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AUTHORS	Mona Chung Wendy Smith
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THE IMPORTANCE OF OVERCOMING CULTURAL BARRIERS IN ESTABLISHING BRAND NAMES: AN AUSTRALIAN COMPANY IN CHINA

Mona Chung[*], Wendy Smith[**]

Abstract

Considering the importance of cross-cultural competencies in the context of rapid globalisation and the growth of China in the world economy, this paper uses case study methodology, to document the difficulties encountered by an Australian multinational beverage company, Foster's, in attempting to establish its brand in China's rapidly expanding market economy. Many of these related to culturally distinct attributes of the market, the consumer base and retail practices. The paper analyses these in terms of key concepts in marketing and cross-cultural business theory, in order to provide guidelines on how to overcome cultural barriers when establishing a foreign brand name in China. It also discusses the impact of cultural differences on brand loyalty after the establishment of the brand and on the sustainability of that brand. In attempting to assist foreign firms to succeed in the Chinese market, this paper offers suggestions that will help marketers to first understand the importance of cultural differences and then to succeed with further recommendations. Being a complex market and a market that is different from the Australian market, this is extremely valuable for those foreign brands entering China.

Key words: China, Cross-cultural studies, international marketing, brand names, brand loyalty and brand image.

Introduction

Due to the growing influence of global economic forces, international marketing activities are increasingly taking place across cultural boundaries. Although much interest is developing in cross-cultural business studies, there are not nearly enough principles and guidelines being developed for the purpose of assisting MNCs (multinational corporations) to succeed in their international marketing activities. This paper examines the concept of brand names: their establishment, the development of brand loyalty and the sustainability of a brand in a cross-cultural setting. In doing so, it identifies some cultural differences between Australia and China in the arena of marketing activities. Using the example of an Australian MNC, we discuss how brands may be established and sustained in a foreign market such as China.

This paper focuses on Foster's Group as a case study. Foster's is the Australian largest beverage MNC and one of the largest Australian companies to invest in China. It also represents an industry, beer, which is very crowded with competitors and very sensitive to consumer preferences, hence one in which marketing is disproportionately important in ensuring the success of the firm. We take this case to argue for the importance of tackling cultural difference as a key factor in international business and for the need to estimate its impact accurately when marketing a brand overseas.

Foster's Group began its China operations in the early 90s. In 1993, Foster's entered the Chinese market with two joint ventures (JVs), one in Shanghai and one in Doumen, Guangdong. In 1995, Foster's set up another JV in Tianjin. By 1997, the China strategy was reviewed and a decision was made to sell Tianjin and Guangdong JVs. By 1999 both were sold. To strengthen the focus on its China investment, Foster's purchased all of the shares in Shanghai gradually and operated there as a wholly owned subsidiary till June 2006.

[*] Bowater School of Management and Marketing, Dearkin University, Australia.
[**] Department of Management, Monash University, Australia.

Cross-cultural Marketing and its Challenges

Research shows that successful companies put aggressive marketing strategies at the top of their list of priorities. These companies believe that marketing should guide all their operations rather than play merely a functional role (Brooksbank, 1991). But when marketing strategies are not developed well and with the support of appropriate research, investment strategies cannot be implemented effectively. This area of research is well covered (Brooksbank, 1991; Siu, Fang, & Lin, 2004). Cross-cultural marketing has becoming an increasingly popular topic following the trend towards the globalisation of consumer markets. With the increasing significance of the Chinese market in the formulation of many firms' direct foreign investment strategies, more research is needed to assist them with accurate knowledge about cross-cultural marketing factors within their decision-making processes.

The literature so far has covered a broad range of issues under the heading of "international marketing" but there is still only limited mention of cross-cultural factors in marketing (Czinkota & Ronkainen, 1994; Jacobsen, 2000; Keegan & Green, 1997; Reed, 2003; Stauble, 2000; Terpstra & Sarathy, 1997). Where it does exist, research tends to be into very specific areas of cross-cultural marketing, for instance internet marketing (Tian & Emery, 2002), consumer differences and preferences (Kim, Forsythe, Gu, & Moon, 2002; Lee, 2000; Li, 1991; Mick & Faure, 1998; Yau, 1994), cultural differences of a particular market (Chung, 2004b; Davidson & Harrigan, 1977; Johansson, 1997; Smith & Raeynolds, 2002) as well as cultural difference as a factor in market entry strategies (Market Similarity and Market Selection: Implications for International Marketing, 1983; Alavarez-Gil, Cardone-Riportella, Lado-Couste, & Samartin-Saenz, 2003; Steenkamp, 2001). The literature on cross-cultural marketing, within the wider context of international business, is still in its infancy. We suggest that in order to understand consumers of different cultural backgrounds, their key cultural values should first be established (Lowe & Corkindale, 1998). Research shows that many organizations have failed to take culture into consideration in their international market research activities (Steenkamp, 2001). More alarmingly, the very limited available research has been largely based on Western cultural contexts which are fundamentally different from Chinese culture (Chung, 2004a; Chung, 2004b; Trompenaars, 1996; White & Haire, 2003).

The fundamental principle of marketing is the creation of customer satisfaction. Without understanding the specific characteristics of consumers in a particular market, this is difficult to achieve. Literature on consumer behaviour is comprehensive; it examines such behavioural and cognitive issues as perception, attitudes, memory, decision-making and so on (Hoyer & Maclnnis, 2001; Neal, Quester, & Hawkins, 2002). Yau (1994), Kim, Forsythe, Gu & Moon (2002) and Lowe & Corkindale (1998) suggest that in order to understand Chinese consumers and therefore be able to satisfy their needs and wants, it is important to first establish the central values of Chinese culture such as trust, face, reciprocity, respect for age and authority, harmony and time (Wu, 2000). For instance, one of the major challenges when conducting market research among Chinese consumers is to comprehend the importance they place on preserving one's harmonious integration into the social fabric of the family as well as the institution in which one is working (Waldie, 1980; Yau, 1994).

Chinese consumers are also distinguished from other Asian consumers because of certain characteristics of the Chinese economy. Chinese consumers have had little exposure to a market economy and its values and practices in the past. They have had little choice in selecting products according to their needs and wants. Rather they had to choose from what was being produced and offered according to the government's central economic planning. Therefore when they were first exposed to international brands, the attributes of memory, perception and experience played a less important role in influencing the decision-making of Chinese consumers (Arnould, Price, & Zinkhan, 2002; Blackwell, Miniard, & Engel, 2001; Lee, Fairhurst, & Dillard, 2002). Competition was not limited to the features of the product and its delivery but was also largely based on an added factor – educating consumers in order to establish the brand name and brand loyalty in the first instance. This challenge was not only faced by Foster's but equally by the other international brewers in China. Without a thorough knowledge of the market and its consumers, establishing a brand name and brand loyalty could be a challenging task for foreign companies.

The brand name is an essential part of marketing and it not only helps to identify a product but also creates value through consumers' association with the brand (Kohli, Harich, & Leuthesser, 2004). Cultural differences are therefore of major concern when managing brands in China (Brand Management in China, 1997). In general, successful brands create wealth by attracting and retaining customers (Datta, 2003). Brand loyalty can be a major factor in determining patterns of consumption and these behaviours are likely to be highly influenced by the cultural values of that group of consumers. This is a fundamental concept in strategic marketing (Datta, 2003). The increasing availability of consumer goods often means that consumers are bombarded with information on products and brands. This makes the process of building brand loyalty expensive (Datta, 2003). Little research has been carried out to identify the level of influence of culture on brand loyalty, whereas much research has been done on other factors which influence brand loyalty, such as: demographics, especially age, and stock availability. In fact there are only a few recent studies which begin to look at branding in the context of Asian cultures. For instance, a few publications on brand names in Chinese mainly cover the linguistic components of brands (Chan & Huang, 2001).

The cultural factors behind brand preference among Chinese consumers are different from those operating in the case of Australian consumers. This is easily demonstrated in the area of perceived importance of product attributes (Delong, Bao, Wu, Chao, & Li, 2004; Zheng & Williamson, 2003). This was precisely the case for Foster's products. In Foster's corporate culture, 'high quality' and 'consistency of quality' are perceived to be important product attributes and the brand has been created around these. But the high and consistent quality of the product produced in China was based on high production costs including the use of imported ingredients such as barley and malt. This then led to the relatively high price of the product. Foster's did not realize that Chinese consumers could not afford to place high value on products differentiated by quality when deciding which beer to purchase. In the early 1990s, when the level of disposal income in China was relatively low, this high quality and highly priced product was not able to be appreciated by the majority of Chinese consumers. As a result, the aim of establishing Foster's brand name into the new market was not achieved.

Research methods

A case study approach has been used in this research. We believe that this is the most suitable research method, due to the complexity of the topic. Three critical factors influenced the research design. These were (i) the lack of 'cultural theories' (Chung, 2006a) pertaining to cross-cultural factors in specific aspects of international business such as marketing, (ii) the cultural complexity and dynamics of the Australian-Chinese joint venture situation, and (iii) the size of Foster's operations in China. In order to achieve the aims of the research, the design needed to be suitable for dealing with ethnic diversity among respondents, with real world events and with the factor of on-going complex relationships between respondents.

In this study, we have utilized the following cross-cultural theories: Hofestede's (2001) five dimensions of culture, Hall's (1976) high and low context culture and Trompenaars' (1993) seven dimensions of culture. Nevertheless, they are limited in assisting our understanding of the complexities of Chinese culture, especially given the dramatic changes in Chinese politics over the last six decades, and also in handling the cross-cultural dimensions in Foster's' operations in China. No one precise theoretical framework will explain all the phenomena surrounding the establishment of a brand in China; hence the necessities for a case study. A case study also explains the causal links in real-life interactions that are too complex for a quantitative survey to cope with. It can describe an interaction in detail and the real-life context in which it occurred. It explores those situations in which the interactions being evaluated have no clear, single set of outcomes (Yin, 1994). Case studies can best capture the dynamics of a complex research situation (Gummesson, 2006; Morse & Richards, 2002).

Seventy five depth interviews[1] were conducted for a larger scale research project. The interviewees were senior executives, board members, managers including expatriates, overseas Chinese and local Chinese from the Foster's Group Ltd. They were from different cultures, with different educational backgrounds, had different career experiences, and were based in different locations. Depth interviews were conducted between 2002 and 2005 in Australia, Hong Kong and China. Respondents were current and ex-staff of the organisation. This approach provided a broad spectrum of viewpoints about the operation and it was aimed at achieving an unbiased contribution from all parties.

These interviews were conducted on an informal base with no structured set of questions. The method of unstructured interviews is a powerful tool to allow the interviewees to freely unfold their stories without the guidance of the interviewer if things are going well. Sackmann (1991) supports this approach, suggesting that the only appropriate form of interview for cultural studies is one which is not based on a set of structured questions determined beforehand This format allows the interviewer flexibility to draw out appropriate and meaningful responses. Interviews were conducted in Chinese and English, and sometimes in both languages, depending on what was deemed to be appropriate to the interviewee's ease of expression. Interviewees were invited to respond in as much detail as possible to all questions. This method allowed respondents the opportunity to express themselves freely, and a narrative style of data collection emerged on many occasions. Questions used to catalyse discussion focused on a wide range of issues relating to the JVs, including why that form of market entry was chosen, how market research was undertaken in China, Foster's dealings with government organizations, human resources management and marketing issues, etc. In particular, a range of questions was asked with a view to identifying the key elements of Foster's marketing strategy, how it was being applied in the Chinese market and its suitability for that market. Questions also focused on the issue of international brands in China and how they could be established and sustained. This interview approach was designed to collect comprehensive data for a large scale research project and thus the major part of the data collected, which pertains to other topics, is not presented in this paper.

The data was processed using nVivo – a qualitative research software. The approach selected was to focus on the data at different levels of aggregation. The first approach was to code segments of text within the narratives and classify them using individual words and concepts. These were then abstracted according to a higher level of coding. The codes were then organised into categories of relevance to various topics through reports generated by this tool, nVivo. Hence themes were generated and analysis was carried out to formulate the following findings and discussion.

The case study

Beer drinking culture in China is strongly influenced by European traditions. China had a long brewing tradition set up by the Germans over 150 years ago. In essence, China is well equipped to brew beer. Most of the ingredients are produced in China. Beer is not the preferred drink at social gatherings. The traditional Chinese alcoholic drink, *Baijiu* which is a strong liquor made from grains, is usually preferred. There is no set social situation where beer is drunk. The beer drinking culture in China varies from one geographical location to another. For instance in the north, i.e. Beijing and Tianjin, beer drinking is part of the blue collar workers' culture whereas in Shanghai it was quite acceptable for people from any social stratum to drink beer, especially in summer. Since the level of disposable income was not available to support the majority of the population in purchasing the premium beer brands such as Foster's, it required a change of culture before these could be accepted. The process of establishing a brand name in China is more complex than marketing a new brand in Australia.

[1] The interviews were carried out by Mona Chung, who is bilingual in Chinese and English and culturally literate in both Chinese and Australian culture, having lived for extensive periods of time in both countries.

Brand names and branding

A brand is a name, term, sign symbol or design, or a combination of these, which is intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors (Kotler, Armstrong, Brown, & Adam, 1998). Brand names play a crucial role in marketing products as they help to gain their acceptance by the public (Chan & Huang, 2001). Foreign brands have a general advantage when entering the Chinese market in that Chinese consumers show a preference for foreign brands because, to them, they represent modern consumer concepts (Chung, 2005). For the Chinese, buying foreign brands means gaining the status of being well informed as well as benefiting from the supposed superior quality of the foreign brand (Delong *et al.*, 2004). This characteristic of the Chinese consumers was not familiar to the Australian executives of Foster's. Hence their approach to building their brand name in China was initially based on the Western, more precisely the Australian, concepts of marketing.

When introducing a new brand into the Chinese market, the newness itself usually acts as an advantage. This is in contrast to the situation when entering other international markets, where unknown names usually require time to prove their worthiness to consumers. However this advantage is generally short lived if the brand itself cannot create the required brand image in the minds of the consumers within a short period of time. Therefore this advantage could also act as a disadvantage for companies, as the short time frame available to create the brand image presents a challenge. It is also a challenge to create an appropriately positive image in order to obtain and sustain the brand's position in the market. In short, brand establishment in the Chinese market must be successful within a short period of time.

Foster's was fully aware of its advantage as a foreign brand; however Foster's was not well known in the Chinese market in the early 90s when the brand was first introduced. At the time, it was also in competition with other international brands such as Heineken, who started exporting to the Chinese market long before its capital expenditure there. Being an Australian brand, Foster's had less exposure than some of the US brands or the European brands, e.g. Budweiser and Carlsberg. Without being able to capture the market with its brand name in the short period required, Foster's soon had to face heavy competition from other international brands, while struggling to establish its name – a lesser known beer from a small country, Australia.

The second major difference in establishing a brand name in China compared to the situation in Australia is the number of consumers that a brand is required to reach. The Chinese market has a large consumer base compared to Australia. When a brand name is being established in Australia, product quality and consistency are the most important factors for ensuring that consumers will return to re-purchase the brand. In China, establishing a brand name will require the firm to research a large consumer base. For a market consisting of a large numbers of consumers, to gain a certain percentage, even small, of the market share, the actual numbers involved are quite large. Coming from the relatively small Australian market of less than 20 million adults of beer drinking age, Australian marketers were not experienced enough in tackling the huge Chinese market using this approach.

Let us compare the situation in China and Australia. When the consumer base is small and the consumers are well exposed to product varieties and quality, consumers have expectations which must be met. When these expectations are not met, consumers do not return. However in a market where the consumer base is large, a large number of new consumers need to be reached in order to establish a brand name. Secondly, because the brand name is new, there is little or no expectation from the consumers when the product is introduced into the market. Expectations will then develop once the product is purchased. For instance, in beer drinking countries such as Australia, the US and European countries, fresh beer is always sold chilled. Once produced, beer must be kept away from sunlight to maintain its quality. However in Asian countries, beer is often heavily exposed to the sun before it reaches consumers. In China, beer is only chilled for serving purposes and even this is not required by all customers. "In Malaysia, beer is often sun stroked and not served chilled, if fresh Heineken is served to consumers, they would say: 'this beer doesn't taste right.'" (MKJ1004) [1] In China, similarly, the consistent quality of the Australian beer was not appreciated by the Chinese consumers. Capital and effort that were spent on quality assurance and quality consistency meant that it took Foster's longer to establish the brand name compared to its competitors, for instance, Suntory, yet these did not give it a competitive edge. More importantly, the Foster's quality level and taste produced were not necessarily appreciated by the Chinese consumers. The aroma derived from hops, which is typical of Foster's beer products and appreciated by Australian consumers, was found to be too strong for Chinese consumers, thus the brand name established by Foster's in China was not favoured by the Chinese consumers.

Brand establishment and consumer loyalty

The establishment of the Foster's brand was not an easy task. The process of introducing the brand to Chinese consumers was challenging as other international brands were all competing with Foster's to establish their brands around the same time between the early to mid 1990s. Participation in promotion exercises was often demanded by retail outlets, e.g. supermarkets, in order to create sales activities for them. The formalities for these promotions were also dictated by the operators of these outlets and the timing was often not the best for Foster's. At one event location, several international brands were often promoted simultaneously. By contrast, in Australia, each brand is allocated a specific week or month for its promotion. The Chinese retailers believe that the multi-brands promotion style creates a better selling atmosphere for the retailer. It is less costly for the retailers to run such promotion events. As there is no shortage of willing manufacturers or wholesalers, the retailer does not even have to worry about not being able to organise the next promotion event in the following week. In a collective culture (Hofstede, 2001), events with many participants attract more attention from customers. These multi-brand events must be compared to events which focus on only one brand which would be considered to be a very poor effort by the customers of the retail outlet. Regardless of product type, this strategy was widely used by retailers. However, the simultaneous promotion strategy often creates confusion in the minds of consumers regarding the brand image, especially when a brand is being established. Together with the lack of understanding of the attributes of each brand, consumers struggle to distinguish between these brands.

In marketing theory, brand loyalty is a special case of programmed decision-making, when customers adopt a decision strategy of giving all or most of their patronage to a particular brand (Runyon, 1980). Brand loyalty gives sellers some protection from competition and greater control in planning their marketing programs (Kotler *et al.*, 1998). Research suggests that Chinese consumers are less loyal towards brands in general as compared to Australian consumers. Nevertheless promotions such as these were often required by retailers and organized for brewers, so they had no choice but to participate. Such less sophisticated marketing practices often force international brewers into a competition on price and the price factor then becomes the only driving force behind short-term sales. In other words, consumers consume a certain brand because that brand is running a promotion and therefore it is cheaper. The boost to sales driven by price only is often short lived. Because of these retail practices, the establishment of their brands was difficult for the international brewers in China, and building brand loyalty was equally not easy. Brand building requires constant promotional effort to remind the consumers of the brand. For instance, Lion Nathan's leading brand, Stainlager, is rapidly disappearing in Shanghai's beer market since the sale of its two breweries to SABMiller (SSR705). SABMiller has no interest in continuing its promotion of Stainlager and has made no effort to promote the brand.

Socio-cultural changes in contemporary Chinese society are also affecting Chinese beer drinking culture and consumer behaviour. In the past, the traditional Chinese cultural norm of respecting elders contributed to a consumption culture of children purchasing alcoholic drinks for parents when visiting them. They made an effort to buy established Chinese brands with which their par-

[1] Due to confidentiality reasons, interviewees' names are removed to protect their identities. Only codes are recorded in this document for referencing purposes.

ents were familiar. The current generation of employees in the established workforce are largely members of the first generation resulting from China's 'single child' policy. Contrary to the above, the parents of these single children would like to provide food and drinks that the children prefer, to encourage them to visit their parents. Parents now purchase alcoholic drinks to welcome their visiting children and so they purchase modern international brands instead of what happened formerly, the children purchasing the parents' established old favourites. This changing trend in purchasing decisions is having influence across the board in retailing (Brand Management in China, 1997). Anderson & He (1998) studied Beijing customers and found that quality of products, information-based promotion messages and distribution at retail sites identified with cultivating social relationships were the dominant influencing factors for the older national segment of the market, while for the younger segment, a unique brand with a Western, modern image, promotion featuring youth, parties, sports, informal gatherings, pricing affordability and distribution at neighbourhood stores, universities and sports sites were the influencing factors on their decision-making process when purchasing consumer products

Moreover, the younger generation are much more affluent. Marketing research shows that they prefer to consume brands they are exposed to frequently through the media. Currently, only 3% of beer production in Shanghai is the Foster's brand. The rest is of local brands (SSR705). This leads us to ask how international brands like Foster's can sustain their brand presence in the Chinese market. Further, the change in consumer values among the Chinese determines that they no longer rush to a foreign brand because it is foreign. The days when foreign brands were rare have gone. As consumers the Chinese younger generation are also more confident in expressing their opinions.

Brand sustainability

The general understanding among major international brands in Shanghai today is that brand sustainability is increasingly difficult. Previously in marketing strategies relating to China, there was the assumption that products will sell themselves on their merits and in response to consumer needs, but increasing competition means that effective branding will make the difference between success and failure in China. Foster's, together with other major international brands, went through a difficult exercise to establish its brand. After twelve years, the Foster's brand still remains in the Chinese market with several other well known international brands, for instance, Budweiser, Heineken, Suntory, Asahi, Reeb, Carlsberg and others. Many of these brands remain, but only due to the fact that the parent company has written off large amounts of capital, just to keep a foothold in the market for the sake of future potential growth. Foster's major competitor in both the Chinese market and the Australian market, Lion Nathan, withdrew from the market totally in 2004 (Beverage World, 2004). Moreover, since this paper was first written, Foster's also sold its last operation in Shanghai, in 2006.

Guaranteeing brand sustainability is a complex and demanding task for any organisation. For the Chinese beer market, due to the fact that it is a young and less mature market, plus the fact that it contains a large number of international brands, it is even harder to sustain a brand image. The Foster's brand is a premium brand which is sold at a premium price, five to six times more than that of local brands, some of which are produced by Chinese breweries at a selling price cheaper than bottled water. Inability to charge premium prices means that local beer producers achieve very little or no profit. This is in line with production traditions in the old socialist command economy where state organizations produced commodities as a service to the community.

Brand sustainability requires a consistent, systematic strategic approach. Management support for this is essential to ensure its success. Since Foster's general managers were usually given short-term contracts (2-3 years), the high turnover in management personnel and the inconsistency in their strategies were then translated into inconsistent brand promotion and in turn affected brand sustainability. As for each of the new expatriate managers, a certain period of time was required for them to learn the culture and how to operate within that culture. When new management personnel replaced them after their posting ended, that learnt knowledge of Chinese culture was generally lost, as the repatriation programs did not specifically address the issue of how to capture the acquired knowledge of Chinese culture and how it affected the market (Choo & Bontis, 2002). As a result, new strategies were put in place by the incoming expatriate manager. Strategies proceeded on a trial and error basis.

For instance, the establishment of the three joint ventures at the early stages of Foster's foreign direct investment into China allowed exposure of the Foster's brand in more than one location. A sales office was also established in Beijing in the mid 1990s to expose the brand to other geographical locations around Beijing and all the way to Harbin in the north of China. This multi-regional marketing approach was discontinued with the 1990 sale of two of the breweries, in Tianjin and Guangdong, in 1999. The sale was due to a strategy change coming from the head office, which directly affected its China marketing strategies. This macro level strategic adjustment to the Chinese market itself contributed to the inability of the company to sustain a brand image. In other words, the sustainability of a brand requires a steady, systematic and long-term promotion plan which is carried out consistently. Variation from this approach would result in difficulty in achieving brand sustainability.

In 2004 Foster's established its new sales arm, Foster's Trading, in Shanghai in an attempt to sustain the Foster's brand as well as to open up new channels for its recently acquired wine business. It is now recognised that without continuous heavy promotion in newly marketised economies such as China, the brand image of international brands is difficult to maintain (SSR705).

Recommendations

To ensure future success it is recommended that foreign firms in China need to go through the process of preparing the brand, establishing the brand name, generating consumer loyalty and finally, ensuring the sustainability of the brand. Emphasis should be on brand preparation at the start because the Chinese market is a new market with very different consumer groups from what foreign firms are used to at home. The ability to capture the consumers' attention within a short period of time upon entering the market is crucial to the establishment of a brand. This may be achieved through large scale marketing campaigns or innovative marketing strategies which will best arouse the curiosity of Chinese consumers. To establish brand loyalty, the brand needs to be distinguished in this competitive market, especially for products that are represented by many other Western brands, which may confuse consumers in the first instance. Brand names in Chinese do have very significant value, as demonstrated by an incident where the foreign brand name sounded close to a word which had a very bad meaning in Chinese. When Foster's beer was first sold in Hong Kong, the brand name was translated into "Huoshida"霍士达。 The name itself is a close sounding translation. In Cantonese it does not have any significant meaning. The first character 'Huo" 霍 is merely a surname while 'shida' were just the closest sound to Cantonese. However when pronounced in Mandarin, 'Huoshida'霍士达 shares the same sound as 祸事达 which means 'disasters have just arrived'. It is not difficult to understand why consumers would not purchase this product as no one would wish to have a disaster in their hands. Hence the right sound for the brand name is crucial (Chung, 2005). Finally a consistent marketing strategy which reminds the Chinese consumers of the brand name is the key to its sustainability. Contrary to the case of Australian consumers, where an established brand in Australia does not need much constant advertising to remind them of the brand, in China this is not only necessary, it is also required at a certain frequency. This reinforces the importance of a memorable brand name in Chinese. Chinese culture is a relationship-based culture (Chung, 2006b) and hence marketers are required to build relationships with their consumers in order to be accepted. This should be the key to marketing in China.

Limitations and future research

Limitations are unavoidable when only limited resources are available. The areas that are covered in this research are relevant to the interests of other international beer brands as well as Foster's. Comparative research with two or more international brands at a similar market level would provide further insight into the dimensions of branding for international beer companies targeting the

Chinese market. It is hoped that this study will provide benefits for international organizations in the beer and other mass consumer-based industries operating in the challenging Chinese market, which is nevertheless of great potential commercial value for them.

Conclusion

This paper has provided insights into the importance of understanding elements of cross-cultural difference in marketing practices for Australian beer firms entering the Chinese market where competition is fierce and consumer preferences are different. The cultural differences between China and Australia are extreme and the culturally distinct attributes of the market, the consumer base and retail practices made China a much more complex market to tackle. China itself is of huge interest to the marketing world because of its large market potential and this size and importance alone are worthy of a strong focus. Moreover the research has been done by one who is culturally literate in both Australian and Chinese culture. Hence a strong contribution has been made through the presentation of this data. The paper demonstrates how a foreign brand name, brand loyalty and finally brand sustainability can be established in China if foreign marketers pay attention to the key elements of cultural difference between their home and the Chinese markets and establish strategies which are suitable for Chinese consumers. If they can do this, then they are likely to succeed.

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