



Can Chinese Brands Compete on Global Stage?

A key hurdle toward Western acceptance is the fact that low prices are often equated with low value

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- Matt Eaton



Chinese brands have the opportunity to improve and possibly overtake Western brands, but must first improve key issues of quality, trust and reliability, a new report has found.

The Association of Accredited Advertising Agencies of Hong Kong (HK4As) today released the findings of a global survey that examines the potential for Chinese brands as they venture into international markets.

Titled "Chinese Brands Going Global: Success Factors Now and the Future," the report is a collaboration among the HK4As, Omnicom, WPP (and its Kantar research group), Interpublic, and Publicis.

It found that Chinese brands are generally still in their infancy in world markets, but have the chance to quickly catch up with international brands in terms of recognition and quality.

HK4As chairman Richard Thomas said industry experts see great potential for Chinese brands to succeed within the next five years, particularly those from the automotive and technology sectors. (One example being that China's Geely Corp. recently acquired Volvo from Ford and plans new models and a major ad push.)

"With time and good brand management, we can expect more Chinese brands to succeed outside China -- but developing these into global brands will require hard work," he said.

Thomas Isaac, TNS research director, said the survey found the main strengths of Chinese brands were value and cost -- which he said resonated well with consumers in the Middle East and Africa.

However in other markets, low price often equates to low quality.

"Despite price being a major advantage of Chinese brands, a fifth of those surveyed believe that quality is important to improve Chinese brands," Isaac said. "Chinese brands need to convince the rest of the world that their quality standards are at least as good as, if not better than, those of major international brands."

The report also identified six key ways to enhance image and market share for Chinese companies, which included upgrading quality standards, communicating quality standards through better PR and corporate communications, developing an after-sales service culture and reevaluating their pricing strategy.