chinese words and according to some estimates, polysyllabic multimorphemic words account for 80% of the Modern Chinese lexicon (Shi, 2002). These words composed of two or more morphemes are also known as “complex words” 复杂词 *fùzá cí* and they can vary according to certain structural and semantic relations.

1.3.2 Main techniques for word formation in Chinese

By using a morpheme as a basic unit, there are different morphological processes to create a word and according to them complex words can be divided into derivatives, compounds, reduplication and abbreviation.

➤ The first one is *derivation* that is a morphological process through which a word is created from another one and it involves roots and affixes.

The first basic distinction that we have to take in consideration when we analyse a morpheme is whether it is free (自由词素 *zìyóu císu*) or bound (粘着词素 *niánzhuó císu*). A free morpheme can occur on its own (so it is also an independent word), while a bound morpheme acts as a base (词干 *cígàn*) or root (词根 *cígēn*), so it is attached to other morphemes.

For instance:

山 *shān* > ‘mountain’ ;

水 *shuǐ* > ‘water’ ;

人 *rén* > ‘person’ .

These words can stand independently or can be combined with other lexemes, for instance:

高山 *gāo-shān* > ‘alpine, high mountain’ ;

流水 *liú-shuǐ* > ‘turnover’ ;

人民 *rén-mín* > ‘the people’ .

The second basic distinction of morphemes is whether they are content or function. In that way, Chinese morphemes can be distinguished into roots and affixes. A root is the main part in a word and conveys its lexical meaning,

火车 *huǒ-chē* > ‘train’ where 火 *huǒ* and 车 *chē* are both roots ;

电脑 *diàn-nǎo* > ‘computer’ where 电 *diàn* and 脑 *nǎo* are both roots .

In *derivation* forms, affixes are added to a root to express additional or supplementary meaning. They can be divided in prefixes (前缀 *qiánzhuì*) if they precede the root and suffixes (后缀 *hòuzhuì*) when they follow the root. Some the most common suffixes are formed by 子 *-zi* , 儿 *-r* , 头 *-tou* ; these morphemes are atonic forms and don't possess any intrinsic nominal, verbal or adjectival meaning. Even though they have no semantic content, they have the grammatical function to express the nominal form of the word.

Some examples are:

椅子 *yǐ-zi* “chair- SUFFIX” > ‘chair’ ;

梳子 *shū-zi* “to comb- SUFFIX” > ‘hair comb’ (the suffix 子 *zi* turns the verb 梳 *shū* into a noun) ;

画儿 *huà-r* “to paint- SUFFIX” > ‘painting’ ;

石头 *shí-tou* “rock- SUFFIX” > ‘rock’ .

Two other formants that are generally included among the affixes are 化 *-huà*, roughly corresponding to the suffixes ‘-ation’, ‘-ify’, and 性 *-xìng* which, in most cases, expresses qualities, intrinsic properties and characteristics. For instance:

现代化 *xiàndài-huà* “modern-SUFFIX” > ‘modernization’ ;

重要性 *zhòngyào-xìng* “important- SUFFIX” > ‘importance’ .

In Chinese there are also some prefixes like 第 *dì* that transform a number from cardinal to ordinal or 老 *lǎo* that is used to express some emotions like a nickname or to address someone respectfully, like in the following examples:

第二 *dì-èr* “PREFIX-two” > ‘second’ ;

老鼠 *lǎo-shǔ* “old-mouse” > ‘mouse’ ;

老外 *lǎo-wài* “old-foreigner” > ‘foreigner’ .

➤ The second way to form words is *compounding* which means the word is composed of roots. In Chinese a compound is a complex word formed by two or more roots (either free or bound). Compounding is one of the most common processes of formation of words and compounds in Chinese can be classified according to different syntactic relations (Huang, 2014):

-Subject-Predicate compounds; one root functions as subject, while the other root is the predicate. For instance:

头疼 *tóu-téng* “head-hurt” > ‘have a headache’ ;

地震 *dì-zhèn* “earth-shake” > ‘earthquake’ .

-Verb-Object compounds; one root is the predicate, while the other root is a thematically related object:

动身 *dòng-shēn* “move-body” > ‘leave’ ;

司机 *sī-jī* “manage-machine” > ‘driver’ ;

开车 *kāi-chē* “open-car” > ‘drive car’ .

-Coordinating compounds; include compounds formed by synonymous, opposite and correlated constituents. Therefore, the two roots carry similar and related or contrary meanings. Examples of words are:

打击 *dǎ-jī* “hit/beat-strike/beat” > ‘strike/hit/attack’ ;

呼吸 *hū-xī* “exhale-inhale” > ‘breath’ ;

大小 *dà-xiǎo* “big-small” > ‘size’ ;

长短 *cháng-duǎn* “long-short” > ‘length, duration’ ;

是非 *shì-fēi* “to be-not to be” > ‘quarrel’ ;

刀叉 *dāo-chā* “knife-fork” > ‘knife and fork’ ;

蔬果 *shū-guǒ* “vegetables-fruits” > ‘vegetables and fruits’ .

-Subordinative compounds; in which there is a modifier-head relation, one root modifies or restricts the other root. Like:

黑板 *hēi-bǎn* “black-board/plate” > ‘blackboard’ ;

牛肉 *niú-ròu* “cow-meat” > ‘beef’ ;

车库 *chē-kù* “vehicle-warehouse” > ‘garage’ .

-Verb-resultative compounds; one root indicates the action and the other root refers to the result.

For instance:

改良 *gǎi-liáng* “change-good” > ‘improve’ ;

证明 *zhèng-míng* “demonstrate-clear” > ‘prove’ ;

看破 *kàn-pò* “look-break” > ‘see through something’ .

- *Reduplication* is another morphological process in Chinese language and it involves the doubling of a root or a full word. In Chinese, we find both total and partial reduplication. Reduplication is the result from the repetition of the same morpheme which can be a noun, a classifier or a verb. According to the word that is repeated, the results in the meaning would be different.

For example, nominal reduplication in Chinese has a “collective plural” meaning. Examples of noun reduplication are:

天天 *tiān-tian* “day-day” > ‘everyday’ ;

事事 *shì-shì* “matter-matter” > ‘everything’ ;

人人 *rén-rén* “person-person” > ‘everyone’ ;

Classifiers can be reduplicated to indicate a distributive meaning, for instance:

个个 *gè-gè* “CLF for people/general things” > ‘everyone/all’

本本 *běn-běn* ” CLF for books” > ‘every/all’ (book)

Verbal reduplication has some differences from reduplication of nouns and classifiers, because it can be found both with monosyllabic and disyllabic verbs. Reduplication of verbs has a diminishing and attenuating function, their result is to do something “a little bit” or “for a while”; so to complete the action quickly, lightly, casually or just for a try. Their function also has the scope of making things in a relaxed tone and casualness.

Both monosyllabic and disyllabic verbs reduplicate as follow:

- 看 *kàn* ‘look’ > 看看 *kàn-kan* ‘have a look’. In these cases of repetition, the second syllable of the reduplicated verb loses its original tone. Moreover, there is also a second way for monosyllabic bases, the numeral *yī* 一 (without tone) may appear between the base and the reduplicant: 看一看 *kàn-yi-kan* ‘have a look’. The meaning is the same for the two forms;
- 休息 *xiūxi* ‘rest’ > 休息休息 *xiūxi-xiūxi* ‘rest a little/for a while’ ;
- 跳舞 *tiào-wǔ* ‘jump-dance, (to) dance’ > 跳跳舞 *tiào-tiao-wǔ* ‘dance a bit’. In this case, the base is a separable verb-object compound, so only the verb is reduplicated.

The last type of reduplication is the adjectival one, which has the scope of reinforcing, augmenting and conferring an intensity value. There are two types of reduplication for adjectives:

- monosyllabic adjectives such as 高 *gāo* ‘high’, which becomes 高高 *gāo-gāo* ‘very / rather high’;
- disyllabic adjectives where each syllable is reduplicated independently, for instance 高兴 *gāoxìng* ‘happy’ becomes 高兴兴兴 *gāogāo xìngxìng* ‘rather / very happy’.

➤ *Shortening* or abbreviation is another productive morphological process obtained by reducing the number of syllables or morphemes forming complex words. Abbreviated words are often made of two syllables, precisely because Chinese, as we have already mentioned, shows a marked preference for disyllabic words.

Some examples of abbreviation in Chinese are:

北大 *Běidà* is shortened from 北京大学 *Běijīng dàxué* > ‘Beijing university’ ;

人大 *Réndà* is shortened from 人民代表大会 *Rénmín dàibiǎo dàhuì* > ‘National People's Congress’ ;

南大 *Nándà* is shortened from 南京大学 *Nánjīng Dàxué* > ‘Nanjing University’ .

1.3.3 How foreign words are rendered in Chinese

When two populations speaking different languages come into contact, their respective languages may influence and enrich each other and generate cross-lingual word exchanges. Language contact is a common social phenomenon, and one of the inevitable results of language contact is the emergence of loanwords. “Loanwords terms” are expressions that are borrowed from foreign languages and integrated in Chinese. 外来词 *wàilái cí* “word that comes from outside”, shortened form of 外语来源的词 *wàiyǔ láiyuán de cí* “word that originates from a foreign language”, is the term that in Chinese designates this particular class of words (Tosco, 2012).

These loans are useful to coin new words and also to express terminologies or completely new concepts that are not present in the lexicon of the original tongue. Many foreign words are rendered from different languages in Chinese and there are several strategies for creating linguistic loans that have been classified into: phonetic loans, hybrid forms, graphic loans, semantic and structural calques.

➤ Phonetic loans

Phonetic loan means the lexical adaptation that attempts to reproduce the phonetic form of the foreign word. This type of loan is obtained by dividing the foreign word into syllables that are then associated with the closest Chinese morphemes and existing characters.

For example:

沙发 *shāfā* > the word “sofà” is divided into “so-fa” and these two syllables are associated with the Chinese morphemes *shā* and *fā*. For the graphic rendering, neutral characters are generally

chosen, without their semantic value, usually avoiding those that have negative meanings; in the case of sofa 沙发 *shāfā*, the characters chosen are 'sand' 沙 *shā* and 'emit' 发 *fā*.

Other common cases are:

安琪儿 *ānqíér* > 'angel' ;

比基尼 *bǐjīnǐ* > 'bikini';

巧克力 *qiǎokèlì* > 'cioccolata' ;

香波 *xiāngbō* > 'shampoo';

咖啡 *kāfēi* > 'coffee' ;

咖喱 *gālí* > 'curry' .

In these two last cases, the character 咖 *kā* / *gā* was created specifically for the rendering of foreign terms, in fact the radical 口 *kǒu* 'mouth' has been added to the character 加 *jiā* 'add' (phonetic component), which gives us semantic information. The same also applies to the second character of both words 非 *fēi* ('wrong / negation'), where the radical 口 *kǒu* ('mouth') has been added to indicate the semantic area, while 非 *fēi* gives us indications on the pronunciation. Also 喱 *lí* was formed by adding the mouth radical to the character 厘 *lí* (Wang, 2014).

➤ Hybrid forms

When a semantic constituent is added to phonetic adaptations to clarify the category to which the word belongs, we are referring to hybrid forms.

The word “cap”, for example, is formed by the three characters 贝雷帽 *bèilémào*, in which the first two (贝雷 *bèiléi*) are the phonetic transcription for the French term “beret”, while the last (帽 *mào*), which means “hat” and links the term to the semantic field to which the phonetic transcription belongs (Tosco, 2012).

Some common examples are:

汉堡包 *hànbǎo bāo* > ‘hamburger’, in which the phonetic rendering of the word hamburger (汉堡 *hànbǎo*) is added to the Chinese word 包 *bāo* that means ‘sandwich’ ;

古龙水 *gǔlóng shuǐ* > ‘cologne’ formed by the words 古龙 *gǔlóng* and 水 *shuǐ* ‘water’ for the semantic category ;

艾滋病 *àizī bìng* > ‘AIDS’, where the Chinese word ‘disease’ 病 *bìng* is added to the phonetic rendering of the acronym AIDS.

Other examples of this type are:

贡多拉船 *gòngduōlā chuán* > ‘gondola’. In which the term 船 *chuán* which means 'boat' is added to the phonetic rendering of ‘gondola’;

奥林匹克运动会 *Àolínpīkè yùndònghuì* ,> ‘Olympic games’ , formed by the phonetic rendering 奥林匹克 *Àolínpīkè* ‘Olympics’ and the term 运动会 *yùndònghuì* ‘sports activities’, for the term ‘games’. In this case the hybrid form is created by the phonetic rendering of part of the foreign word and by the translation of an element in Chinese.

➤ Graphic loans

“We talk of graphic loans when the language adopts both the meaning and the writing form of the foreign term. The phonemic shape of the word is determined by its own phonemic system, regardless of the phonemic shape of the words in the borrowing language.” (Masini, 1993: 128). The graphic loan method was introduced in the second half of the 19th century and was used for words imported from Japanese. Since a large share of the Japanese lexicon is made of words made of morphemes of Chinese origins (and written in Chinese characters), the Chinese introduced many Western terms and borrowed Japanese words from Japan, where they had already been translated. In fact, Japanese and Chinese share the same logographic writing system (*kanji* derived from Chinese characters) and in this case of graphic loans, Japanese *kanji* are associated with the Chinese pronunciation. Therefore, as in the definition expressed by Masini, graphic loans adopt both the meaning and the writing form of foreign Japanese terms, but the phonemic part of the word is determined by the Chinese phonemic system.

Some examples are:

革命 *gémìng* (in Japanese *kakumei*), whose meaning is ‘revolution’, which was adopted in China with the Chinese pronunciation *gémìng* ;

社会 *shéhùi* (in Japanese *shakai*) ‘society’ ;

系统 *xìtǒng* (in Japanese *keitō*) ‘system’ ;

印象 *yìnxiàng* (in Japanese *inshō*) ‘impression’ .

Graphic loans also include the "return loans" 词侨归国 *cí qiáo guī guó* “words return home after stay abroad”, so terms that have already existed in earlier China and still keep the same meaning. Through their use in Japanese, the loans later came back to China with their new meaning used in contemporary Japanese texts (Yip, 2000; Masini, 1993). Some examples of this kind are:

民主 *mínzhǔ* (in Japanese *minshu*) which originally meant ‘lord of the people’ in Chinese; the term, which fell into disuse, was then reintroduced in China through Japanese with the new meaning so ‘democracy’.

政府 *zhèngfǔ* (in Japanese *seifu*) ‘government-mansion’, but originally it made reference to the government or to his particular offices but not in an official way. As a return loan from Japan, now the word means ‘government’.

➤ Semantic and structural calques

Another technique is that of semantic casts which consist in the attribution of a new meaning to an already existing word. So semantic cast occurs "when a word that already exists in one language takes on a new meaning due to the influence of the meaning of the corresponding word in another language" (Tosco, 2012: 82).

One of the first semantic casts (or semantic loans) of the 19th century is 新闻 *xīnwén* ‘news’. This word originally meant ‘recently heard facts’ or ‘unofficial dispatch’ and then took on the meaning of ‘news’, thanks to a semantic shift (Masini 1993).

Sometimes an existing term takes on a new meaning because it is used as a phonetic rendering of a foreign term, as in the case of 托福 *tuōfú* ‘thanks to you’ (courtesy expression), then used as a phonetic rendering of the acronym TOEFL (Test Of English as a Foreign Language).

Other examples are:

粉饰 *fěnsì* > ‘to whitewash, to gloss over’ which recalling the pronunciation of the English term ‘fiction’ (television script) now has also added this meaning,

听 *tīng* > ‘to listen’, it has expanded its meaning, becoming a classifier for cans, in fact the pronunciation of the words resembles the English term ‘tin’, so it assumes also the meaning of ‘jar, can’.

Structural casts (or loan translations) are another model of rendering of foreign words and consist in reproducing both the meaning and the morphological structure of the foreign word, without taking into account the phonetic form of the word of origin; so the components are translated individually. This process of integrating foreign words is also very productive. Some examples of this strategy can be:

超人 *chāo-rén* ‘super-man’ > superman ;

冷战 *lěng-zhàn* ‘cold-war’ > cold war ;

飞碟 *fēi-dié* ‘flying-saucer’ > UFO ;

肥皂剧 *féizào-jù* ‘soap-theatrical drama’ > soap opera ;

铁路 *tiě-lù* ‘iron-street’ > railway ;

快餐 *kuài-cān* ‘fast-food’ > fast food ;

热狗 *rè-gǒu* ‘hot-dog’ > hotdog .

The structural casts method proved to be very productive in introducing terms related to computer language (Tosco, 2012). There are many structural casts among the terms of computer and science like those that have the character 网 *wǎng*, translation of the English ‘network’, such as:

网络 *wǎngluò* ‘network-net’ > internet ;

网上冲浪 *wǎngshàng chōnglàng* ‘online-surf’ > surfing online. This word has been created to indicate the action of surfing (冲浪 *chōnglàng*) on the net (网上 *wǎngshàng*);

网上聊天 *wǎngshàng liáotiān* ‘online-chat’ > chatting on the net .

1.4 Brand naming techniques

For many multinationals entering the Chinese market, the first obstacle they have to face is the language barrier. The Chinese use a logographic writing system and most people do not understand the Latin alphabet, so international brands must choose an appropriate Chinese name, and this is not an easy process. In the previous chapters we have introduced the characteristics of Chinese brand names and how the semantic and linguistic aspects play an important role in the choice of them. Now we can analyse the principal methods of translation that we can choose for the brand names creation in Chinese.

1.4.1 The translation of brand names

- *Transliteration*

Transliteration is also known as direct or phonetic translation, and just as its name implies, transliteration means to find the translated name that has the similar pronunciation to that of the original one in the target language (Huang, 2003). This strategy is not easy to adopt due to the great differences among the phonological system of Chinese and those of the major European languages for all the morphological reasons that we have discussed before.

This technique starts from the foreign name that is divided into syllables and then there is the choice of Chinese morphemes and matching characters that are close to that sound. In this way we can obtain a name that is phonologically close to the original one, which looks like a translation of a foreign brand name into Chinese.

In this case of phonetic translation, the original name is only regarded as the symbol of sound and the translated brand name just takes the pronunciation of the original name and has no deeper meaning. For the choice of the syllable, the phonetic part is the most relevant one and in the written form there is a prevalence of characters with a neutral meaning.

Some examples could be:

Parmalat > 帕马拉特 *Pà-mǎ-lā-tè* ;

Motorola > 摩托罗拉 *Mó-tuō-luō-lā* ;

Ferrari > 法拉利 *Fǎ-lā-lì* ;

Ferrè > 弗雷 *Fèi-léi* ;

Kraft > 卡夫 *Kǎ-fū* ;

Swarovski > 施华洛世奇 *Shī-huá-luò-shì-qí* ;

Sony > 索尼 *Suǒ-ní* ;

Pierre Cardin > 皮尔·卡丹 *Pí-ěr-kǎ-dān* ;

Iveco > 依维柯 *Yī-wéi-kē* ;

Nokia > 诺基亚 *Nuò-jī-yà* .

In the examples, it can be observed that the characters chosen have no particular meaning. However, this strategy makes the foreign name pronounceable and, at the same time, has the advantage to recall the original brand name. “The phonetic shape of the name, together with the choice of neutral characters forming a meaningless combination, characterizes the name as foreign and this strategy has the advantage to play on the positive associations connected to Western brands” (Basciano, 2016).

In this way, the pronunciation, that comes from the original sound of the name, can impress consumers with an “exotic flavour” and increase their curiosity and interest in that particular brand. For examples some Chinese companies can chose a foreign-sounding name for hi-tech products, in order to highlight their Western origin, since the West is considered as a place where high-quality technological products are produced or because that company wants to show that they are internationally-oriented or because they want to target a particular group of consumers that could be attracted by a foreign-sounding name.

For example:

Christian Dior > 克里斯第安迪奥 *Kè-lǐ-sī-dì-ān-dí'ào* ;

McDonald's > 麦当劳 *Mài-dāng-láo* .

Even if in these techniques, characters are not the fundamental part of brand names, because the brand name focuses on the original pronunciation, we have to remember that syllables have to be carefully chosen in order to avoid associations with homophones that have a negative

meaning and we always have to avoid using characters that can bring an ambiguous or not positive sense, as we will analyse in the following paragraphs.

- *Translation of Meaning*

Paraphrase or literal translation is based on the meaning of the foreign name regardless of the original pronunciation. So, the objective of this technique is to find the appropriate and natural counterpart for the translation in the target language according to the meaning of the original name. In this way the brand can give to a customer a direct information on the product and also on the company. Some common examples are:

Red Bull > 红牛 *hóngniú* ‘red-bull’ ;

Microsoft > 微软 *wéiruǎn* ‘micro-soft’ ;

Credit Suisse > 瑞士信贷 *ruìshì-xìndài* ‘Switzerland-credit’. When the morphological structure of the original word is different from that of Chinese language, the translated word is created according to these rules. In this case the translation of Credit Suisse shows the Chinese modifier-modified structure.

Camel > 骆驼 *luòtuō* ‘camel’ ;

In the case of meaningful names, a simple translation may look like the best option, because it can preserve the original meaning of the brand and so transmit it also to customers. However, the translation not always can be effective, because it is not easy to maintain the cultural meaning of the original name. Social values, beliefs, attitudes vary a lot from society to others. What we could think it’s a positive meaning for our culture, it doesn’t mean that the same meaning is true also for another language and sometimes it can evoke an opposite image. For these reasons, this technique has to be avoided when the translation can be associated with a negative image in Chinese culture.

For instance:

Mr. Muscle > 威猛先生 *wēiměng xiānshēng* ‘brave-mister’ :

In this case the word muscle is replaced by a word more appealing for the Chinese public 威猛 *wēiměng* ‘brave’, which provides suggestions similar to the original. The word 先生 *xiānshēng*

‘mister’ follows the word 威猛 *wēiměng* ‘brave’, since, differently from English, in Chinese any title like ‘mister’ follows the proper name (Arcodia, 2006).

Poison > 百爱神 *Bǎiàishén* ‘the name of the perfume of Christian Dior’ :

Initially this name was translated with 毒药 *dúyào* that literally means ‘poison’ in Chinese, keeping the same meaning. However, this translation was perceived in a negative way by consumers. In fact, in Chinese culture, the concept of poison is not associated with the idea of charm, seduction or mystery like in the Western tradition. The company hence decided to change the name of the product to 百爱神 *bǎiàishén*, which could be translated as "the essence loved by everyone" (Canigiani, 2001).

- *Combination of Transliteration and Free Translation*

Mixed translation or phono-semantic adaptation is a hybrid form because it takes into account both pronunciation and meaning. The sound of the original name determines the pronunciation of the new name, so the brand name phonemes should maintain sonority with original syllables. Moreover, meaning is chosen after determining the pronunciation and it can indicate the characteristic and function of the product. The combination of phonological adaptation with a favourable meaning (that suggests characteristics and quality of the product) can give consumers a nice association and brand name can acquire an added value.

Ones of the best examples of mixed translation are:

Coca-Cola > 可口可乐 *Kěkǒu kělè* ‘tasty-amusing’.

In the first part of the name, the term “Coca” (可口 *kěkǒu*) is rendered with the character 可 *kě*, whose translation is “to go well, to suit” and the character 口 *kǒu* which corresponds to the word “mouth”; so the first part of the brand it can be translated as “very pleasant to people's taste” so “good, delicious”.

The second part of the name “Cola” is transliterated as 可乐 *kělè*, where we can find again the character 可 *kě* (which recalls the same pronunciation and meaning as in the term “Coca”) and the character 乐 *lè* which means “happy, cheerful”.

Overall, on the phonetic level, the translation of the brand maintains the similar sound of the original name; on the semantic level, the meaning of these characters suggests that the soft drink has a delicious taste and “can make you happy”, so there are positive connotations correlated with the product. Combining a phonetic adaptation of the original name with a suitable meaning make this name appropriate and natural, and it is also considered a model for the Chinese rendering of foreign brand names (Basciano, 2016).

Nike > 耐克 *Nàikè* ‘resistant-overcome’. Nike is the goddess of victory in Greek mythology and this meaning of the name is also rendered in the Chinese version. The brand name in Chinese is the result of combination of transliteration and free translation, not only simulate the original pronunciation but also the two characters 耐 *nài* and 克 *kè* means resistance and overcoming. This translation appears perfectly in line with the contents and messages that the Nike brand has always associated with its products, giving to consumers the feeling of gracefulness and victory.

Carrefour > 家乐福 *Jiā lè fú* ‘house-happy-rich’. The French company has chosen for its brand this translation composed of the characters of “house, happy and rich”; adjectives close to the concept of “home” that Carrefour want to associate with its name.

Other examples could be:

Lego > 乐高 *Lègāo* ‘superior fun’ ;

Reebok > 锐步 *Ruìbù* ‘quick steps’ ;

Colgate > 高露洁 *Gāolùjié* ‘superior cleaning’ ;

Barilla > 百味来 *Bǎiwèilái* ‘one hundred-flavour-come’ ;

Danone > 达能 *Dánéng* ‘arrive-energy’ ;

Rowenta > 好运达 *Hǎoyùndá* ‘good luck arrives’ ;

Kinder Bueno > 健达 缤纷乐 *Jiàndá-bīnfēnlè* ‘health arrives-happiness in abundance’ .

This method can also be used partially. For example, sometimes phonetic adaptation takes into account only some of the syllables or of the phonemes composing the foreign name, and not all of them.

For instance the brand names:

Logitech > 罗技 *Luó-jì* ‘net-skill’ where we take in consideration the phonetic adaption of the first two syllables of the foreign name ;

BMW > 宝马 *Bǎo-mǎ* ‘treasure-horse’ only the first two letters of the German words have been taken into account. In this case we have to highlight also the choice of characters 宝马 *Bǎomǎ* that suggest that this car is like a ‘precious-horse’. This name can be considered a metaphor for a vehicle, since precious horses run fast and for a long time, so the translation chosen by BMW is also compatible with Chinese culture.

Due to this combination, phonetic-semantic adaptation is a bit more difficult to create and for translators to master. It requires creative ability and for a good understanding it’s important to have a cultural background of Chinese culture.

1.4.2 Alternative strategies and techniques for brand names creation

We have described three of the methods for the creation of brand names, but we can also find other strategies. In fact, according to the analysis of the Chinese version of the top 100 global brands listed in the *Interbrand best global brands 2014* (Basciano, 2016), we can find only 34 phonetic adaptations (transliteration), 20 names used phonetic-semantic strategy and 8 are translation of meaning. The rest of brand names applied other methods that are described in this paragraph: 6 are original creation, 5 use hybrid forms, 8 are graphic loans and 18 brand names decide to retain their original names.

- Creation of Original Names

This strategy is not linked to adaptation of sound or meaning, but it involves a “new creation” for describing the characteristics and qualities of the product. Original brand names are

generally created following the same semantic and morpho-syntactic principles of “phonological-semantic” casts, but without any link, or with an extremely weak link, with the sound of the brand in original language. We can find some examples:

Duracell > 金霸王 *Jīnbàwáng* ‘gold-ruler’

Lindt > 瑞士莲 *Ruìshìlián* ‘Switzerland-lotus’

Bref > 妙力 *Miàolì* ‘wonderful-power’

Ariel > 碧浪 *Bìlàng* ‘green jade -wave’

Sprite > 雪碧 *Xuěbì* ‘snow-green jade’

Energizer > 劲量 *Jìnliàng* ‘strength-quantity/capacity’

All the names want to emphasize positive connotations of the product. For example, Bref 妙力 *miàolì*, a brand name for cleaning products, suggests that these products are very effective; Energizer 劲量 *jìnliàng* emphasizes that the batteries are long-lasting. In the case of Ariel 碧浪 *bìlàng* and Sprite 雪碧 *xuěbì*, the character 碧 *bì* that means ‘green jade’ recalls the green colour of the packaging. Also in the case of Duracell 金霸王 *jīnbàwáng* the names evokes the gold colour of the batteries.

In some cases, existing Chinese words are borrowed, like in the example of Kit Kat, a chocolate-covered biscuit, that in Chinese is rendered as 奇巧 *qíqiǎo*. This name also preserves the alliteration of the initials of the two syllables from the original name, furthermore, 巧 *qiǎo* is also a component of the word 巧克力 *qiǎokèlì* that means ‘chocolate’ in Chinese.

- *Hybrid forms*

Hybrid forms technique is used also in the translation of brand names from other languages to Chinese and it combines different strategies together. For example, for some characters we can follow the phonological principle and for others the translation, there is not a precise scheme, but there are some examples that can explain better the use of this method, as follows:

Starbucks > 星巴克 *xīng-bā-kè* . The Chinese version of the brand name Starbucks 星巴克 *xīngbākè* is formed by 星 *xīng* ‘star’, which translates the first part of the name, and 巴克 *bākè*, the phonetic adaptation of the remaining part.

Oil of Olay > 玉兰油 *yùlán-yóu* . In the Chinese translation of Oil of Olay 玉兰油 *yùlányóu*, the first two syllables 玉兰 *yùlán* ‘magnolia’, are a phonetic adaptation of Ulan (name of the brand in Australia) and, at the same time, it has also a positive meaning in fact magnolia is a popular flower in China and a symbol of nobility and elegance. In the last part of the name, 油 *yóu*, is the translation of oil.

Moët & Chandon > 酩悦香槟 *mǐng-yuè-xiāngbīn* . As for Moët & Chandon, the Chinese name is formed by a phonetic-semantic translation of Moët, in fact the characters 酩悦 *mǐngyuè* approximately reproduce the sound of the original name, with the addition of a semantic component, 香槟 *xiāngbīn* ‘champagne’, which specifies the kind of product.

North Face > 乐斯菲斯 *lè-sī-fēi-sī* . Where 乐斯 *lè-sī* ‘happy-this’ is an *ad hoc* creation, while 菲斯 *fēi-sī* is a phonological adaptation of ‘face’ (Arcodia, 2006), something like ‘happy face’, where the repetition of 斯 *sī* also creates a rhyme.

Another type of hybrid consists in the combination of Latin letters and phonetic adaptations or semantic elements which are called “hybrids of foreign letters”. Like the examples below:

UT Starcom > UT 斯达康 *sīdákāng* ;

W.W. Grainger > W.W. 格雷杰 *géléijié* ;

W.B. Sanders Company > W.B. 桑德斯出版公司 *sāngdésī chūbǎn gōngsī* .

In the first two examples Latin letters are combined with a phonetic adaptation of the name. The last example combines Latin letters with the phonetic adaptation of Sanders plus a semantic part, 出版公司 *chūbǎn gōngsī* ‘publishing company’.

- *Graphic Loans*

Graphic loans have already been analysed in the previous paragraph. This method is referred principally to Japanese brand names written in *kanji* (Japanese characters), which have been

borrowed into Chinese language and now are read as if they were ordinary Chinese words. This technique is very convenient due to the shared script between the Japanese and Chinese systems.

For example:

Toyota in Japanese トヨタ > in Chinese 丰田 *fēngtián*. The translations of brand names start from the original Japanese name in katakana/kanji that is written in Chinese character version and pronounced like a Chinese word. So, the Chinese version keeps the original name (in characters), however following Chinese pronunciation.

Other examples are:

Honda in Japanese 本田 > in Chinese 本田 *běntián* ;

Nintendō in Japanese 任天堂 > in Chinese 任天堂 *rèntiāntáng* .

Something similar happens with Korean brand names. Also, Korean language borrowed Chinese characters (*hanja*), which were incorporated into the language and Korean pronunciation was assigned to them. Now Koreans also have Korean alphabet, but Chinese characters are still used and a good working knowledge of Chinese characters is still important for reading older and scholarly texts in the humanities studies.

We can see two examples of famous Korean brand names:

Samsung in Korean 삼성 > in Chinese 三星 *sānxīng* ;

Hyundai in Korean 현대 > in Chinese 现代 *xiàndài* .

The *hanja* version of these two brand names are respectively 三星 and 现代, as in the case of the Japanese names discussed above, Chinese brand names retain the original Korean names, read as if they were Chinese.

1.4.3 Homophony and choice of characters for brand names

Looking at these previous examples and rules in the formation of words in Chinese, we can understand that for the choice of the brand names, considering the linguistic aspect and having a profound grammatical knowledge of Chinese, is fundamental for a company.

Another aspect which should be taken into account is not only the semantic aspect but also the homophony phenomenon. In Chinese, the number of distinct syllables is really limited (around 400). With tones, syllables reach the number of about 1,200. If you type *yi* into a pinyin input system, it might find 30493 characters regardless of tone (Huff, 2017). For this reason, there are many syllables with the same pronunciation and so homophony and near-homophony are very common.

One of the most famous examples is the number “four” in Chinese 四 *sì* ‘4’. This word is the homophone of the verb 死 *sǐ* ‘die’. These two words have the same syllable with different tones. For this reason, every person that has been in China or has studied Chinese knows that the number four is considered to be a very unfavourable and negative number for Chinese culture.

There are many examples like this and in Chinese we can find many syllables with the same pronunciation but different meanings. For instance, the syllable *ma* or *li* where possible meanings are:

妈 *mā* ‘mother’ ;

马 *mǎ* ‘horse’ ;

麻 *má* ‘hemp’ ;

骂 *mà* ‘curse’ .

力 *lì* ‘power’ ;

立 *lì* ‘stand’ ;

励 *lì* ‘encourage’ ;

历 *lì* ‘experience’ .

In the process of brand naming, not only for the creation of Chinese brand names, but also for the translation of foreign brand names into Chinese, it is very important the choice of characters. Analysing Chinese brand names, it is possible to find out some recurring words, which, according to their meaning, can be classified into five groups (Basciano, 2015):

- characters with auspicious meanings and an emphasis on good fortune, happiness, power, status, longevity and wealth.

Some common characters are: 顺 *shùn* ‘smoothness’, 利 *lì* ‘benefit’, 祥 *xiáng* ‘auspiciousness’, 福 *fú* ‘happiness’, 寿 *shòu* ‘longevity’, 喜 *xǐ* ‘delight’, 乐 *lè* ‘pleasure’, 吉 *jí* ‘luck’, 泰 *tài* ‘peaceful’, 瑞 *ruì* ‘lucky’, 和 *hé* ‘harmony’, 富 *fù* ‘rich’, 运 *yùn* ‘luck/fate’, 发 *fā* ‘to prosper’.

Good examples are the following:

Polaroid > 宝利莱 *Bǎolìlái* ‘precious benefit is coming’ ;

Typhoon > 泰福 *Tàifú* ‘peaceful and happy’ ;

Rowenta > 好运达 *Hǎoyùndá* ‘good-luck-arrive’ ;

Cadbury’s > 吉百利 *Jíbǎilì* ‘good luck bringing benefits’ ;

Kellog’s > 家乐氏 *Jiālèshì* ‘happy-family-clan’ ;

Heineken > 喜力 *Xǐlì* ‘happiness-power’ .

- words related to beauty and intimacy, as 爱 *ài* ‘love’, 美 *měi* ‘beautiful’, 丝 *sī* ‘silk’, 香 *xiāng* ‘fragrant’, 雅 *yǎ* ‘elegant’. These words suggest positive images, and are elegant and appealing and so they are mostly used for women’s cosmetics and products and to represent beauty and intimacy, like in the following examples:

Maybelline > 美宝莲 *Měibǎolián* ‘beautiful-treasure-lotus’ ;

Airbnb > 爱彼迎 *Àibǐyíng* ‘love-welcome’ ;

Chanel > 香奈儿 *Xiāngnàier* ‘fragrant’ .

- nature-related words such as 山 *shān* ‘mountain’, 天 *tiān* ‘sky’, 花 *huā* ‘flower’, 凤皇 *Fènghuáng* ‘phoenix’, 龙 *lóng* ‘dragon’, 马 *mǎ* ‘horse’, 兰 *lán* ‘orchid’. Nature symbolizes strength and power, and in some cases reflects perfection. For instance:

Opteron > 皓龙 *Hàolóng* ‘white-dragon’ ;

Lamborghini > 兰博基尼 *Lánbójīnì* ‘orchid-abundant-foundation-nun’ .

- favorable and lucky numbers 双 *shuāng* ‘two/pair’, 三 *sān* ‘three’, 五 *wǔ* ‘five’, 六 *liù* ‘six’, 七 *qī* ‘seven’, 八 *bā* ‘eight’, 九 *jiǔ* ‘nine’, 百 *bǎi* ‘one hundred’, 万 *wàn* ‘ten thousand’. For examples:

JLF Jewelry > 金六福 *jīn-liù-fú* ‘gold-six-fortune’ ;

Ralph Lauren > 三脚马 *Sānjiǎomǎ* ‘horse with three legs’ ;

Subway > 赛百味 *Sàibǎiwèi* ‘100 flavours’ ;

Ssangyong > 双龙 *Shuānglóng* ‘double-dragon’ .

- colours, like 红 *hóng* ‘red’, 绿 *lǜ* ‘green’, 青 *qīng* ‘green’, 黄 *huáng* ‘yellow’, 蓝 *lán* ‘blue’, 金 *jīn* ‘golden’. In Chinese culture, yellow and gold represent richness and power; red stands for happiness; green represents youth and freshness; white symbolizes purity and elegance; blue stands for peacefulness (Chan and Huang, 2009). Some examples are:

White Cat > 白猫 *bái-māo* ‘white-cat’, a popular brand of detergent and laundry products in China ;

Lancia > 蓝旗亚 *Lán qí yà* , brand names for automotive company in Italy ;

Kinson > 金生 *Jīnshēng* ‘gold-life’, company for manufacturing products ;

Clevo > 蓝天 *Lántiān* ‘blue-sky’ , Taiwanese computer company.

After analysing all the rules and techniques for translation of brand names, the linguistic and semantic composition of words in Chinese and some cultural and national aspects to take in consideration, now we have a complete background of the characteristics of brand names that could help us to understand how many aspects companies have to consider in the choice of brand names and which strategy, from a basic translation to an hybrid form, is the best one to enter in the Chinese market.

Chapter 2

The value and perception of Chinese brand names

2.1 Impact of brand names on the value perceived by Chinese consumers

Brand names creation is more than just giving a name to a product. The value consumers perceive reading and listening to a particular brand name can influence their choices and behaviour.

Aaker argues that a brand "is a set of assets or liabilities linked to a distinctive sign (brand, name, logo) that add to (or subtract) the value generated by a product or service" (Aaker, 1991:36). So, the brand name contains all the associations, positive but also negative, which contribute to raising or diminishing the value linked to the product. If a valid and functional name is associated with the product, a positive value will be added to it (Keller, 2011). Consequently, this will increase the positioning of the product in the market.

The essence of a brand is that it is a name in the memory of consumers, and the brand name summarizes the complex configuration of symbols and meanings linked to the product; it also helps to identify it among the competitors (Levy, 1978). It is also a promise that the company makes to customers, towards the satisfaction of their needs and assuring world-class product and service quality. Brand names give a lot of information about the product and also tell the customer or potential buyer what the product means to them, for this reason it constitutes a fundamental component in the brand dimension of every company and product and it plays a central role in human thought.

It is true that the name is given by the existence of the product, but the opposite is also true; that the name can condition the entity it represents, it is able to model and influence the way in which that particular thing is received. Furthermore, when we assign names, we not only classify what has attracted our attention, but we direct attention to certain channels rather than others (Burke, 1966). Regarding brand naming, it is therefore necessary to consider that attributing a particular name to a certain product not only facilitates its identification, but in addition assigns a series of contents to that object, which correspond to the values that the brand embodies and constitute the very essence of the brand name.

In order to manage the brand component efficiently, a whole series of elements, connected to the concept of brand name, must be taken into consideration. The name therefore represents a multidimensional variable and contains not only the distinctive aspects and characteristics of the product but also the history of the company, the experience gained by consumers towards the brand, the level of notoriety and the expectations of potential buyers.

Among all these elements, we need to highlight the importance of the customers' feelings, knowledge and their experience in relation to the product (Kapferer, 2008). The Chinese consumer is taking on increasingly diversified and new characteristics. He has gone from being a simple user of goods and services to an active and attentive consumer able to distinguish between the different product options. His needs have multiplied and differentiated but, at the same time, they have been directed towards a common direction: the recognition and pursuit of those elements that go beyond the physical product itself, that is the set of values capable of making the unique and authentic shopping experience. The Chinese consumer has developed an increasingly marked sensitivity to the brand. Companies have to take note of the characteristics assumed by this evolution, and for those that want to operate successfully in the Chinese market it is essential to become aware of the potential linked to their brand and to be able to develop it to the fullest.

When consumers make their buying decision, the right brand name can sometimes make the difference between a sale and the brand being ignored. Well-established brand names are integrated into the consumers' consideration set also before the purchase decision. Consumers might notice new brands that are attempting to eliminate the existing players, showing to costumers what makes them different respect to the others. Regardless of whether it is an existing or a new product, an effective brand name can also create an emotional and cognitive connection with customers and it tends to be more attractive than those of similar products. Not only brand names can influence whether customers notice the products or not, but they can also strengthen awareness, the perception of quality and creates a positive image of the product (Aaker, 1991).

In this chapter we will analyse the impact of brand names on Chinese consumers perception and how brand names can have an impact on consumers' choice about the product and their decision-making process.

2.1.1 The presentation of brand personality in Chinese brand name translation

As already cited in the previous chapter, the translation of brand names influences how the brands are perceived in the target context. In order to be effective, brand names should have several features, for instance: being easy to pronounce and pleasant to be heard, being easy to recognize and remember, being short and simple, being distinctive and unique, describing the product's use and benefits, having a positive connotation, reinforcing the desired product image (Chan and Huang, 2001). These characteristics are connected to the reaction of consumers and their first impression of the brand.

Being easy to pronounce and recognize and being short and simple help to enhance a brand's memorability. Brand name that possesses memorable and attention-getting elements facilitate recall or recognition during purchase. In fact, brand memorability is considered to be one of the most crucial factors of a preferable brand name (Robertson, 1989) as well as a prerequisite for further information processing and effective positioning of a brand (Aaker, 1991). Moreover, being pleasant and unique, describing the product, and carrying positive connotations are fundamental in order to establish a desirable image that can win consumers' favour and recognition.

The two features of memory enhancement and image establishment are closely related. Consumers' ability to recall a brand name is essential for a brand that wants to have a decisive role in the market. On the other hand, the establishment of positive images contributes to strengthening consumers' memory. It is possible to identify imagery as "a potent tool to increase learning and memory" (Mani & MacInnis, 2003), and information that evokes visual images is relatively easier to remember (Wyer, 2007).

In order to increase their memory, establish positive images about the brands and serve the purpose of promotion, brand names often involve consumers' emotional response. "The ultimate purpose of brand construction is to establish an emotional connection with consumers" (Yu, 2012: 46). Brand names are often designed to cause emotional involvement and this emotional part is invoked by what is resonant or congruous with consumers' mentality, values, beliefs, morals, attitudes, or likes. It may be something they want, something they regard as ideal, or something connected with their memory. Arousing consumers' emotion contributes to deepening their impression of the brand and reinforce the brand image. While brands are coded in both cognitive and emotional patterns in the brain, the emotional aspect remains always the

more significant aspect (Gordon, 2002). For this reason, exploring emotional involvement of a brand helps us to understand consumers' decision-making and it can provide reference for the creation and translation of brand names.

Consumers develop various feelings about brands. Brand personality is “the first reaction people tend to have towards a brand when they hear, taste, see or touch a certain product belonging to a specific brand name” (Sheena, 2012: 32). In many cases, brand names give consumers ideal images to create a warm feeling, generate a pleasurable experience or create a close connection with them. Implying something positive is popular in Chinese brand names, and appealing to joy, comfort, and luck in brand name translations is appreciated by Chinese consumers.

The traits of being happy, cheerful, active, friendly reflect consumers' appreciation of a contented and satisfying life, enjoying comfort and full of vigour. Chinese are disposed to choose a name that implies fortune to their business and avoid unlucky expressions. In their study, Chan and Huang decided to analyse Chinese brand names referring to award-winning products in the cities of Beijing and Shanghai and they selected 527 brand names from the corpus entitled “The Best Products in China from 1979 and 1988”. On 527 examples selected, 66% of the brand name has a positive connotation. Therefore, most of the names show positive semantic content and this is achievable through the use of concepts from Chinese traditional imagery associated with pleasant meanings (Chan and Huang, 1997).

One example is the Chinese version of Ericsson that is rendered as 爱立信 *ài lì xìn*. The Chinese translation is based on the pronunciation of the original brand name, but it also provides to the sound a new meaning, in fact it comprises three characters: 爱 (*ài* ‘love’), 立 (*lì* ‘establish’), and 信 (*xìn* ‘trust/communications’). There are two interpretations of the Chinese translation, it can mean ‘to establish trust with love’, and it can also mean ‘to establish communications with love’, because the Chinese character 信 (*xìn*) means trust, but it can also refer to communications, which is concerned with the Ericsson company technology and services. Such positive implications can produce “associations that support the desired brand image” (Lerman, 2007:84). In both interpretations, in the Chinese version we can find abstract images of love, trust, and communications, which are not present in the original version. This aspect is connected to the function of brand names, that are expected to create a feeling of closeness, familiarity, positivity and to communicate a message of belonging. Using the images of love and trust, the brand name shows care for consumers, and in this way can cause their emotional involvement. A successful brand is one that symbolizes what the consumer cares about and of course love and trust are what people want (O’Shaughnessy, 2004:39).

The preference for something positive is particularly prominent in Chinese brand name translations, like in the example that we have analysed in the first chapter where many Chinese brand names make use of characters with auspicious meanings like 乐 *lè* ‘pleasure’, 喜 *xǐ* ‘delight’ and so on.

Moreover, causing consumers’ emotional response is also helpful for deepening their impression, in fact some studies have demonstrated that emotions facilitate memory (Berkowitz, 2000). Therefore, a brand name that can advise a product-linked benefit and is able to create an emotional effect on costumers, facilitates memory both of the brand name and of the suggested benefit (Keller, Heckler and Houston, 1998). A suggestive brand name is defined as a brand name that conveys relevant benefit information in a particular product context. Chinese brand names including suggestive characters, compared to those with non-suggestive characters will lead to a more favourable brand attitude, because consumers’ recall of brand information in the Chinese language is more accessible if they are able to link the product information and attributes with the brand name. Thus, we expect that suggestive Chinese brand names should result in both higher memorability for the brand name and the suggested brand benefits (Tavassoli, 1999).

The Fornarina brand, 佛纳瑞娜 *Fó nà ruì nà*, despite having a rather unusual structure for the Chinese language and characters not linked to each other from a semantic point of view, has associations related to the type of product. In fact, the character 瑞 *ruì* means ‘lucky’ and the character 娜 *nà* is used in female names, therefore it offers a reference to the female world to which the brand's products are aimed.

Sometimes brand names provide additional meaning to the original brand names which might change the perception of a brand for consumers. This can be categorized into information which reinforces the product type or nature or information that strengthens the product’s characteristic or benefits to customers.

Other examples that show product benefits and add meaning to the name are Deloitte & Touche, Bulgari and Diesel. Deloitte & Touche included the images of having good virtue and being hardworking in its Chinese name ‘德勤’ *déqín*, the Chinese brand name denotes integrity, diligence and excellence. Considering the brand name Bulgari which is translated in 宝格丽 *bǎo gé lì*, characters, that mean ‘precious and beautiful’, have a connection with the characteristics of the products and add a positive meaning to the brand.

Chinese names often carry meaning, especially if we compare them with English brand names. An English brand name is often selected or established simply for the name's sake, which does not necessarily have a meaning (Chan and Huang, 2001). But many Chinese translations retain the original pronunciation and at the same time are endowed with new meaning. According to some authors, English native speakers may be inclined to pay more attention to the pronunciation of a word, while Chinese native speakers tend to pay more attention to the meaning (Sang and Zhang, 2008). This is related to the fact that English-speaking and Chinese-speaking consumers respond differently to a brand name. English native speakers rely primarily on a "phonological code" and judge a brand name based on its sound appeal. Chinese native speakers tend to codify verbal information in a "visual mental code" and judge a brand name based on its visual appeal, which is more concerned with meaning (Li and Shoostari, 2003:15). According to a study on 282 English brand names by Ying Cui, 75% of the Chinese translations tend to adjust the original names and endow them with new meaning. As already analysed in various examples, in many Chinese brand names supplementary meanings are added and appealing to something positive such as beauty, elegance, and happiness, can touch upon consumers' emotion (Cui, 2019).

Another aspect that can be particularly prominent for brand name is being "Western". Presenting something that has a Western origin arouses Chinese consumers' emotion regarding their taste, status, and aesthetic standards. This is related also to their actualization needs as well as their appreciation of the qualities of being cool, different, and fashionable. Moreover, some studies have demonstrated that the majority of Chinese consumers are positively affected by foreign names (Villar, Ai and Segev, 2012). They show positive attitudes and preference for nonlocal brands, especially products coming from the West that have become fashionable in China and that many Chinese consumers like to buy.

A foreign brand name can be translated into Chinese and written in Chinese characters, but not all the names are perceived as Chinese. This is due to the facts that some words and characters that are chosen for a foreign brand name may never be used by a Chinese for a name (Dong, 2001). The choice of these particular morphemes makes Chinese consumers immediately understand that it is a foreign or Western name. For examples, translating names like Google into 谷歌 (*Gǔgē*), Morgan Stanley into 摩根斯坦利 (*Mógēn sītǎn lì*) and Disney into 迪斯尼 (*Dísīnǐ*) have created an image as a "foreign name", and they remind customers of the foreign place of origin of the products. In this case, maintaining the original effect is particularly significant for the brand.

We can take for example the case of Cadillac. Initially the brand opted for a literal translation of the name in China, that was 公爵 *gōng jué* that means ‘duke’¹. However, the owner of the brand realizes that the transliterated version of the brand 凯迪拉克 *kǎ dì lā kè* was much more popular, because it communicated the original and exotic character of the product and therefore it was decided to definitively adopt this version.

Another case is the brand Fendi, that is rendered in Chinese with 芬迪 *Fēn dí*, a term that can be easily memorized by a Chinese speaker and that is perceived as foreign. The choice of characters with positive meanings like 芬 *fēn* that corresponds to ‘fragrance’ and 迪 *dí* that means ‘to guide, to illuminate’ together with the foreign origin of the name give to the brand a relevant place in the luxury product market.

Translators may use foreign names to foreground the Western origin of the products, or give prominence to their information, and also establish positive associations. These are considered good strategies because they can appeal to consumers emotion and memory, adding to the positive characteristics of brand names. However, it is important to understand that such strategies cannot be applied mechanically, in fact the general context must be considered and flexibility is always necessary during translation.

2.1.2 Cultural influence on brand names

Brand personality also represents the values and beliefs of a culture and conveys cultural meanings. Culture has a major impact on consumption patterns of individuals and institutions. Cultural differences strongly influence the perception of a brand: depending on their cultural background, consumers tend to follow certain consumption patterns. As consumers’ beliefs, values, and attitudes in a specific cultural context significantly influence how they perceive the symbolic meanings of brands, the cultural basis should be taken into account in the translation of brand names (Chu and Sung, 2011:164).

¹ The name of the brand Cadillac in fact derives from the French explorer and nobleman Antoine Laumet de La Mothe Cadillac, who founded the city of Detroit in 1701. The Frenchman's heraldry, the family crest, were chosen by the founder of the company, Henry Leland, as the car's name and logo.

“Translation in today’s sense should be both a linguistic rendition as well as cultural interpretation, with the latter more emphatic” (Wang, 2001). As Wang Ning says, both linguistic and cultural aspects have to be considered when translating a brand’s name, but the cultural ones are even more relevant than the mere linguistic components. A good translation must be innovative and original in order to stimulate interest among consumers, but at the same time, there are numerous local cultural aspects that have to be taken into consideration to avoid misunderstanding. So, if we want to translate brand names properly to promote the sales of commodities in the international market, we should be familiar with the cultural differences between the original country and the target country. For achieving this, it is fundamental to understand the distinction between high-context cultures and low-context cultures.

Chinese culture is defined as a "high-context culture" (Hall, 1976). In these types of cultures, meanings are expressed in a more indirect way (compared to Western cultures). High-context cultures are those which generally communicate more opaquely and which take into account circumstantial cues, signals and references in the surrounding environment to interpret the meaning of a message and where the context plays a decisive role in revealing the content of the linguistic message. Therefore, in this type of society the choice of the words to be used is crucial: even with a small number of terms, in fact, complex messages can be conveyed since the meaning is not conveyed exclusively by the words.

Many Western cultures, on the other hand, are considered low-context cultures, where we find a much more direct and open type of communication (compared to the Chinese); messages and cues are communicated more directly and openly. Therefore, due to this strong cultural difference between Chinese-speaking and English-speaking countries, a literal translation of brand names from Western languages into Chinese risks misunderstandings and inconsistencies at the cultural and content level.

Cultural differences are also reflected in brand personality. It needs to be noted that brand names must always consider the distinction between the Chinese perception and Western perception of brand personality. In fact, the creativity of Chinese meaningful brand names reflects certain Chinese cultural values and characteristics.

For example, Chinese society is strongly characterized by the element of collectivism, and China is considered a collectivistic society. Chinese people adhere more to group norms than those who are part of individualistic societies, such as the Western ones. The family represents the smallest cell, but at the same time fundamental, for the maintenance of social harmony. In fact,

in the family we find some elements such as ethics, respect for the elderly, concepts of lineage which are cardinals for the concept of society (Ropp, 2010).

Traditions and history are really important in China. Chinese cultural values, primarily Confucian ones, like interdependence, harmony, filial piety, absolute loyalty, mutual trust and obligation are cardinal virtues for Chinese society and are often emphasized (Chu and Sung, 2011). Individuals are encouraged to follow traditions and social norms and also respect the historical and political aspects of China in the use of commercial brands.

For example, when the brand Johnson & Johnson entered the Hong Kong market, it was rendered as 壮生 *zhuāngsheng* ‘an official or lord during feudal times’. This association with upper-class membership was seen as inappropriate in mainland China, because such a translation was not desirable in terms of political perspective and for the Communist doctrine. Therefore, the name was changed into 强生 *qiángshēng* ‘strong-give birth’ (Basciano, 2016), combining morphemes with a positive meaning. The brand name was also distinguished from Taiwan where another name was chosen, 娇生 *jiāo-shēng* ‘delicate-give birth’. This translation was not appropriate for mainland China, in fact, we can find a difference in parents’ expectations towards children, linked also to political aspects. A cause of the one-child policy, Chinese parents in the PRC hope to have a strong child, not a lovable, tender and gentle one (Fan, 2005).

Cultural aspects of brand names not only are linked to Confucian values, history and traditions, but also to nature. The use of nature-related words for brand names reflects the worship and admiration that Chinese people commonly have towards nature. As already expressed in the previous chapter, many words related to natural elements are used in brand name translation in order to associate the positive images of nature with their products.

In China, mountains are a symbol of the vastness of nature, heights to be conquered, stability and reliability; the sky represents the supreme power; the dragon is the symbol of imperial power and nobility; the phoenix is another mythical animal in Chinese culture symbolizing beauty, power, prosperity, and horses are particularly loved by Chinese people and they symbolize a great career and success. They are all closely related to Chinese culture and many brand names in China contain these words.

Some famous examples are the use of folk traditions or idioms to rename car brands like BMW, in Chinese 宝马 *bǎomǎ*, that is compared to a horse, Citroen 雪铁龙 *Xuětiělóng* to a dragon, and Land Rover 路虎 *Lùhǔ* to a tiger. These animals are part of the Chinese folk tradition: horses travel thousands of kilometres a day, dragons are powerful and brave and tigers are majestic and

imposing. In these cases, the international brand not only has a Chinese translation, but also a unique local image, they acquired rich cultural connotations and created a welcome and spiritual image in the minds of Chinese consumers (Fan, 2005).

Not only natural words, but also numbers and colours are often used in brand names. The choice of numbers in Chinese brand naming takes into account their cultural significance. Numbers have an important role in ancient Chinese culture and also lucky and unlucky numbers are not necessarily the same across cultures.

When translating a brand from a European language into Chinese, it is important to consider two different factors. Firstly, the different writing systems. Secondly, the cultural differences. Understanding these branding principles can help both local marketers and international marketers to build proper and powerful Chinese brand names to enhance their business success in the Chinese market. To expand into the market, brands need to develop an understanding of Chinese culture both to empower their marketing campaigns and to avoid anything that could potentially offend Chinese consumers. In this way cultural differences can be transformed from a challenge into an opportunity. Marketing strategies, including brand naming, that rely simply on mere translation of language when transferring advertising or names in cross-cultural marketing run the risk of being culturally incongruent. In fact, besides faulty language translations, common errors made by multinationals include insensitivity to cultural values and beliefs.

2.2 Marketing policy

Brand naming consists of three components: the linguistic component, the legal component and the market component. In the previous chapter we have fully analysed the linguistic component of brand names and the various aspects connected to translation and meaning. The legal component requires the uniqueness of the brand name for legal protection. The market component requires a brand name to be suggestive of product benefits and to be communicative, promotable, advertisable and persuasive. In addition, it also has to be suitable to packaging and fit with company image and other products' image (Chan and Huang, 1997).

In the brand name's market component, we have also to consider other aspects that are fundamental for the business of the company. In fact, assigning a name to a brand not only means characterizing a product or service in order to make it attractive for consumers or differentiate the offer in markets with high levels of competition: brand names also play a crucial role in marketing strategies. They identify the product, the entire range of the company's offer and the company's reputation, and this may significantly contribute to the performance of a product or service. In marketing policy, brand names are also an essential part of advertising campaigns and an important asset for businesses, because consumers understand a brand through the brand name and the associations it elicits (Lee and Ang, 2003). Therefore, the brand name is the basis of brand image, but while this can be built over the years through the various forms of advertising, the brand name can give an additional intrinsic value to the product in an immediate way. This is an important aspect to consider in marketing policy and many companies began to invest more on the process of brand name creation, and not only on advertising.

In this section, we will analyse the value of brand names in marketing strategies connected to the concept of brand equity and other brand elements, and also how brand naming has become a fundamental process in the marketing policy of many companies.

2.2.1 Brand names in marketing strategies

Brand name strategy is one of the most investigated areas in marketing research, but attention has been devoted also to other important brand concepts that are directly connected with it

(Aaker and Biel, 1992). In fact, brand names have an impact on other brand elements like brand awareness, brand personality, brand association, brand communication, brand image, perceived brand quality, brand loyalty and brand equity which are necessary for building a strong brand.

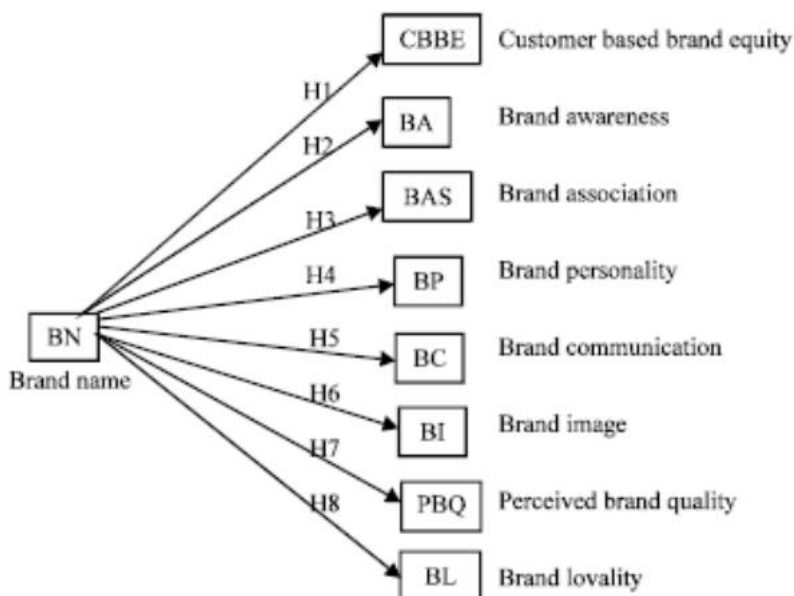


Figure 2.1 Conceptual Model of Brand names (Pallabi; 2011:111)

Brand equity is the marketing and financial value associated with a brand's strength in a market. With this expression we refer to the added value that a brand gives to a product beyond the functional benefits it offers. This value stems from the consumer's perception of the brand's superiority, the social esteem that using it provides, and the customer's trust and identification with the brand (Schiffman and Kanuk, 2010).

For a company it is important to evaluate brand equity in order to understand how brand names add value to their products and services. Brand name is in fact the core indicator of brand equity:

Brand equity refers to the brand name's ability to facilitate the marketing of a product as a result of more favourable customer perceptions: a well-recognized and highly regarded brand name can not only reduce marketing costs and increase a potential customer's purchase likelihood, but also expand the size and loyalty of a firm's customer base (Kartono and Rao, 2009: 95).

It is possible to identify three main aspects for the construction of brand equity: the basic elements of which the brand is composed, i.e. name, logo, other visible features including colour combinations, fonts, images, symbols, slogan, packaging, format and so on; the product or service and the related marketing activities; the associations that are indirectly transferred to the brand through the connection with other objects such as places, people, things (Kotler and Keller, 2009).

Moreover, brand naming is connected with other aspects of brands and have a significant role for the identity and the personality of them. It can enhance brand awareness so the degree of familiarity that the consumer has with the product; brand loyalty that is the tendency with which the consumer buys products of a certain brand avoiding to buy other products belonging to the same category; and brand associations so the whole set of impressions, perceptions, ideas, memories, emotions that bind the consumer to the brand.

Brand personality is also built by the manipulation of brand name, signs, symbols, logos, imagery, music, layout or use of humour and provocation (Wee, 2004). Brand image is defined as the consumer's perceptions toward a particular brand name (Aaker, 1991), and the brand name is also the largest determinant of perceived brand quality (Dawar and Parker, 1994). In fact, the brand name associated with a product leads people to assess the quality of that product (high or low) depending on the strength of the brand name. And when customers attach a level of quality or prestige to a brand, they perceive that brand's products as being worth more than products made by competitors, so they would buy it instead of others.

For all these elements, the selection of the right brand name is one of the most important marketing decisions and is often the centrepiece of introductory marketing programs (Keller and Aaker, 1992). In addition, the importance and the differential impact of brand name on other brand elements could help managers in formulating more appropriate marketing strategies for a brand.

Given higher costs, greater competition, and flattening demand in many markets, companies seek to increase the efficiency of their marketing expenses. As a consequence, they need a more thorough understanding of consumer behaviour for making better strategic decisions about target market definition and product positioning. A firm's most valuable asset for improving marketing productivity is the knowledge that has been created about the brand in consumers' minds from the firm's investment in previous marketing programs and also in brand name (Berende, 2012).

On a sample of 100 companies examined in a study conducted by Kohli and LaBahn in 1997, 60% of enterprises argue that the choice of an appropriate brand name that can underlie the value for the brand taking in consideration all the other brand elements, is crucial in terms of profits and that its use has a strong influence on sales, even in the absence of advertising media. Furthermore, creating an effective brand name is considered a more relevant process respect to the development of the packaging.

Aaker and Joachimsthaler (1997) also argue that the brand name constitutes an extremely precious resource for companies, proof of this is the fact that they invest heavily to acquire an adequate name for the company and for all the different categories and related product lines. In financial terms, companies can spend 20,000 to 80,000 euros on choosing an appropriate brand name and in the process to generate it (Kerin, 2010).

2.2.2 Brand names generation process

As a fundamental part of marketing strategies and a considerable investment for many companies, brand name generation has a crucial role in the business activity and it requires experience and knowledge of the products and market. In fact, "the brand name is undoubtedly the most important element within the branding mix of brand management, brand strategies, brand association, brand extension, brand globalization and standardization; because it is the element destined to remain unchanged over time" (Ries and Trout, 2000). For this reason, it is fundamental to understand the process of formation of brand names that should not be reduced to a simple choice.

For those companies that have decided to create a new brand name for the Chinese markets, there are five steps that lead to the generation and subsequent adoption of the brand name.

➤ Definition of branding objectives

The different options of brand names must focus on the ability of the name to represent the product and differentiate it; moreover, it must be suitable for the positioning that the company wants to pursue.

All firms that expand abroad have to decide whether their brand names should be standardized or localized to adapt to local market conditions (Francis, Lam and Walls, 2002). A completely standardized brand has one name that is used in all countries and therefore has one variation. An adapted brand name may have a few or many variations throughout the world.

In China, where there are immense linguistic and cultural differences, the decision to adapt the brand is prevalent and many companies decide to adopt brand name localization, which includes

brand name translation. There is no rigid rule on brand name translation methods, as we have already seen in previous chapters, the selection of the translation method differs among different brands. For brands that aim at localizations, semantic or phonetic-semantic translation method is recommended, because additional information and appropriate meaning of the brand name can provide supplementary value to the brands and to costumers, who can better identify the products or services sold by the company (Chan, 2007). What is fundamental for a company to remember is that decision makers on the brand names translation should conduct careful and thorough external and internal environmental scanning and decide their goals and objectives before implementation.

➤ *Creation of brand names*

In this phase, most companies arrange activities such as brain storming, creative thinking to establish a new brand name in Chinese or decide directly to translate the existing name of the company in Chinese. In other cases, they turn to external consultancy agencies, such as advertising and marketing research firms, or agencies specializing in brand naming. When the company's experts or the external agency has created various alternatives of brand names, they go to the next step, the evaluation phase.

➤ *Brand name evaluation*

Considering the intent to evoke product characteristics and differentiate it from other competitors, all those names that highlight the category of the asset, that are able to generate positive images and connotations and that are overall attractive are evaluated positively.

For brand names that are made for the Chinese market, there are a number of criteria that guide the analysis and evaluation of the names collected during the previous phase. These criteria refer to three different dimensions: marketing, linguistic and cultural (Kohli and LaBahn, 1997).

Four different criteria belong to the first dimension, i.e. marketing: (a) ability to describe the characteristics of the product; (b) neutral connotation; (c) attractiveness to consumers; (d) relationship with the name of the founding family. The linguistic dimension, on the other hand, includes the following criteria: (a) phonetic (easy to pronounce, pronounceable in different languages, pleasant to read or listen to); (b) morphological (simple and short); (c) semantic (easy

to remember). Finally for the cultural dimension, they take in consideration the criteria of (a) “good luck”, (b) “exotic / foreign sound” and (c) transmission of traditional values.

Therefore, companies evaluate the different brand names that they have chosen and according to these principles they eliminate that ones that are not considered appropriate. In relation to the three dimensions, the criteria most frequently used in choosing the Chinese brand name are: description of the characteristics of the product (64%), easy pronunciation (64%) and “good luck” (82%) (Kohli and LaBahn, 1997).

➤ *Final choice of name*

It emerged that not all companies choose names that fully respect the objectives set during the first step of the process, but in any case most of them, 79% of companies, choose a name that is as consistent as possible with the objectives set (Kohli e LaBahn, 1997).

Despite the fact that the brand name is considered one of the determining factors for the success of the product, it is surprising to note that the tests to verify the empirical evidence are still limited. Only a small part of companies, in fact, are concerned about experimenting the various options on the product and only 35% of them use surveys or other types of reliable quantitative approaches (Kohli and LeBahn, 1997).

Consumer research is sometimes conducted before the final choice of the name. The name and features of the product may be shown to the consumers and in this way, the company can verify if the characteristics and the objectives are understood by them, so as to confirm management expectations as to the remembrance and meaningfulness of the brand names. Market researchers sometimes evaluate the "flicker perception" of brand names, so how quickly a brand name can be perceived and understood when exposed to consumers only for an instant. In this way, they can verify consumer learning of candidate brand names (Dolan, 1985) and evaluate if that name could be an effective one.

On the basis of the above steps, the company chooses the final brand name that maximizes the organization's branding and marketing objectives.

➤ *Brand name registration*

The name chosen is finally subjected to a verification that allows its legal registration. The company has to prepare more than one trademark, as it could happen that one of them is rejected.

Legal protection of brand names in China is crucial. Even if China became a member of the WTO in 2001 and follows the requirements of TRIPS (established in 1994), having a trademark protected in Europe or US does not provide any protection in China. This means that when companies develop a new brand name in Chinese, they have to register it separately in China via the Chinese procedures or they could lose legal protection.

2.3 Can we talk about the effectiveness of brand names?

In the previous paragraphs we have described how value, cultural aspects and marketing strategies are fundamental parts of the brand name and how they can impact on the perception of consumers. In addition to that, many authors suggest that brand names have become one of the most valuable assets for many companies and they can also significantly contribute to the success or failure of products or services (Kotler and Armstrong, 2008; Aaker and Joachimsthaler, 1997).

Shooshtari (2003) examined the challenges of brand naming in China. According to him, obtaining a successful brand name in China is possible, first of all, through an analysis of the Chinese linguistic system that allows to identify the sociolinguistic components typical of that context, associated with the study of the Chinese institutional environment.

Moreover, a good brand name would have a strong influence on consumers, stimulate their purchasing desire and have an unbelievable effect on sales promotion. If a product has a wonderful translation for its brand name, then customers would be well-disposed towards it and consequently have a desire to buy it. On the other hand, a wrong name can have a huge impact on the perception of the brand and especially of the product; an unsuccessful translated brand name would not only bring economic loss to the company, but also damage their image.

In this section, through some examples of famous companies and their Chinese brand name, we will try to understand if the choice of brand name has always a direct implication on the success of products in Chinese market and also try to evaluate the impact on their business activities.

2.3.1 Challenges in the translation of some Chinese brand names

Renaming a brand in a foreign language is a complex operation that requires a lot of knowledge and experience. Sometimes translation is a process prone to errors, it has to take into account various factors and also the small differences between alternatives. Poorly conceived names or names with a difficult pronunciation could cause confusion to consumers or hurt the brand's equity. Some of the common problems include negative associations, names not conforming to the aesthetic culture or with political implications, names with unclear positioning or that are similar to others.

What is particularly challenging about naming in Chinese is that the connotation of each word and all characters of the name are interrelated. In fact, the overall presentation of the name can influence how the audience interprets a single character, and a single word can impact on the general impression or the personality of the name.

In the following examples we have decided to analyse Chinese brand names of some international companies and evaluate how their choice of Chinese name is regarded in the Chinese market and by Chinese consumers. In the analysis we will focus on the history of the brand and the main aspects that have influenced their decision to adopt or change their Chinese name.

❖ Peugeot and Mercedes Benz

Peugeot decided to enter the Chinese market with a joint-venture (Dongfeng Peugeot Citroen Automobile) in 1992 with the Chinese name 标致 *biāozhì* that means 'pretty, beautiful'. This name has nothing to do with the capabilities or benefits of the product, and for many Chinese consumers it sounds too feminine. In China a car is generally regarded as a masculine product that should have a masculine name, for example BMW 宝马 *bǎomǎ* that means 'treasure horse' or Citroen 雪铁龙 *xuětiěnlóng* 'iron dragon'. These names hold a more masculine connotation.



The name 标致 *biāozhì* is also really close to the word 婊子 *biǎozi*, meaning prostitute in Chinese. Sometimes it is possible to find also an alternative for the name, that is 雄狮 *xióngshī* that means ‘lion’. This name not only creates positive associations, but also is related to the company’s logo (a lion) and therefore is very valid because it symbolizes strength, speed, courage and this is also in line with other car brands mentioned earlier (Fan; 2002). However, this version of the name is not often applied.

Mercedes Benz is another example of a brand that has changed its Chinese version, in fact the message they wanted to send across had an unfortunate meaning, this is due to a bad Chinese translation of its brand name. The company used the name 奔死 *bēnsǐ* which means ‘rush to die’. The brand realized its mistake and changed the name with 奔驰 *bēnchí*, which means ‘run quickly as flying’ that it is used nowadays in Chinese market (Li e Shooshtari, 2003).

❖ Microsoft

Microsoft's example is different. On the surface, its Chinese name 微软 *wēiruǎn* is a faithful translation of ‘micro’ and ‘soft’. In the original brand name, ‘micro’ is an abbreviation for “micro-computer” and ‘soft’ is an abbreviation for “software”. Unfortunately, these meanings were lost during the translation process and the Chinese name literally means “small and weak” which is completely incompatible with the brand's status as one of the largest companies in the world.



Despite the name, Microsoft has had a presence in China for more than 30 years, entering the market in 1992 and it is still one of the most important technology companies in China.

❖ McDonald’s

The most recent example of a Chinese brand name is the change of McDonald’s name in China. The company changed the previous 麦当劳 *màidāngláo*, a transliteration of the company’s English name, in favour of 金拱门 *jīngǒngmén*.



Its previous name 麦当劳 *màidāngláo* was a transliteration of its original English name and has been used since the brand opened its first China outlet in 1990. The new name established in 2017 金拱门 *jīngǒngmén* literally means ‘golden arches’ and derives from McDonald's logo, a golden M that resembles two lighted arches that we can find in every McDonald's restaurant.

According to the research of Adam Guerguis (2019), Chinese consumers thought the new name sounded ridiculous and they would have preferred the original name more. One customer in a comment online said, “[The new name] sounds like a name of a Peking duck restaurant or a traditional Chinese medicine store”, which is probably not the impression the company was trying to give. To fix this translation, McDonald's used a globalization tactic launching a campaign educating its customers about the significance of the Golden Arch (Guerguis, 2019).

Despite the issues with the new name, that was officially adopted in October 2017 and that was only for company licensing purposes, McDonald's business is unaffected by the change, and its restaurant names in China remain the same.

❖ Bing

Bing's official Chinese name is 必应 *bìyìng* that means ‘very certain to respond’. Although this name has a positive connotation, the trouble for the company was the search engine's Chinese URL that used the ‘Bing’ branding and that reads like 病 *bìng*, the Chinese word for disease. In a culture that values the auspicious, it's one of the least lucky names.



The resemblance of its original brand name with the word ‘illness’ was hard to compete against for the company and for the search engine it was difficult to break through the Chinese market. But they opted for a choice of Chinese name that could avoid the negative connotations and result company characteristics. In fact, the Chinese name 必应 *bì yìng* has many agreeable meanings in Chinese. 必 *bì* means ‘will, definitely, without fail’, and 应 *yìng* means ‘respond or agree’. Thus, these two characters together communicate that the search engine will generate a response without fail. Furthermore, 必应 is part of 有求必应 *yǒu qiú bì yìng*, a frequently-used Chinese phrase, meaning that one could find whatever he wants, and that one wouldn’t turn down another person’s request. In addition, 必应 *bì yìng* has almost same pronunciation with 必赢 *bì yíng*, which means ‘will win without any doubt’. As we can see, Bing’s Chinese name effectively avoids the negative connotations of the original name.

❖ Best Buy

The American electronics retailer and ecommerce store chose the Chinese name 百思买 *bǎi sī mǎi* that sounds like the original name, but the meaning of the name could be translated as ‘think it over 100 times before buying’, which certainly is not the best name for a retail store.



However, Best Buy has not changed the name and has tried to struggle with gaining market shares and to adjust its strategy to fit into a different cultural and consumer behaviour. Unfortunately, this was not enough and the company closed many stores in China in 2011.

❖ Airbnb

Selecting a Chinese name can also be a pitfall for companies, like in the example of Airbnb 爱彼迎 *Àibǐyíng* that in Chinese means ‘let people greet each other with love’ or ‘welcome each other with love’. On the surface, the name sounds pleasant and similar to the original one,

besides, the three characters 爱 ài, 彼 bǐ and 迎 yíng, carry separately the positive meanings of ‘love’, ‘each other’ and ‘welcome’, and turn into the company message and spirit, as Airbnb points out.

Chinese consumers, however, criticized it on Chinese social networks when it was published in 2017. After the announcement, Airbnb posted a promotional video about the name change on China’s popular website Weibo. The post was soon full comments of Weibo users like “It sounds so horrible. Please tell your boss about that” and “You guys need a Chinese-language consultant”.



There were two major complaints about the name. First, 爱彼迎 Àibìyíng is difficult to pronounce in Chinese. Second, many Chinese bloggers argue that the name sounds odd and a too loving and with the pink backdrop it gives a lively and even romantic feel. This is also expressed with the first character meaning ‘love’ that is the central concept around which the connotations of all other elements are revolved. This will influence how the audience perceives all of the other words, like 迎 yíng that, due to its similarity in pronunciation to 淫 yín (that means ‘lust or lewdness’), reinforces the loving and even sexual implication and the name at the end becomes saucy.

Chinese internet users proposed other names they liked better for Airbnb. Some of the most popular suggestions include 爱彼 Àibǐ, which is simply easier to read; and 爱彼邻 Àibǐlín, which translates as ‘love each other’s neighbors’. Airbnb decides so to create some other options, and it has registered 11 Chinese-language trademarks in China (Tao, 2017).

❖ Coca Cola

Coca Cola is not a simple brand name. In fact, this proper name has such a high level of diffusion, that it has been assimilated as a common noun. This is a peculiar phenomenon that we can find when a certain product is massively present or its reputation is so widespread that it is conceived

as part of the class of objects of common use, and therefore the name of the brand, like Coca Cola, ends up becoming a common noun.

Coca Cola has found a complete and positive brand name for Chinese market. As we have already described in the first paragraph, a translation that combines a suitable meaning, with a good approximation of the foreign brand name and positive characters; this has let Coca Cola to be one of the best examples of brand names translation in Chinese. But analysing the history of the name of Coca Cola in China, we can discover that it was not immediately a successful choice.



The Coca Cola Company, upon first entering Chinese-speaking markets such as Hong Kong and Shanghai in the 1920's, due to different origins of the linguistic systems, decided to translate its name phonetically instead of ideographically. They opted so for a phonetic transliteration to emulate the original English sound of Coca Cola and they chose four Chinese character 蝌蝌啃蜡 *kē kē kěn là*, that literally are translated as 'bite the wax tadpole' (Ricks; 2006).

Coca-Cola understood it was not a suitable name translation and it decided to change its Chinese name. It needed to find four Chinese characters whose pronunciations approximated 'ko-ka-ko-la' sounds and with a good combination of symbols to represent their name, without producing a nonsensical or negative meaning when put together as a written phrase.

Therefore, Coca Cola created a new name 可口可乐 *kě kǒu kě lè* 'tasty-amusing', with a more appropriated meaning than the first translation and maintaining a similarity with the original English sound.

2.3.2 Does a brand name really influence success?

From these previous examples we can understand that it is considerable difficult to deal with the Chinese language, especially when it comes to merging sound and the meaning of characters during a translation. When people try to create a Chinese name that sounds similar to the original name in its native language, sometimes they only consider the effect of individual characters and overlook the combined effect of the meaning, the sound and even the visual presentation of the logo design. Like in the case of Airbnb, the name might go wrong even if there is a combination of positive characters.

It is also important to consider that even the largest and most sophisticated firms, like Coca Cola, are not immune to the difficulties of product-name interpretation in Chinese market. Today, more and more firms are seeking assistance in the hope of avoiding these types of mistakes (Ricks; 2006).

In addition to these difficulties in the language, the other point that we want to analyse is whether these eight brand names examples have influenced the success or the failure of their respective companies in the Chinese market. This is hard to define.

The results presented in previous paragraph clearly indicate that the name is one of the most significant defining elements of the brand, particularly in comparison to the symbol, design and packaging. Brand names are often the most valuable assets for many companies because they are seen as strategic edge that cannot be duplicated by the competitors, thanks to brand name registration.

However, the success of a company cannot be linked only to the name, there are in fact many factors that can influence the vision of the brand and if it would be successful or not in the market. Brands are the result of long-term strategic development and sufficient investments. Hankinson and Cowking (1997) suggest there are nine criteria necessary for brand success, respectively Brand Awareness/Brand name, Sales, Profit, Penetration, Brand Share, Position in category, Image/personality rating, Trade distribution and Ability to price-up. This demonstrates that brand success is a multi-dimensional concept that bring together different factors and elements. Obviously brand name is one of these elements, but it cannot be considered by itself. Despite the greater importance of the name, also packaging, fame of the brand, marketing strategy, brand positioning have economic implications and influence company's success. For the development of brand strategy, all the brand elements should be treated in a

manner that maximizes their effect and optimizes the exploitation of all capabilities of each element.

If we analyse the previous examples of Chinese brand names, we can evaluate that a suboptimal brand name doesn't imply that the company would not have success in Chinese market. Moreover, a successful company cannot attribute its fame or its performance only to the choice of the brand name.

According to Stellantis, Peugeot business performance in China improved in 2021, with its Dongfeng Peugeot Citroen Automobile (DPCA) selling more than 100,000 vehicles. Despite its Chinese brand name with feminine characteristics, the company sales are more than double respect to the annual sales volume of 2020.

The same can be applied to Microsoft, that even though the translation of the name has not positive connotation, the technology company is included as one of "The Companies Remaking The Chinese Economy" along with Alibaba, Tencent, Baidu. Microsoft has expanded its business across the country, has been working closely with customers and industry partners to realize innovation and new technologies and today China is his most complete subsidiary and largest R&D centre outside the United States².

McDonald's failed to minimize the fuss about the change of name in 2017. However, McDonald's change of name has not implications in their sales. It is currently one of the most popular fast-food chains in China, with around 3,300 McDonald's restaurants. One of the main reasons of McDonald's success in China was its ability to appeal to Chinese customers with several Chinese dishes.

Bing, despite the difficulties with the name, is the second search engine after Baidu, according to the market share of search engines in China (Baidu 59,59%, Bing: 16%, Sogou: 11,11%)³.

Best Buy and Airbnb have closed their domestic business in China after some years in the market. It is difficult to establish if their choice of the names had an impact on the failure of the two companies. For Best Buy, there were already signs earlier that the business was not running very well in China. Best Buy's products were more expensive than those of its competitors and the intense competition from e-commerce stores and other Chinese electronics retailers (Gome and Suning) restricted his growth potential in China. Best Buy also made the mistake of focusing

² <https://news.microsoft.com/about-microsofts-presence-in-china> visited on 10 November 2022

³ <https://www.statista.com/statistics/253340/market-share-of-search-engines-in-china-pageviews/> visited on 9 December 2022

on building large flagship stores, like in the U.S., rather than smaller, conveniently located retail outlets. Airbnb formally launched its mainland China business in 2016 and has faced high competition from domestic players (like Tujia). The pandemic worsened this issue and heightened their impact.

Coca-Cola took the trophy in the fastest-growing brand in the Chinese market in 2020, with a penetration rate of 51.5%. The company's Chinese products have helped them to reach more than 269 million consumers in the past year. This ability to move with the market and to adapt to the fast-changing consumer values are the key reason Coca-Cola has been so successful.

Overall, it can be said that a brand name is a crucial and essential factor in branding, but it is not the only important one. A brand name identifies the brand on the market, it is closely tied to the brand assets and can contribute to brand equity. Furthermore, brand names can change the perception of a brand and effect consumers idea about them (Berende and Kredig; 2012). Many companies are trying to find strategies to create a suitable brand name that could augment the value of the brand and have positive effect on product image, however, it can be stated that there is no definitive approach for successful brand naming. We always have to consider internal and external factors that can influence the condition of the company and have an impact in their business affairs. As in the examples mentioned above, it is difficult to determine if another brand name would have changed the business of the companies in China. In fact, who ultimately determines the success or failure of a brand are only the Chinese consumers.

Chapter 3

Chinese brand names in the home furniture sector

The previous chapters focus on building brand names and identifying cultural, sociological, economic and linguistic factors within it. This chapter presents the case of the product category being researched, namely the Chinese brand names of westerns companies in the home furniture sector.

First of all, we discuss the establishment of the home furniture sector in China and its evolution in recent years. An overview of the furniture market is offered, analysing the role of China on a global level and the dynamics of the domestic market. We then continue with the identification of the average Chinese consumer, followed by an analysis of the main factors that influence the purchase decision in this sector. We focus also on the distribution channels in China and on the main actors in the competitive landscape.

Secondly, we present the specificities of the brand concept in the home furniture sector, offering various examples of rendering of foreign brands in Chinese. Starting from the choice of the brand names, we focus on how some of the great giants of the furniture world arrived in China and how they spread in the market and their impact on the perception of the furniture sector for Chinese consumers.

3.1 The home furniture sector in China

This section describes the home and furniture market in China, starting from its evolution in recent years, to the impact and changes on consumers perception and the role of the main actors. We will also analyse the distribution of home furniture products in China, paying particular attention to the new form of purchasing.

3.1.1 Evolution and data

China is the world's largest producer and exporter of furniture and furnishings objects. In recent years, the Chinese furniture market has seen strong development, from 2011 with a growth rate

of 37.7% (Euromonitor International, 2011) to 2022, when the revenue in the furniture market amounts to US\$76.78bn. The market's largest segment is Living Room Furniture, with a market volume of US\$37.72bn in 2022.



Figure 3.1 Main Producers Worldwide (CSIL, World Furniture Outlook 2017/2018)

As housing conditions improve in China, people are becoming increasingly willing to spend money on home furniture. Sales on the domestic market, in the period 2006-2011, grew at an average annual rate of 25%, reaching a value, at the end of 2011, of 90 billion US dollars. In 2021, per capita disposable income grew 8.1% from the year before. This increased purchasing power has helped the furniture market to expand significantly.

After closing 2020 with a limited drop, the Chinese furniture production experienced an important increase in 2021. According to the National Bureau of Statistics in China, the combined business revenue of furniture manufacturers increased by 13.5% year-on-year in 2021 to RMB 800.46 billion (HKTDC Research: China's Furniture Market, 2022). China's furniture market size was valued at USD 68.3 Billion in 2020 and is projected to reach USD 114.4 Billion by 2028, growing at a Compound Annual Growth Rate (CAGR) of 6.7% from 2021 to 2028.

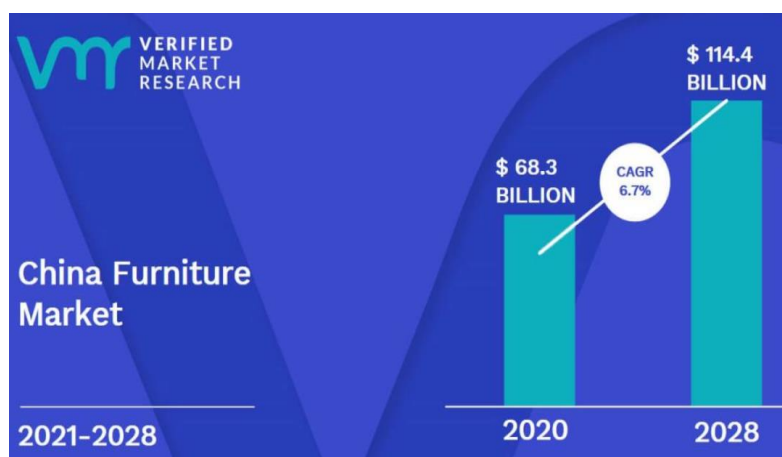


Figure 3.2 China Furniture Market size (Verified Market Research, 2022) ⁴

⁴ <https://www.verifiedmarketresearch.com/product/china-furniture-market/> visited on 16 November 2022

This was the effect of the positive trend on both the export and the domestic market. In fact, this result is linked in particular to the strong growth of the real estate market (Wang, 2011), which in the last decade has brought important results for internal consumption and exports.

China has a very strong demand for furniture due to its high population. However, the increasing demand for furniture products in China is mainly linked to the increasing availability of Chinese consumers' income and at the same time to the reform directed at the real estate market that has granted and favoured the purchase by citizens of their homes. The huge population base and rising disposable income of consumers have supported the development of the Chinese furniture industry, as customers are willing to spend more on floor coverings and furniture. Urbanization, increasing, real estate development, strong growth in GDP, economic stability in the country are some of the other major factors in the growth of the furniture industry in China (HKTDC Research: China's Furniture Market, 2022). In recent years, the Chinese economy has witnessed an intense development of construction projects not only for what concerns the residential sector, but also for factories, hotels, schools and other structures that need to be furnished. In particular, the development of tourism has created important opportunities for hotel furnishing.

Urbanization, China's main policy for stimulating domestic demand, is likely to drive growth in the furniture market. Data from the National Bureau of Statistics shows that the urbanization rate of permanent residents in China reached 64.7% in 2021, up from 63.87% in 2020. Urban wage earners and families who have settled in towns and cities have become major furniture buyers. According to the Government Work Report 2021, renovation has begun on some 55,600 old residential communities in cities and towns across the country. These communities contain about 9.65 million households and renovating them will drive up demand for furniture significantly (HKTDC Research: China's Furniture Market, 2022).

All these reasons have increased the value of domestic production in China. Moreover, in recent years, companies have devoted greater attention and research to the qualitative aspect of production, with the aim of increasing their competitiveness in the international arena. Local companies have understood that leveraging the minimization of production costs was no longer a sufficient condition for maintaining the competitive advantage gained internationally. Market operators have thus pushed towards a search for increasingly sophisticated technology and a more careful control of the entire production process, obtaining better results also in terms of quality. Over the years there has also been a significant increase by Chinese production companies in investments in branding and export strategies, with particular attention to product

innovation, selection and enhancement of the distribution aspect, social responsibility and environmental aspects (Vianelli, 2012).

In addition, positive results were also obtained with regard to exports, mainly aimed at countries such as the United States, Japan, Germany, South Korea, the United Kingdom and Australia (Vianelli, 2012). In the last 10 years the average annual increase of Chinese furniture exports was +4.5%, more than the world average. China leads the export market due to the cost-effectiveness and operational benefits of its manufacturing policies.

For examples, China's share of exports in the office furniture market has risen in recent years. The following figure shows Chinese main export destinations for office furniture that are the United States (the major importer in 2019), Germany, France, the United Kingdom, and Japan (China Office Furniture Market, 2022).



Figure 3.3 China Office furniture exports by country in 2019 (Mordor Intelligence, China Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts 2022 – 2027)

Despite the strong development of domestic production and exports, the Chinese home furnishings market represented an important scenario also for imports. China imported around US\$ 2 billion of furniture in the year 2021. The main supplier areas are East Asia and the European Union. The most important product categories are seats, furniture made of metal and wood and lighting. These three sectors cover almost 90% of total imports (HKTDC Research: China's Furniture Market, 2022).

Italy is the first trade partner representing a 15.4% share of total Chinese imports. In second place there is Germany with 12.4%. In the last years, Chinese imports from Italy have increased

by about 13% annually on average, thus testifying to the extraordinary demand for top-quality products (CSIL, 2018). The value of Made in Italy exports to China was \$690.93M in 2021 and Italy is also the leading exporter of luxury furniture in the country⁵.

From these data, we can understand that the Chinese furniture industry is one of the biggest in the world and China is one of the leading producers, consumers, and exporters of furniture. The production side of the Chinese furniture industry accounts for nearly 40% of the world's furniture production and its home furniture market still has vast room for growth in the coming years.

3.1.2 Chinese consumer behaviour analysis

For over two decades, the Chinese economy has grown and this aspect is linked to an articulated combination of factors, including the affirmation of market economy to the opening of export markets around the world, the rapid process of privatization to the phenomenon of urbanization, the spread of new technologies, and the influx of foreign capital that have allowed the Chinese economy to increase its production exponentially and to stimulate internal demand. In this context, the most important factor is the consumer. In the passage from a period of isolation and restriction, the Chinese consumer today wants a product that represents him, capable of expressing his identity and personality.

If once the purchase was synthesized in a linear process and dictated by basic needs, today it represents a complex and multidimensional experience, in which communication, the brand and the point of sale play a truly decisive role (Mortati and Zurlo, 2008). This consideration is an important example of the profound and continuous changes observed in the tastes and styles of furniture of the Chinese consumer. As pointed out by Vianelli (2012: 93), “The gradual but constant process of westernization of lifestyles is also reflected in the furniture-furnishing sector. In fact, in China, the middle class is developing a growing demand for new homes by investing a significant part of the income in the home and furnishings, increasingly understood as an expression of the social status achieved”.

⁵ <https://tradingeconomics.com/italy/exports/china> visited on 10 November 2022

The Chinese home furnishing market is characterized by strong heterogeneity, as it has extremely different consumer segments in terms of purchasing behaviour and preferences, with uneven growth rates in relation to the different geographical areas considered. Despite this, there are some general trends that unite the different consumer segments and that determine the emergence of new housing trends. First of all, there is a continuous search for the perfect combination between Western taste and Chinese style, between the desire to conform to modernity and the desire to maintain one's traditions.

The dichotomy between classic and modern is still present in the Chinese market today, like the division local product and foreign product (Lin and Wang, 2010). The purchase of foreign brand products also assumes a symbolic and communicational value, rather than merely functional. Foreign furniture with a classic style has a particular appeal for the consumer, as a recognizable symbol of the concept of luxury. However, this trend finds a point of discontinuity in a greater favourable attitude towards modern-style furniture by the younger population, in accordance with the desire to express a contemporary, urban and at the same time elegant lifestyle (Italian Trade Commission, 2011).

The Chinese consumer has undergone a profound change during the transition from the period preceding and following the economic boom that drove the country into capitalism. The gradual increase in disposable income has favoured the adoption by the Chinese middle class of a new lifestyle compared to the past, contributing to the transition from a society mainly dedicated to savings, to a more consumption-oriented one. This phenomenon has favoured the adoption of an exhibitionist type of consumption behaviour oriented towards the externalization of one's social position.

In fact, the furniture product also has a fundamental symbolic value for the Chinese consumer, linked to the desire to communicate their prestige and well-being, and it represents a tool to convey one's social status (Zurlo, 2012). Dubois and Duquesne (1993) argue that society is characterized by a need for social recognition that leads consumers to satisfy this need also through the consumption of luxury goods. In Chinese culture, success, fame and the social position achieved represent fundamental values: the purchase and use of luxury goods represent a means of communicating one's status and obtaining social respect.

According to Chinese culture the essential requirements for living can be summarized in the expression 衣食住行 *yī shí zhù xíng* which translate into “clothing, food, housing and transport”; so the people's basic needs. In all these sectors, high-end products are becoming always more important, and they account for about 8% of the entire furniture market. Luxury is dominated

by foreign products and by some families of local products (for instance classic Chinese style and Ming style reinterpreted in a contemporary key). According to a study by Atsmon, carried out for McKinsey Insights China, it was observed that the percentage of individuals who prefer the purchase of luxury goods to respond to a desire for personal fulfilment-corresponds to 36%. The study also highlights that more than half of this category of consumers tend to buy luxury goods as a reward for their work and success (Atsmon, 2011). The luxury market in China represents an extremely varied reality, in which different parts often coexist and intersect, linked on the one hand to the more traditional aspects of Chinese culture, and on the other to the desire to open up to the discovery of the new.

Another element that we have to consider in the Chinese home furnishings market is the role of family. The analysis of the Chinese consumer describes the family as a fundamental value in Chinese culture: its serenity and harmony, deriving from Confucianism, are considered an indispensable element for the stability of one's social position. Taking this into consideration, we can observe that the purchase of luxury goods is not intended exclusively for personal consumption, but also involves family members (Lin and Wang, 2010). The improvement of one's social position is often shared with one's family, so as to favour the recognition of greater prestige and respect. The social status achieved is not only the result of one's personal work, but it is also reflected in the position of the family. In consumer pattern terms, this translates into a preference to ask for purchasing advice to family members and also to the desire to satisfy their wishes in purchasing home furnishing.

For examples, in recent years a rise in the demand for kids' furniture has been seen in China. Parents want to satisfy their kids' desires to have their own room with different styles, colours as well as cartoon and superhero characters popular among them. A study shows that 72% of Chinese parents want to buy premium furniture for their kids keeping in mind also their child's safety, choosing a furniture suitable for them and free from any type of harmful material⁶.

A substantial change can also be seen in relation to the purchase of homes. In recent years, the family structure has been transforming from extended, typical of the tradition, to nuclear, so families made up of an average of three people: father, mother and child (OECD, 2011). This situation, together with the general increase in wages, has led to more and more families buying a house. Finally, the increase in available space inside homes has prompted many families to increase the consumption of durable and non-durable goods. It should also be noted that Chinese consumers are increasingly paying attention to home-related products (furnishing and functional)

⁶ <https://marketingtochina.com/furniture-market-china/> verified on 28 October 2022

and are turning to retailers like IKEA, where they can easily find assistance and a wide range of products.

The residential furniture sales dominated retail sales due to the availability and innovation of a large number of new residential furniture products in various designs and material combinations. (HKTDC Research: China’s Furniture Market, 2022). Amongst residential furniture, the demand for living and dining room furniture has shown steady growth in China. With the improvement of housing conditions, the willingness of Chinese residents to invest more in home furnishings is constantly increasing especially in the living room, dining room, and bedroom furniture products. The living room furniture dominates from 2018 to 2022 in the overall furniture market followed by a dining room & kitchen furniture.

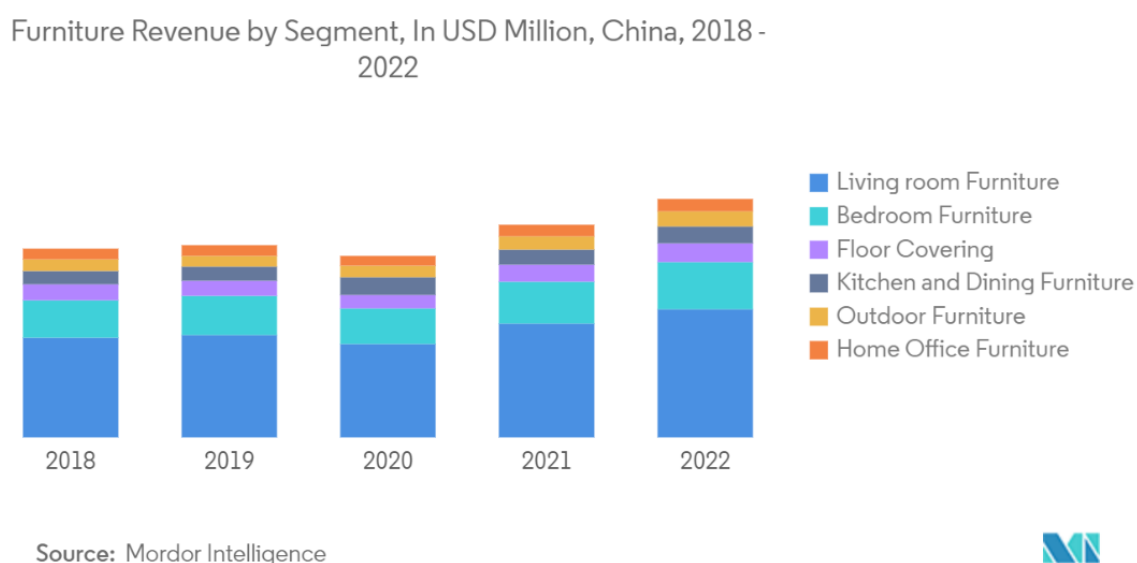


Figure 3.4 Furniture revenue by segment in China from 2018 to 2022 (Mordor Intelligence, China Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts 2022 – 2027)

With particular reference to urban areas, there is a significant development in the segment of complete kitchen furniture, with particular attention to multifunctional products, suitable for different uses, which represent an effective solution for smaller homes. The Chinese consumer also shows an increasing propensity towards furniture products that allow them to work from home, thus leading to a new demand for office furniture that can be adapted to the home environment.

A further aspect that characterizes the current Chinese market is the growing demand for products made with respect for the environment, which has favoured the spread of articles made of bamboo and palm wood (Italian Trade Commission, 2011). This trend testifies to the growing sensitivity to environmental issues (Vianelli, 2012). Moreover, the concept of eco-friendly

furniture is quite popular in China. The Chinese consumers understand its importance and thus are ready to invest in it, even though they have to pay a higher price. Eco-friendly furniture is free from any type of harmful chemicals which may include artificial odour as well as formaldehyde which can be harmful to one's health. The Chinese government also cares about the environment and with the introduction of the new Environmental Protection Law (中华人民共和国环境保护法 *Zhōnghuá rénmin gònghéguó huánjìng bǎohùfǎ*) in 2015, many furniture companies have adapted their methods and policies to the environmental standards.

3.1.3 The distribution channels of furniture products in China

There are several distribution channels used in the Chinese furniture industry. Firstly, there are the traditional sales channels like furniture shops, non-specialized shops, hyper- and supermarkets, flagship stores, chained furniture stores. Furniture manufacturers sell their good through distributors or they set up their own shops selling directly to the consumers. These examples of furniture malls, large hypermarkets specialized in home furnishings and warehousing type markets, like IKEA, are more oriented towards medium-low range products.

With regard to retail, a context that is most affected by the peculiarities of the local distribution system, the most widespread commercial solutions are represented by specialized shops, located in particular in shopping centres for high-end furniture (Vescovi, 2011). The growing demand for customized furniture products with high-end materials, associated with the increasing spread of shopping malls, has favoured the development of specialized stores. Foreign products are mainly distributed through these specialized shops and showrooms, where particular attention is paid to the service component and assistance during the purchase and consumption process of the furniture product. These sales spaces are generally found within large shopping centres aimed at the higher market segments. In China, independent distributors usually tend to offer one or many different types of furniture products and provide sales support and customer service, especially in the medium and high segments of the market (Italian Trade Commission, 2011).

With particular reference to furniture products, Beijing and Shanghai has always represented the most important shopping centres for all companies in the sector, but, with particular reference to the Chinese distribution of luxury goods, today we can observe an important phase of change, due to a plurality of factors. One of the characteristic elements of change of the entire market is the emergence of new developing geographic areas. In fact, if in the past the large

stores dedicated to luxury furniture were concentrated in the big coastal cities, in recent years the presence of such stores has been significantly expanded even in central areas of China. This phenomenon coincides first of all with the expansion of the potential market target and also with greater attention to aspects such as the quality, brand and authenticity of the product by the Chinese consumer.

Furniture-furnishing companies today find themselves confronted with a varied and non-homogeneous public that stands out for greater awareness in purchases, a search for quality and higher standards and a need for products, services and experiences conceived and designed for them. However, the public with which the companies interact is not only made up of the final customer, but it represents an articulated system of actors that involves suppliers, designers, architects, consultants and sales staff. A very important role is typically associated with consulting agencies, in relation to their contribution in terms of acquiring knowledge on the market and identifying the partner with whom to collaborate and create connection, or the right network of relationships. The knowledge of the market represents a fundamental aspect that is inevitably reflected in all other marketing activities.

Understanding the behaviour and needs of one's audience is an essential prerequisite, especially for distribution activities. The retailer is in fact an important promoter of the product towards the final consumer, able to present it and to educate the customer to purchase, using its own resources for the sale and putting into play a relationship of trust previously created. The figure of the retailer is called upon to follow the customer in all his purchasing and consumption phases. From the design phase to the selection of finishes up to after-sales assistance, the retailer represents the reference point in the consumer's purchasing choices (Fontanelli, 2006). The limited knowledge of the product associated with the desire to express one's social condition through the furniture and accessories for his home, leads the consumer to turn to professionals especially for what concerns the supply for interior spaces. For this reason, it is essential to activate continuous training, so as to ensure a value creation process within the store.

A further sign of change in China can be identified in the emergence of e-commerce. This phenomenon represents an important indicator of openness of the Chinese customer and of possibility and attention to comparison and exchange (Zurlo, 2012). Chinese consumers have started to take a pragmatic attitude towards purchases by carrying out a careful evaluation process in advance. As expressed by Vianelli: "The Internet seems to play an important role

today in the Chinese consumer's purchasing process, especially in the phase of gathering information and getting to know the product” (Vianelli, 2012:235).

In order to find a product that allows them to communicate their status and their new sense of identity, making research before purchasing can allow customers to save time and have clearer ideas on what they are looking for. The desire to have more time to devote to themselves will lead the consumer to spend less time visiting physical stores and looking for alternative forms of shopping. The e-commerce industry is evolving rapidly in China providing growing avenues for the furnishing industry. You can buy anything online; furniture is no exception. E-commerce portals have great features to attract digital customers and provide new growth options for furnishing retailers. Buying furniture online is becoming a trend as customers prefer online buying due to the convenience and comfort of logistics and shipping of furniture items to their home.

Many furniture retailers are creating a strong online brand presence and increase their sales with online stores and e-commerce portals, such as AliExpress, Taobao, JD.com and Made-In-China. China leads online furniture sales globally with an estimated sale of over USD 68.6 billion in 2019. The rapid development of e-commerce in China has increased the sales channels for furniture in the last years. The online sales of furniture through online distribution channels increased from 54% in 2018 to around 58% in 2019 as consumers are showing a rising preference for the purchase of furniture products online.

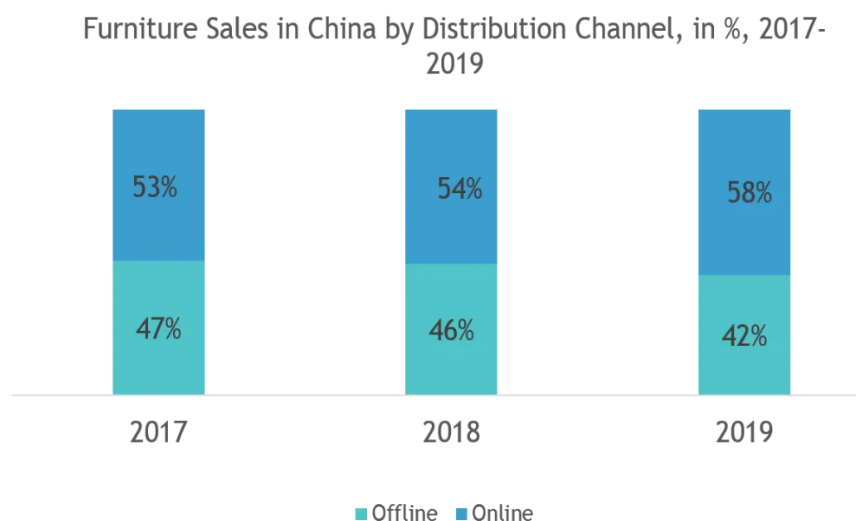


Figure 3.5 Furniture sales in China by distribution channel from 2017 to 2019 (Mordor Intelligence, China Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts 2022 – 2027)

Moreover, Chinese e-commerce and the trend of custom furniture work really well together. Online furniture shops often have the option to customize the products to a customer's preferences. Finally, e-commerce platforms selling high-end furniture are growing and playing an increasingly important role for sales.

3.1.4 Major players in the home furniture market

The emergence of new consumers in urban areas, the increase in purchasing power, the process of westernization of lifestyles and consumption patterns and the role of status symbols, recognized today for furniture products, make China a market with high potential for many companies in the furniture industry. Competing and establishing themselves in this reality today become strategic imperatives for companies, for which the definition of accurate marketing and distribution strategies can become an important source of competitive advantage. Understanding consumer behaviour, cultural and living habits are essential prerequisites for defining the most appropriate strategies and policies to act in this environment. The furniture market in China presents itself as a context full of opportunities, but in which there are important critical issues for domestic and foreign companies that need to be considered.

China's furniture market is highly competitive with the presence of both local and international players. Most Chinese furniture producers are small or medium sized, some of the major players in the country include Suofeiya, Chengdu Shanghai Industrial Company, and Landbond Group. Data from the Forward Industry Research Institute shows that industry leaders make up less than 3% of the market. At the moment, the market is likely to see the entrance of many overseas businesses. New emerging business opportunities in the market are attracting new entrants in the Chinese furniture industry and increasing the foreign players in the market, that currently acquire around 3-4% of the market share in the country and lead the high-end segment (HKTDC Research: China's Furniture Market, 2022).

There are three ways for a foreign furniture company to enter the Chinese furniture industry: by exporting furniture to China, through manufacturing consignment agreements, and by establishment of a local company. Many foreign brands create joint ventures with Chinese companies, or they can establish a wholly foreign-owned enterprise (WFOE) to enter the Chinese furniture industry. After the registration of a WFOE, the Chinese factory is allowed to handle the production and processing of the furniture and sell products directly in the Chinese

market. In these years, many leading Chinese furniture manufacturers are seeking to move upmarket through acquiring international counterparts, while some large international furniture brands have established joint venture companies with strong Chinese partners to speed up market expansion and new store openings (ICE, 2018).

Among the various foreign furniture brands, China remains a high potential market for Made in Italy players (Vianelli, 2012). Italy ranks among the most important suppliers of furniture products for the Chinese market. Moreover, according to the data provided during the conference organized by ICE (Agency for the promotion abroad and the internationalization of Italian companies), the Italian product enjoys an excellent reputation and among the Chinese buyers of foreign furniture, Italy is often the first choice.

For the furniture sector, the most important opportunities currently refer to the medium-high range of the market, characterized by customers with a high purchasing capacity, who are looking for prestigious and design products for their home environment. This group of consumers represents a significant and constantly growing market segment. The most important value is represented by the authenticity of the products typically perceived as more reliable and of higher quality than local products. The excellence recognized in the made in Italy furnishing product is in fact linked to three fundamental dimensions: attention to detail and the selection of materials, aspects that translate into the values of quality, style and design; attention to production processes, synonymous with craftsmanship and attention to the environment; the experience of Made in Italy, a symbol of culture and also an emblem and expression of one's social condition (Vianelli, 2012).

The Italian home furnishing industry has been at the top in Europe for years, but other Western housing models are gaining ground in China, like Germany and Poland that have already consolidated their position in the same market segment. Italy and Germany are now in Europe the only two countries leaders in the production sector and that prevail in the most renowned world exhibitions, with their top accessories and components. For hi-tech or highly innovative components and for research and technology applied to materials we look more to the German product. Poland has increased the exports of furniture and lighting signs to China in recent years, with a value of US\$99.17 million during 2021⁷. Also Vietnam and Thailand remain key countries for exporting high-end rosewood furniture to China, as a large number of Southern

⁷ <https://tradingeconomics.com/poland/exports/china> visited on 11 November 2022

Chinese rosewood furniture makers have established mature production bases in these two countries due to the proximity to raw materials and relatively low labour costs.

In addition, the main sales category for most overseas furniture brands is expected to be soft furniture, such as beds, foam mattresses and knitted fabrics. Other furniture items produced by these brands, such as wardrobes and dining tables, are then likely to enter the Chinese market and compete with domestic brands (HKTDC Research: China's Furniture Market, 2022). It's possible to find these products and the foreign companies that produce or export them, in the largest furniture exhibition in China, the China International Furniture Expo in Shanghai, one of the world's leading B2B trade fairs, where 100,000 participants are involved in the show every year in 300,000 square meter of exhibition area.

To sum up, we can conclude that in recent years, the Chinese furniture sector has undergone rapid development and improved coordination between the various companies. The production brand, technical level, standardization work, industry scale, and market circulation have been fully amplified and improved, many foreign companies have been attracted in the country and they have started to sell their products in their own shops.

However, the Chinese furniture industry is still facing challenges. Recently, Chinese companies had to take into consideration low-cost competition, improvement of scientific and technological content of products, development of new services for customers, changes from large-scale production to personalized custom design.

Therefore, to achieve the transformation from big to strong, the Chinese furniture industry has always to be updated and able to meet international standards. It needs to speed up the adjustment of industrial structure, promote industrial upgrading, adhere to the combination of science and technology and industry optimization, accelerate its sustainable development to improve the competitiveness of its enterprises not only in China, but also abroad.

3.2 Examples of furniture companies and their choice of a Chinese brand name

Having introduced the main characteristics of the home furniture sector in China, we can now focus on some examples of foreign companies that have expanded their operations in the country. In this paragraph, we will examine the choice of Chinese brand names for some international companies, and their history and evolution in the Chinese market.

First of all, it is important to determine the structure of their brand names and identify semantic areas that are most frequently encountered, on which method of translation they have decided to focus and which meaning they want to convey.

Starting from the name, we will then analyse their marketing strategies and their business expansion in China, how the companies have decided to spread, on what they have invested and how Chinese consumers consider and purchase their products.

The brand names and businesses that we take in consideration in this analysis are IKEA, Leroy Merlin, B&Q, together with three Italian companies (Scavolini, Kartell and FAB) that in these years have represented *Made in Italy* in the Chinese home furniture market.

3.2.1 IKEA

Considered by some a masterpiece of choosing great Chinese brand names, IKEA has a Chinese name that makes one think of a practical and comfortable home. In fact, the Chinese version of IKEA 宜家 *Yíjiā* means ‘proper home’ or ‘suitable for home’. Phonetically it even sounds quite close to the original pronunciation the brand.

Analyzing the components of the name, we can find the character 宜 *yí* that englobes two meanings. In fact, it can mean ‘suitable’ from the word 适宜 *shìyí* (meaning ‘suitable’ in Chinese), but it is also found in the words 便宜 *biànyí* that is translated as ‘convenient’ and 便宜 *piányi* that means ‘cheap’. The other character of the name 家 *jiā* means ‘home’. So, when you come to IKEA, or 宜家 *Yíjiā*, you can expect to furnish your home suitably, cheaply and conveniently.

We can see how this version perfectly reflects the essence of this brand and of its products, since IKEA sells furniture and home accessories. The Chinese name involves company's values and goals and it directly appeals to Chinese consumers that are looking to furnish their apartments. Moreover, it reflects a kind of practical approach of the Swedish brand into an easily understandable and pronounceable word for Chinese.

On the other hand, reading the name of the brand, we can also think of the word 一家 *Yījiā* which is almost identical to IKEA's Chinese name (*Yījiā*). This term can be translated as 'the whole family', which is a powerful way to attract Chinese consumers' attention, as having a family in China is extremely important in terms of tradition. IKEA reunites the whole family, by providing high-quality goods for everyone.

From the point of view of the name, we can understand that IKEA has adopted a perfect combination of characters, meaning and sound that takes in consideration the Chinese values and culture. This is a very important approach that has also contributed to the development of IKEA in China.



Figure 3.6 IKEA store in China (IKEA in China: Cultivating an omnichannel home decor shopping experience)

IKEA Group, a franchisee of Inter IKEA Systems BV, entered China in 1998 when it opened its first store in Shanghai. IKEA's mainland China stores belong to the IKEA Group and operate as joint ventures, while IKEA Hong Kong and IKEA Taiwan are separate franchisees. IKEA opened its first Beijing store in early 1999 and a new, redesigned Shanghai store in 2003 in the Puxi district, replacing the original outlet. The store is four times larger than the first one and can attract 80,000 visitors, offering more than 8,000 products. The growth continues along the

years, with various opening in many regions of the country, and as of June 2022 IKEA has 35 stores across China⁸.



Figure 3.7 All IKEA store location in China in 2022 (IKEA in China: Cultivating an omnichannel home décor shopping experience)⁹

Crucial for this physical expansion, of course, is revenue expansion. Ulf Smedberg, marketing manager of IKEA China, described IKEA's mission as "to provide smart solutions for homes by implementing three criteria: good design, functionality, and low price." But it has been difficult for the company to set prices at a level that is good for both customers and company. "When IKEA first entered China, the store was considered too expensive for its target consumers –young, professional couples– and the company lowered its prices" (Miller, 2004). Since Chinese consumers had cheaper substitutes for IKEA products, the company decided to reduce its prices. After lowering them, more consumers were attracted to the stores and revenues increased for the furniture company.

The challenges faced by IKEA were not only related to pricing, but also to find a good strategy for the Chinese market. The key aspect of IKEA's *modus operandi* has always been represented by the adoption of a global approach to international markets. The core of the company's marketing strategy is represented by the merchandise defined in a homogeneous way for the global market, in fact IKEA offers the same product range in all countries. Analysing the

⁸ All IKEA store location in China in 2022. IKEA in China: Cultivating an omnichannel home décor shopping experience <https://daxueconsulting.com/ikea-in-china/> visited on 7 November 2022

⁹ <https://daxueconsulting.com/ikea-in-china/> visited on 7 November 2022

activities in the different markets and the characteristics of the stores located around the world, we can observe really marginal differences.

The peculiarities of the Chinese market, however, have led the global company to develop more intense adaptation of its policies than any other market (Johansson, 2009). The Swedish furniture company thus decided to bring its unique style and sales model to China, adapting at the same time its products and services to this market and creating an IKEA with Chinese characteristics.

The first differentiating factor in the Chinese context is represented by the target market, no longer referring to the entire population, but oriented to the market segment of young people aged thirty to forty. Many of them are families with children or are double-income, well-educated couples with no children. IKEA's offer is aimed primarily at a female audience, as it is considered the most important decision-making centre of the family unit. The IKEA target in China is distinguished by an impulsive attitude, easily conditioned, inclined to use social technologies and above all to prefer foreign furniture products (Jiang, 2017).

Analysing IKEA in China, we can find a tendency to adapt the product to national demand. IKEA alters products to suit the needs of Chinese consumers. An example is represented by the measures of the beds. The dimensions of an IKEA bed in China are 190 cm, while in the rest of the world this article is made with a measure of 200 cm. IKEA invested more in living rooms and dining tables for the Chinese market, compared to bedroom furniture and decorations, because Chinese people tend to spend more time in their living rooms, which is considered the heart of the home where many people eat and entertain together. Moreover, the company adapts the layout of the store, presentation of the goods and home solutions offered according to national economic and cultural conditions. For instance, in China, the store reflects the layout of many Chinese apartments, and since many of these have balconies, the stores even include a balcony section.

Further differences are also found with regard to the design and location of the stores, a key element in creating value for the company. In China, IKEA stores are located near major city centres, while in the rest of the world they are located mostly outside cities. A further element of differentiation is constituted by a greater diffusion of the delivery service to homes and the offer of assistance and assembly services. This aspect is explained by the lack of DIY culture—do it yourself—in China. IKEA's DIY products are the trademark of IKEA in the rest of the world and are really appreciated in the West, where many customers enjoy assembling the furniture by themselves. However, Chinese focus less on the do-it-yourself assembly and they

are more used to ready-to-use furniture, for this reason Chinese customers use IKEA's assembly services more than customers in other countries.

In addition, to better understand people's lifestyles and their home aspirations, IKEA conducts home visits, surveys, and focus groups. Promotional activity is widely used within the stores, while sales support such as catalogues, which are very important as a marketing tool in other market contexts, are not very widespread. With e-commerce as a key driver of the Chinese economy, IKEA invests a lot in updating its sales channels. The company launched an online shopping service for Shanghai in 2016 and two years later, the service expanded to 149 cities in China. IKEA's focus on e-commerce and delivery allows them to minimize costs and delivery fees to maintain and expand its customer base. In 2020, IKEA also opened its first mini store in China, an "IKEA City" located in Shanghai's bustling Jing'an district. The mall has 3,500 items on display, but customers can also access an additional 6,000 items through a digital platform (Wang; 2020).

As a retailer that once only operated big shopping malls on the outskirts of cities, IKEA in China plans to increase convenience, accessibility, and flexibility for consumers in highly urbanized Chinese cities¹⁰. In fact, today, IKEA's omnichannel shopping experience in China is composed of IKEA's website, mini-WeChat program, mobile applications and an online store on Tmall. These channels work together to provide avenues for shopping as well as customer support and maximize accessibility for them. Overall, updating sales channels and customer touchpoints is a key driver of IKEA's business in the China and its services have extended to nearly 1 billion Chinese consumers thanks to the online platforms Tmall and WeChat.

In conclusion, we can say that IKEA, with the adaptation of its name and concept of selling to the characteristics of the Chinese market, has demonstrated his ability to act in contexts totally different from its original areas and to understand the needs of their new costumers. Therefore, if the giant IKEA has always been assumed as a fundamental model of standardization among furniture retailers, its experience in China highlights the peculiarities of this context and the need for foreign competitors to fully understand the specific needs and requirements of the consumer.

¹⁰ IKEA in China: Cultivating an omnichannel home décor shopping experience <https://daxueconsulting.com/ikea-in-china/> visited on 20 November 2022

3.2.2 Leroy Merlin

Despite the fact that French home furniture retail company is not so diffused in China like the Swedish competitor, Leroy Merlin has also decided to adopt a Chinese brand name to enter in the country. The name chosen by the company is 乐华梅兰 *Lèhuáméilán* and it focuses more on the pronunciation aspect, that recall the original sound of the word. However, Leroy Merlin has also taken in consideration an appropriate choice of characters that, how we have already analysed in various parts of this study, contain auspicious meanings and emphasis on good qualities. For instance, we can find the character of 乐 *lè* which means ‘happy, cheerful’ and 华 *huá* which translation is ‘magnificent, splendid’, and is also a name for ‘China’.

In addition to these meanings, we can also find the character of 梅 *méi* and 兰 *lán* meaning ‘plum’ and ‘orchid’ in English. 兰 *lán* ‘orchid’ is a nature-related character, often used in Chinese brand names as well as in the adaptations of foreign brand names. Like other names of traditional plants and animals, it bears a positive connotation (Basciano, 2016). The character is also used in the brands of products for home, in fact, this word can be connected to the sphere of cleanliness and strength.

Founded in 1923 in France, Leroy Merlin Group is a decoration building materials retail company dedicated to sell products and providing solutions for the home. In the 1980s, Leroy Merlin entered the international market and opened many shopping malls all over the world. The company expanded its corporate territory especially in Europe and in 2007 it changed its name to Groupe ADEO that currently has 15 brands, including Leroy Merlin (the largest one), Bricocenter, Bricoman and others.



Figure 3.8 Leroy Merlin store in China ¹¹

¹¹ <https://baike.baidu.com/item/乐华梅兰> visited on 7 November 2022

As early as 1990, Leroy Merlin began to carry out business in China, and in 1998, it established two global procurement centres in Guangzhou and Shanghai; in 2001, Leroy Merlin opened an office in Beijing to prepare for development in China. On November 26, in 2004, Leroy Merlin China Beijing Kexing store was opened in Beijing, and the brand officially entered the Chinese market. The store has a business area of nearly 9,000 square meters where tens of thousands of building materials and decorative household items are sold. In March 2008, Leroy Merlin opened its second store (Dajiaoting Store) and in June 2009, the company has served nearly 2,000,000 Chinese residents and provided overall decoration services to numerous families.

At present, there are in China five stores: one building materials supermarket, three home improvement stores and one small retail store. Today, Leroy Merlin has grown into the first retailer of home building materials in Europe with more than 300 shops, however its expansion does not seek speed in China where the company pays more attention to the high quality of a single store. In fact, the service scope was upgraded in all the stores in the country and the company is determined to help more Chinese customers achieve their dreams of home and meet their needs with all the necessary equipment. Leroy Merlin China stores cover a rich product series and offer a wide assortment of kitchen, bathroom and gardening equipment, including also many departments like storage, decoration, electrical materials, plumbing, sanitation, heating, security, flooring, lighting, tiles, paint, door and window, tools, hardware, together with more than 80,000 decorative and basic building materials and other products. This concept truly realizes a one-stop shopping experience where the client has one place for everything he needs. Here customers can enjoy a clean and tidy shopping environment, a rich variety of high-quality products, extraordinary home inspiration and professional consulting services.



Figure 3.9 Leroy Merlin China slogan “Leroy Merlin China: together we can realize your dreams of home”¹²

¹² <https://leroymerlin.cn/> visited on 10 November 2022

Leroy Merlin China has also the aim of helping consumers with their home projects, from renovations and extensions to decoration and repairs, offering them the best home improvement plans and products at the most reasonable price. Every store in China provides customers with overall home improvement services including design, material selection, construction, quality inspection and free consultation. Here, customers can not only appreciate the designer's work, but also obtain a reliable construction advice.

In China, Leroy Merlin has also opened in 2018 the new Home Solution Centre, a 4,000 square meter sales area in the city of Beijing, entirely reserved for decoration and home renovation. It is a format that focuses on customer inspiration through a series of showrooms and product settings, which give suggestions for embellishing and optimizing domestic spaces (as for example the bathroom or kitchen), but there are also segments such as tiles and storage for a total assortment of 12,000 products. At the end of the tour, a technical area has been placed, called *La grande Quincaillerie*, where customers can also find various hardware and tooling products¹³.

All brands and products in the store are screened by Leroy Merlin China, including well-known brand products and its own brands. Leroy Merlin China takes health and environmental protection as its product selection principle and high cost-effectiveness as its sales and service concept. As a giant in the French building materials retail industry, Leroy Merlin does not want to run a successful French store in every country, but rather wants to meet the practical needs of the local residents. It shares its rich home experience and inspiration, high-quality products and home improvement services with Chinese costumers; its unique commitment is to provide every resident with a complete set of solutions, so that everyone can get a comfortable and secure home environment. For Chinese customers who have product installation needs, Leroy Merlin China provides also professional and thoughtful installation service together with after-sales assistance.

Thanks to a large range of products for home decoration and manutention together with service and assistance has rendered Leroy Merlin store a good place for costumers that want to find all the necessary for their home, without the need to visit different places for different items.

¹³ <https://retailinstitute.it/in-cina-il-nuovo-home-solution-di-leroy-merlin/> visited on 10 November 2022

3.2.3 B&Q

One of leading home improvement retailer in China, B&Q is a subsidiary of the British Kingfisher group and today it has 39 stores in different cities in China. The company offers high-quality products, together with installation and design services¹⁴.



The company has decided to adopt a Chinese version of his brand name, 百安居 *Bǎi'ānjū*, combing both sound and meaning. In fact, the Chinese brand name recalls the original sound of the two letters of the English one, respectively B and Q that were rendered with the characters 百 *bǎi* and 居 *jū*. Moreover, also the symbol of “&” that in English language represents the conjunction “and” was added in the Chinese name with the character 安 *ān*, also in this case recalling the sound and joining the two letters as in the original name.

Analysing the components of the mixed translation, the company has also taken in consideration a careful choice of characters. The first one, 百 *bǎi* in Chinese means ‘one hundred’, it is considered a good number indicated abundance and often used in many brand names. The second character 安 *ān* has also a positive meaning of ‘calm, safe, peaceful’. The third one 居 *jū* means ‘residence, house’ and it is applied in many related words like 家居 *jiājū* ‘home’, 居室 *jūshì* ‘room’, 邻居 *línjū* ‘neighbor’. In this case, the character of 居 *jū* has also the role to connect the brand name with the categorization of the retail shop that is specialized in home furniture products. Finally, this version of Chinese brand names can be considered a combination of appropriate sound and positive meaning, that reflects also the essence of the company so a place where customers can find many home furniture products in a relax way.

Focusing on the history of the company, B&Q is one of the early foreign furniture retailers to enter China and it set up its first shop in Shanghai in 1999 through a joint venture with Home Decorative Building Materials Limited, a Shanghai-based property developer. In 2003, B&Q China became a truly national home improvement retailer with openings in Beijing and Guangzhou, and business became actually profitable after pre-opening costs. In 2005, B&Q

¹⁴ <https://www.bthome.com/> verified on 28 December 2022

acquired 13 stores from OBI China, all of which have been converted to the B&Q format. In 2007, the company had a total amount of 62 stores¹⁵.



Figure 3.10 B&Q's store in China (ICMR, 2007, B&Q's Strategies in China)

Similar to Leroy Merlin, B&Q's main characteristic is to offer to costumers a one-stop shopping place where they can find many categories of products for their home, guaranteeing at the same time high quality and design and installation services. In every shop, it is possible to find three main categories of goods: the retail part, that accounts for 50% of sales, the decoration service (that corresponds to 40% of sales), and the last one for wholesale and professional customers in the construction sector (10% of sales). In addition to selling home building supplies, its business model relies on customized home decoration services offered through physical stores. Customers can meet a sales manager and designer, select the genre, design and type of building materials for their home improvement and then get a price quote.

For example, in its store in Shanghai, B&Q has developed an in-house design centre, where customers can sit down with an interior decorator using a computer and displaying three-dimensional images of their apartment. The decorator then hires contractors to install electrical outlets, bathroom plumbing, kitchen appliances, flooring, and almost everything else. The only requirement is that 80% of goods must be purchased through B&Q. In this way B&Q was able to build its brand successfully through its quality products and by developing a relationship of trust with its customers. Thanks to this method, in 2006 the company outfitted 30,000 apartments in China (Gao, 2013).

Overcoming the initial challenges, B&Q was able to establish itself firmly in the Chinese market. In fact, at the beginning, Chinese shoppers, who like to handle the merchandise before buying,

¹⁵ B&Q Continues Adapting to China Market as Competition Increases (2008) <https://www.china-briefing.com/news/bq-continues-adapting-to-china-market-as-competition-increases/> visited on 15 November 2022

were frustrated that products were stacked high on shelves. Therefore, B&Q modified its stores and changed the display of goods to suit the Chinese consumers. The company was also a pioneer in launching the Do-It-Yourself (DIY) concept in the retail stores in China by arranging workshops and providing instruction boards and free demonstrations in its stores. When B&Q understood that Chinese people prefer that somebody else do the actual home-improvement for them, leaving them as little work to do as possible, the company adapted its products and services to the different needs of its Chinese customers (ICMR: B&Q's Strategies in China, 2007).

Over the years, B&Q has worked hard to assimilate into the market through its localization approach. The chain recognizes, for instance, that a vast diversity of consumer needs across China exists and has adapted to these. For example, B&Q has had to make some price adjustments to accommodate for sizable income disparities across the country.

Unfortunately, traffic and sales in physical stores started to decrease from 2007, and B&Q shut down 20 stores in China. B&Q has found itself in the midst of a highly competitive landscape, facing off against local hardware big box stores like Orient Home and also international companies like IKEA that have started to expand their operations in the country. Besides competition, which also leads to very low prices, consistently high distribution costs and low average incomes have also constrained profit-making.

After pivoting the strategy for many years, the company had a banner year in 2016, due to business driven through its new storefront on Alibaba's Tmall platform launched in late 2015. B&Q simplified and standardized its offerings online, locking in three different price points for different customer segments directly accessible through Tmall. The first offer is a standardized RMB 699-per-square-meter home-decoration solution for young people on a tight budget. For RMB 999-per-square-meter, customers can select from four home-decoration genres: modern, European, American country-style and modern Chinese. At the top end, a RMB 1799-per-square-meter solution targets more affluent customers, providing advanced decoration options, including rooms equipped with smart devices¹⁶.

¹⁶ B&Q's Blueprint For China Success: New Retail and Tmall (2017) <https://www.alizila.com/bq-blueprint-china-success-new-retail-tmall/> visited on 15 November 2022



Figure 3.11 B&Q site on Taobao ¹⁷

The company had the ability to integrate its online and offline operations, in fact the B&Q's online storefront simplifies the ordering process and expands its in order to reach more customers and cities in China; people view photos online, make their choices and then go to nearby physical stores to customize and complete the sale. Moreover, B&Q offers Tmall shoppers an instalment plan, and allows customers to oversee the construction via the Tmall app. Customers can leave reviews online after construction or answer questions from potential customers who are curious about B&Q's service. This new model and B&Q's Tmall storefront have helped the company's overall business in China to grow more than 20%.

“We transformed from a relatively heavy business model to a light model. Online and offline channels play their roles, respectively. We communicate and acquire customers online, while offering physical experiences offline to reinforce customers' confidence to shop” said Shi Jun, Director of Strategy at B&Q China. B&Q is also exploring new business, such as renovating bathrooms, kitchens and kids' rooms to meet the growing sales of apartments in China that need restoration. The company also wants to upgrade and integrate its systems, including marketing, ordering, merchandise, service, pricing, payment and supply chain between online and offline channels to ensure customers enjoy the same service, no matter where they come from¹⁸.

3.2.4 *Made in Italy*: Scavolini, Kartell and FAB

Made in Italy is a concept that represents products that combine craftsmanship and industrial technique and that are characterized by the design, care and quality of materials and

¹⁷ <https://baianju.world.tmall.com/?tbpm=3> visited on 15 November 2022

¹⁸ B&Q's Blueprint For China Success: New Retail and Tmall (2017) <https://www.alizila.com/bq-blueprint-china-success-new-retail-tmall/> visited on 15 November 2022

manufacturing, and by a continuous innovation process necessary to expand and oversee an increasingly informed and demanding group of customers (Paolozzi, 2013). The Italian furniture sector has always stood out on the international scene thanks to its strengths such as unique design, innovation, investments and internationalization (Cavestri, 2013).

The question relating to the Made in Italy furniture market in China is indeed interesting. As we have already seen earlier, this represents one of the sectors in which Italian exports to China are concentrated and which has reached truly impressive numbers in recent years. Italian style is perceived at the top in classic furnishings and in design. Moreover, a high symbolic value is associated with the made in Italy furniture product, as they are considered an expression of one's social condition (Bianchini and Parente, 2008).

There are many Chinese consumers (especially in the medium-high range) who buy Italian products for their home precisely because of their prestige, design and authenticity. The essential aspect in the consumer's purchasing process is represented by the country of the brand, therefore the brand's ability to evoke the country of origin and communicate the values of Italian style. The preference for Italian products is also associated with motivations related to more responsible consumption choices from a social point of view, as they are made with respect for the environment, health and safety at work. In the Chinese market, attention is growing for the quality of eco-friendly products and for custom-made productions, where Italy boasts an excellent experience.

In addition to the excellent product itself, a further important element that emerges from the analysis of the many Italian companies in the Chinese market is that of *guanxi*, i.e. the connections, exchanges and commercial relations with the various partners. Building a relationship of trust and mutual action with the various Chinese partners are the most important and crucial aspects relating to the entry of Italian companies into the Chinese furniture market.

The experience of many companies, such as the case of Kartell which we will discuss later, highlights the need to build solid collaborations with reliable distributors able to interpret the essence and identity of the brand, in order to develop the presence of made in Italy products in the Chinese market. *Guanxi* allow companies to reduce the risks associated with acting in a market characterized by different rules and by still limited information and also help them to face the difficulties of a new culture. Moreover, through the construction of solid relationships with local partners, companies can adapt commercial strategies and build positions of competitive advantage in the market (Orlandi, 2006).

There are many Italian companies that have expanded their business in the Chinese market in recent years. Some of the most famous examples are: Armani Casa, Fendi home, Kartell, Longhi, Minotti, Natuzzi, Provasi, Roberto Cavalli Home, Scavolini, Veneta Cucine, Snaidero, Molteni. Many of these companies have decided to not adopt translations of their brand and keep the same logo and name in this market. Other companies, on the other hand, have chosen a Chinese brand name to integrate even better in this new business environment.

Therefore, we decide to analyse three cases of Italian companies that chose to enter the Chinese market adopting a Chinese brand name: Scavolini, Kartell and FAB. We also focus on their strategies of development in this country.

➤ Scavolini



Figure 3.12 Scavolini brand name ¹⁹

Scavolini can be considered a famous example of the Italian success in China. Its kitchens have become a symbol of Made in Italy in many countries and its business is still expanding.

With regard to the Chinese name that the company registered, 斯卡沃里尼 *Sī kā wò lì ní* is a phonetic adaptation. In this case, it is difficult to find a connection between the five characters and the furniture sector. In fact their meaning are respectively; 斯 (*sī*) 'this', 卡 (*kǎ*) 'check', 沃 (*wò*) 'rich, fertile', 里 (*lǐ*) 'inside' and 尼 (*ní*) a character often used in phonetic renderings. Scavolini's brand name focuses more on maintaining the sound of the brand, than on transmitting a particular meaning with the furniture sector. The company decided to recall the original Italian name in the Chinese translation, in order to transmit also to costumers the Italian characteristics of the brand. Scavolini invests a lot on the quality of its product and the Made Italy, that its Chinese customers appreciate very much.

To an Italian audience, Scavolini does not need any introduction, as it is one of the leading

¹⁹ <https://www.scavolini.cn/> visited on 10 November 2022

companies in the production and retail of kitchen cabinets. And, in the last few years, it also started exploring the bathroom and living market. It was founded in 1961 in the Marche region, near the town of Pesaro. Born as an artisan business, in more than 50 years it grew to become a solid industrial firm. In 1984, it became famous nationwide with the promotional campaign “Scavolini, the most loved by Italians”. Scavolini also started to expand to all the major markets in the world, today it exports to over 50 countries, from Asia to India, from the Middle East to the United States, from South America as well as obviously throughout Europe. The company has 1,300 stores in Italy and more than 350 showrooms worldwide²⁰.

Scavolini entered the Chinese market in 1997, achieving a good success. Through the years it created a network of local partnerships with distributors which led to the opening of showrooms (in Shanghai and Hangzhou) and the reselling of Scavolini products in multi-brand stores all over China. This has permitted to Scavolini to consolidate its position in the country. Starting from 2014, the company decided to revise its strategy and established a representative office in Shanghai, in charge of redefining and implementing the new distribution and marketing strategy for the Chinese market.

In 2021, Scavolini decided to strengthen its presence in China with a capillary distribution network and 19 showrooms and stores in many cities like Qingdao, Suzhou, Shangzhou, Changzhou, Chengdu and Huxi. In addition, the brand is present in a large shopping centre in Kunming, in southern China, and in Shijiazhuang, in the north of the country. The company pays attention to the East Asian market with ad hoc solutions taking into account the use of woks, steamers and so on in the Chinese kitchen. Differently from the domestic market, Scavolini’s target in China is represented by the wealthy and the upper middle class more inclined to purchase costly imported design products²¹.

The Chinese public recognized the value of Made in Italy in the Scavolini company and appreciated how their product generates attractiveness thanks to its ability to create references to the Italian lifestyle. The company has also been able to achieve a certain awareness of the importance of cultural aspects in the Chinese market and overcome barriers and difficulties of this country. For example, Scavolini found a solution to some technical problems in the specialist kitchen sector, like the need to adapt the product to the Chinese culinary tradition and the design of the furniture that must take into account the use of certain tools that are not common in Italy.

²⁰ <https://www.scavolini.com/it/company/azienda> visited on 10 November 2022

²¹ <https://www.ambientecucinaweb.it/nuove-aperture-internazionali-per-scavolini/> visited on 17 November 2022

Moreover, Scavolini joins in all the major fairs and employs marketing strategies such as campaigns on specialized magazines and local social media. Scavolini has opened its own channel on the WeChat platform, in order to attract followers and obtain a certain level of recognition in the country. For this purpose, the use of the website for launching advertising campaigns in the Chinese market was fundamental, together with the use of QR codes in the catalogues, presented at the various furniture fairs or in distribution centres, and which refers the customer directly to the WeChat page. Scavolini has been able to exploit this platform in the best way, and the tool became a strong point for the company.

This strategic choice has allowed it to become popular in China and to strengthen its presence. The large investments allowed the company to close, despite Covid, with a 2020 turnover of 217 million euros²². As Fabiana Scavolini, CEO of Scavolini, expressed: “China has long represented a relevant market for the company, in which we really believe. A country with great potential, which offers extraordinary opportunities for growth and where our presence is strong and widespread”²³.

➤ Kartell

Kartell is one of the companies that has symbolized Made in Italy all over the world for more than 70 years, distinguishing itself for the innovative use of colour and the combination of plastic and other materials. Analysing the strategy and evolution of Kartell in China, we have discovered some analogies and at the same time differences with the previous home furniture companies.

From the point of view of the brand name, Kartell has decided to adopt a phonetic transliteration for his Chinese name. The Kartell name 卡特尔 *Kǎ tè ěr* is rendered with the characters 卡 (*kǎ*) that in Chinese has the meaning of ‘to stop’ or also ‘card’, 特 (*tè*) that means ‘special’, 尔 (*ěr*) used in the sense of ‘you’ or ‘that’. In terms of pronunciation, the original sound of the name is maintained, while there is no relation between the meaning of characters and the home furniture sector. Just as Scavolini, the company has decided to focus on its Italian origin and transmit this peculiarity to Chinese costumers.

²² <https://www.ilrestodelcarlino.it/pesaro/cronaca/la-scavolini-sbarca-in-giappone-e-in-australia-e-si-rafforza-in-cina-1.6192119> visited on 5 November 2022

²³ <https://www.scavolini.com/it/> visited on 28 December 2022

The design company was founded by Anna Castelli Ferrieri and Giulio Castelli in Milan in 1949. Initially, Kartell developed car accessories; domestic products like lamps, furniture, accessories, and interior design items were added to the brand in 1958. These products made of plastic with an unusual shape and captivating colours have become true icons of contemporary design.



Figure 3.13 Kartell products in China ²⁴

From the very beginning, Kartell has taken an innovative approach toward product development. Their project was heavily focused on technological research and design to deal with new materials like polycarbonate, PVC and polystyrene. This led to the brand being known for their industrial manufacture of designer items crafted from high-tech plastics. Through the use of cutting edge technologies, innovative thermoplastics and specialized managers, they have been able to design new shapes and combine different raw materials, always keeping the consistency of its product portfolio and guaranteeing quality, and resistance²⁵.



Figure 3.14 Kartell shop in China ²⁶

²⁴ (<https://www.exportiamo.it/settori/750/kartell-si-espande-in-cina-aperto-un-nuovo-store-a-pechino/>) visited on 14 November 2022

²⁵ <https://www.exportiamo.it/settori/750/kartell-si-espande-in-cina-aperto-un-nuovo-store-a-pechino/> visited on 13 November 2022

²⁶ <https://www.allaboutitaly.net/kartell-new-store-in-china/> visited on 13 November 2022

The company has expanded internationally in many countries and today Kartell has a sales network with 120 single brand stores, 200 shops and more than 2500 retailers throughout the world. Beijing was the first city in China where Kartell opened a flagship store and showroom in 2013, in the Sanlitun Village. The Beijing flagship store has a luxury look exclusively for Kartell. The design was created specifically to emphasize the quality, high design content, richness of materials, and glamour associated with the brand. The scope was to communicate Kartell as a luxury brand to the Chinese public, a key idea underlying its distribution strategy in China. Kartell opened other Flagship stores also in Shanghai, Shenzhen and Chengdu, strengthening the brand's positioning in the country.

One of the main reasons of Kartell's success in China was the collaboration with a Chinese company that represented the brand and distributed its products to Chinese consumers. In fact, Kartell has partnered for 10 years with the Chinese company Gold Bond Enterprises, a leader in the Chinese luxury sector, which has helped to manage Kartell's rapid expansion in the country. The possibility of collaborating with a reliable Chinese partner already present in the luxury distribution sector with different brands, many of which Italians, allowed Kartell to introduce its iconic and glamorous design to the Chinese market and achieve concrete results in both the residential and the contract projects²⁷.

Another aspect that characterized the company is the design of the sales spaces that represents an important strength for Kartell. Through the Kartell Points, Flagship stores and the Kartell Shops, the company has revolutionized its way of understanding retail. In fact, the space is an exclusive showcase of the Kartell world and philosophy, offering a unique shopping experience. The Flagship store is designed to show the concept of the products, focusing on their design, technology and variations, at the same time transmitting the story of the company and creating an art gallery effect. The space is divided into different settings that evoke and inspire all the complexity and richness of Kartell furniture solutions, presenting both the latest products and the best sellers' icons of contemporary design.

This choice of opening spaces in China dedicated entirely to the Kartell brand has distinguished the company from many other home furniture businesses in China. In this way the company has created a place that avoids chaotic and inconsistent displays and focuses on a unitary and coherent identity capable of overcoming cultural and geographical boundaries. The project uses modular internal equipment to create new spaces and customize the store in relation to its

²⁷ <https://www.kartell.com/it/it/kitit/> visited on 14 November 2022

location and costumers. In fact, as expressed by the president of Kartell, Claudio Luti; “The Chinese market offers major opportunities, and at the same time presents us with new challenges. Kartell has been strengthening its distribution network in the country with a strategy increasingly focused on the single-brand retail formula, dedicated to a new audience that appreciates the most contemporary and innovative design proposals”²⁸.

Today Kartell is also increasing its presence in the Chinese network and it is developing a cross-channel strategy on two of the main Chinese digital channels: Little Red Book, a social network that incorporates many functions typical of online shops; and Weibo, a social media platform that supports sharing, messaging, gaming and promotion.

Moreover, Kartell has distinguished its presence in China not only with its particular stores, but also establishing from 2019 to 2020 at ADC (International Art Design Centre) in Shenzhen the exhibition “Kartell Land - Celebrating 70 years of Italian Design History”. The exposition shows the evolution of the company, the values of its industrial production and design. Kartell looks to China with a strong attention, addressing an audience capable of becoming passionate about a brand that is a symbol of Made in Italy²⁹.

➤ FAB

After having examined different international companies and their history in the Chinese market, we decided to take into consideration also a smaller Italian home furniture company. Even though FAB cannot compete with the other five businesses mentioned above, this Italian company has decided to adopt a Chinese brand name anyway to enter in the foreign market.



Figure 3.15 FAB Chinese brand name³⁰

²⁸ https://www.kartell.com/it/it/ktit/corporate/news/detail/kartell-nuova-apertura-a-shanghai/wp_919 visited on 14 November 2022

²⁹ https://www.kartell.com/it/it/ktit/corporate/news/detail/kartell-land/wp_3362 visited on 14 November 2022

³⁰ <http://www.fabtop.cn/> verified on 19 November 2022

FAB in Italian is the acronym of “Fabbrica Artigianato Basamenti” meaning “pedestal table bases manufacturing industry”, in fact the company at the beginning of the business produced pedestal table bases and tabletops for dining rooms. The Chinese name that was chosen for FAB is 飞霸 *Fēi bà*. Firstly, the Chinese name recalls the pronunciation of the original one, the company has adopted two characters with a sound similar to the Italian words, thus making the brand name easy to pronounce for Chinese people.

The second aspect to take in consideration is the choice of the two characters, respectively 飞 *fēi* that in Chinese means ‘to fly’, and 霸 *bà* that is translated as ‘hegemon, tyrant’ and also ‘to dominate’. The first impression that these brand name could generate in our mind is that of a transliteration or phonetic translation, where the company has decided to create a name phonologically close to the original one with no particular meaning.

However, after some research and a meeting with the company holders, I have discovered that the Chinese brand name contains also a deeper meaning. In fact, the two characters were also intended as 飞 *fēi* ‘to fly’ in the wishes that the business could fly as high as it could, so that FAB could be the top one in the business environment; and 霸 *bà* ‘to dominate’ the market share as much as it could be, so it is giving the wish for the good sales and big expansion in the foreign market. Even if there is no connection with the activity of the company and with the home furniture sector, FAB has adopted this Chinese brand name to express its wishes and hopes for the future of the company in the Chinese market.

FAB was established in 1974, in the small town of Petriano near the province of Pesaro in the Marche region, as a manufacturer of living room furniture and dining room pedestal table bases and tops. Born as a small artisan factory, FAB adopted the Made in Italy philosophy as one of the distinguishing qualities of its work. In 2002 the company opened its doors to international retail and in 2005 it started producing custom-made tops for the industry. Changes in lifestyle and a new approach to the way in which domestic spaces are conceived have led FAB to transform and diversify its product offering, and today the company is recognized at the international level as a manufacturer of products for the entire furnishing sector, from large-scale home improvement brands and DIY retailers to the specialized manufacturing industry ³¹.

In the last 10 years, the company has expanded its business and its factory with more than 10 productive units and 500 employees and becoming an important supplier for many large Italian

³¹ <https://fabgroup.com/> verified on 19 November 2022

and foreign distributors. Currently the company maintains its relationships and distribution of products across more than 52 countries worldwide especially in Europe, America and Asia.



Figure 3.16 FAB building in Petriano ³²

FAB has remained faithful to its founding philosophy – create objects that accompany people throughout their lives – while growing to embrace all aspects and needs of everyday life. Moreover, the company places great emphasis on the durability, quality and style of their tops and, thanks to advanced technologies and constant research, the company created a product that is durable, impact resistant, scratch resistant, flame retardant and waterproof.

In addition, the company focuses also on 4 main channels: industry, contracting, retail and wholesalers. The industry market that FAB supplies is composed of manufacturers of furniture for the home, kitchen and office and FAB has built partnerships with a number of furniture companies at national and international levels. Its ability to design, develop and customize products, with a profound knowledge of the market has enabled FAB to enter the world of contracting and the company has successfully completed a number of major projects for buildings, shipping companies, hospitals and educational institutions in many countries. The company is also a partner for retail customers and it can offer to them customization, fast production and guaranteed availability of products for restocking, along with reliable shipping. Finally, FAB supplies to building material dealers, as well as direct importers and own-label distributors: thanks to the quality of its products and to the trustful relationship with its customers, it has conquered an important corner of the wholesale market.

³² <http://www.fabtop.cn/> verified on 16 December 2022

3.2.5 Analysis of the brand names

In this last paragraph we want to connect the brand names of these six home furniture companies mentioned above to the main purpose of the study, the role of brand naming in marketing policy, and show how brand names can contribute to the notoriety and success of the companies.

We have already presented the brand names of the foreign home furniture companies in China, respectively IKEA 宜家 *Yíjiā*, Leroy Merlin 乐华梅兰 *Lèhuáméilán*, B&Q 百安居 *Bǎi'ānjū*, Scavolini 斯卡沃里尼 *Sīkāwòlìní*, Kartell 卡特尔 *Kǎtèěr* and FAB 飞霸 *Fēibà*. From a linguistic point of view, we find brand names of different forms, bisyllabic, trisyllabic and other. All the names have at least one character with a positive meaning, and none present characters with a negative connotation in Chinese culture. Among the most recurring semantic spheres in the names, we can find those of family, happiness, harmony, and abundance, especially in the brand names of the multinational companies like IKEA, Leroy Merlin and B&Q. These are all elements that recall the quality and objectives of the brand and are linked to the sector in which these companies operate.

In terms of translation strategies, we see a strong tendency to preserve the original pronunciation of the brand, both in the form of phonetic adaptation and phonetic-semantic adaptation. All the six brands primarily aim at resembling the sound of the original name. This is also due to a strategy of recalling one's foreign origins and the “exotic flavour” of the name, especially for the three Italian companies that want to maintain a connection with their Italian name and, hence, with the style that distinguishes their productions, in order to attract Chinese consumer interested in original made in Italy products.

The analysis highlights the tight connection between linguistics and marketing, thus stressing the importance of the name for the company business. Indeed, brand names are celebrated by companies as essential linguistic instruments in the creation of a favourable and positive image of the products. The importance of this work is reflected in the affirmation of Al Ries and Laura Ries, US marketing experts, according to which “the heart of a good marketing process is the name” (Papp-Vary, 2013: 108). Creating a brand name is a strategic operation in which different factors are taken into consideration to obtain the desired positive effect and, of course, to avoid a name with a bad meaning that can have a negative influence on the fate of goods.

These companies have put many efforts in this process. First of all, they have decided to find a new brand name for entering the Chinese market. They have chosen to not maintain the original name because they wanted to remain impressive in consumer minds and be closer to their country's culture. Moreover, they have studied the language and how to combine translation, meaning and sound in the characters. If IKEA had chosen another name, for example instead of focusing on family and convenience, it had chosen the characters of 疑 *yí* meaning “doubt, suspect” and 假 *jiǎ* “false, fake”, perhaps it would not have had the same success in China. The choice of a good Chinese name has contributed to the diffusion of the brands in the country and helped companies to attract costumers in their shops.

In conclusion, If we want to give an answer to the question: can success depend also on the choosing of the name of the product ? We can affirm that the role of brand name is really important to define the business, to create an identity among the competitors and also to impress consumers. A name that contains these characteristics can contribute to the success of the company, but the final result does not depend only on these factors. As we have already seen in various examples, the choice of the Chinese brand name has favoured the entrance of foreign companies in China, but many other aspects have allowed them to integrate and extend their business. The policies of adaptation, new marketing strategies, products and service personalized for Chinese consumers, promotional activities on Chinese social networks and websites have allowed these companies to open many stores and increase revenues. The brand name remains an important detail that companies cannot overlook, the first impression they give to people and the first element that consumers know about them. Therefore, together with all the other marketing strategies, brand names can impact the development of products in the market.

Conclusions

On the basis of the results of this study, it can be concluded that brand names play an important role in the Chinese market. They are an expression of their companies, products, values and purpose, and many enterprises, not only international but also local and small businesses, have decided in recent years to adopt Chinese brand names to enter the country. Moreover, the functions of brand names are not only connected to the identification of products and companies and to distinguish them from competitors, but also to promote sales and maintain a positive reputation among them. In order to achieve this objective, the translation of brand names should respect some principles and characteristics like being short, effective, easy to remember and others.

As we could already see in previous examples, there are several methods for translating brand names, and the chosen methods differs among brands. Some companies prefer to maintain the original sound of the name, others prefer to focus more on the meaning to transmit to consumers, and yet others adopt hybrid forms. What is fundamental for the choice of brand names for companies is to consider the morphological aspect and have a profound grammatical knowledge of the language, the methods for the translation of brand names and the semantic composition of words in Chinese.

In addition, we should also remember that companies must always take into consideration cultural and local aspects, especially in a country like China, full of history and traditions which differ from Western countries. Brand naming is a difficult task in one's own language; brand renaming in a foreign culture is even harder due to the complexity of linguistic and cultural differences. The choice of brand names should not be reduced to the mere creation of a Chinese name, it has to consider many different principles, and it also requires a process of selection and evaluation and it is an integral part of the marketing strategy of the company. The examples that we analyse in this study show us how the adaptation of the brand name in a foreign language can be difficult, and it requires a lot of knowledge and experience.

Some companies, even the largest and most sophisticated firms, need more time to find it and others also change it during the years, because they decide to opt for a better solution that could have more influence on consumers and stimulate their purchasing desire, like in the case of McDonald's and Coca Cola. What it is particularly difficult about naming in Chinese is that the connotation of each word and all characters of the name are interrelated, so it is necessary to

take into consideration not only the single character, but also the total result. Like in the case of Airbnb, the name might go wrong even if there is a combination of positive characters. Another challenge in brand names is to consider both the sound and the meaning of characters in a translation. When people try to create a Chinese name that sounds similar to the original name, sometimes they only consider the individual characters and overlook the combined effect of the meaning and the sound, like for the Chinese brand name of Best Buy.

From all the previous examples in the study, we can conclude that no simple rule can guarantee finding good name, but companies can avoid the choice of a bad one. In fact, brand naming can be creative and value-additive when cultural issue and brand positioning are properly taken into consideration along with linguistic factors. Moreover, international brands must decide which image, Western or localized, will be emphasized in the new name. While a name with a Western image benefits from the country-of-origin effect and is more consistent with the original, a name with a local image may have more appeal in the market due to the fact that consumers find it easier to identify with. However, it depends on individual cases, as there are gains and losses on both sides.

As we have already expressed, brand names are one of the most valuable assets for many companies and the impression that they give to the final consumer can have an impact on their development and effect on sales promotion. Overall, the brand name is a crucial and essential factor in branding, but it is not the only important one. The examples of the Chinese brand names chosen by Peugeot and Microsoft show that a non-optimal brand name doesn't imply that the company cannot be successful in the Chinese market. We always have to consider that there are many factors that can influence the vision of the brand and its success in the market. Despite the great importance of the name, also packaging, fame of the brand, marketing strategy, brand positioning, and other internal and external factors have economic implications and influence the company's business. This demonstrates that brand success is a multi-dimensional concept that brings together different factors and elements.

The last element that we considered in this study is the development of the Chinese furniture industry, one of the biggest in the world, as China is one of the leading producers, consumer, and exporter of furniture. In the last decades, the Chinese economy has grown faster thanks to the affirmation of market economy, the opening of exports around the world, the process of privatization, the phenomenon of urbanization and the spread of new technologies that have attracted many foreign companies in the country. In fact, many of them have seen the opportunities of the Chinese furniture market and have started to open their home furniture

stores in China. Despite some challenges, like different consumer behaviour, culture and living habits, these six companies (IKEA, Leroy Merlin, B&Q, Scavolini, Kartell and FAB) have adopted a Chinese brand name, some of them focusing more on the meaning of characters and other more on maintaining the original sound. They have defined successful marketing and distribution strategies and have been able to establish themselves in a highly competitive market.

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Acknowledgments

Having reached the end of my university career, I would like to thank several people who have been part of this important phase of my life.

First of all, I would like to thank my family, my parents and my brother that have constantly believed in me and supported me even from distance. In particular my mum that has helped me in the most difficult moments and whom I can always rely.

A special thank goes to my boyfriend Alessandro for his patience, love and moral support during these years and to all my friends. In particular Beatrice, Giulia, Costanza and Vilma that are my adventure partners in this journey, during our experience at Ca' Foscari we shared a lot of moments and we grew up together.

I would sincerely like to thank my supervisor for his accurate analysis of the details, advices and corrections of this work.

Last but not least, I want to offer the most profound appreciation to the company FAB for participating in this paper and to all my colleagues for their special support.