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Words from the Editor

Dear Readers,

The last two months have been busy at Labbrand, with a number of new projects, events, and communication activities taking place. But don't worry; we'll keep it short and sweet.

On May 13th, Vladimir Djurovic, Labbrand Managing Director, spoke at a seminar for patents, brands, and marketing, hosted by the Economic and Commercial division of the French Embassy. On May 27, Vladimir attended the China Fashion and Retail event and presented on the topic of Brand Identity for Hi-end Retail Brands. There certainly isn't a shortage of interest on how to create a trademarked brand name that appeals to Chinese consumers here in Shanghai!

The latest internet-related hype has been all about social media. Here at Labbrand we are finding Twitter, a micro-blogging tool, to be very effective for sharing interesting branding-related insights. If you aren't already "following" us, please do!

This month the LABReport will introduce you to semiotics – the study of signs and symbols and their meaning—in advertising, the unique and fascinating field of sound branding, and provide tips on branding for business-to-business companies. We will also explore Chinese product naming for cosmetics.

We welcome your feedback— please feel free to send us a message on Twitter, Facebook, our corporate blog, or just an old-fashioned email at labreport@labbrand.com.

Enjoy the reading,

The LABReport Team

P.S. Please add info@labbrand.com to your address book to avoid any antispam filtering.

We have all heard stories of international companies' local advertising campaigns gone horribly wrong. It can happen in China.

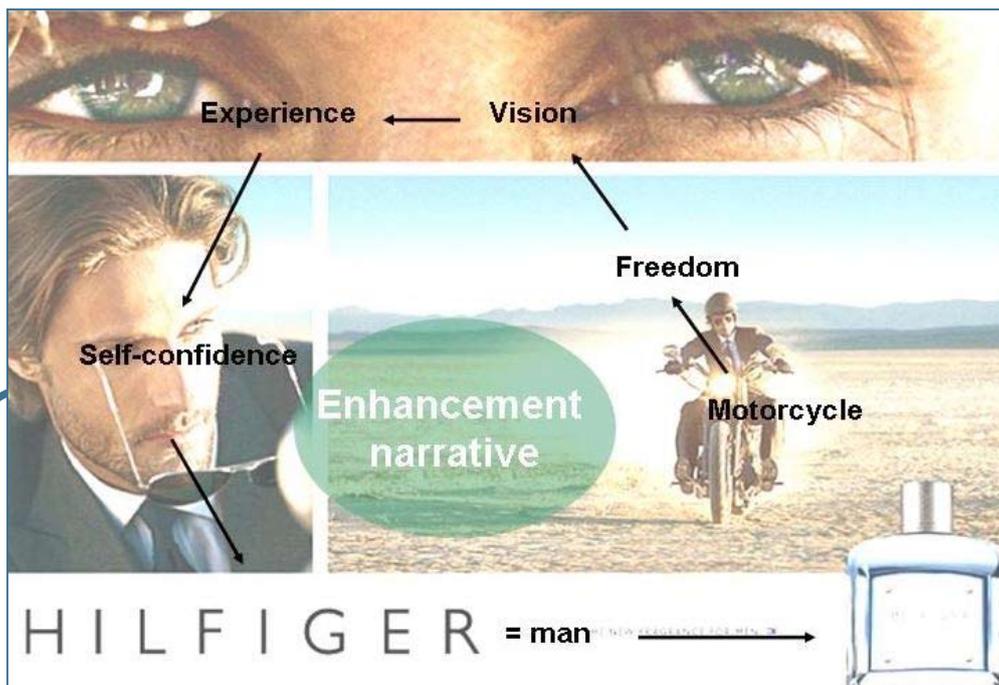
In order for advertising to be effective, it must convey the intended message, giving consideration to underlying cultural codes. Semiotics, the study of signs and symbols and their meaning, offers valuable tools for analyzing advertising to uncover strengths or weaknesses of ad campaigns. Semiotic analysis can be more effective than focus groups, as focus group participants can often tell you that they love or hate a certain ad, but they cannot tell you why.

Advertising Decoded: The Importance of Cultural Context

Let's take a recent global advertising campaign by Tommy Hilfiger as an example. Hilfiger promotes his cologne using the image of a rugged, handsome man driving a vintage motorcycle alone in the desert.



From a Western perspective, this image expresses individuality, independence, freedom, and adventure. The codes inspired by each image, or “sign”, in the advertisement are shown below:



In general, advertising can communicate either a solution narrative (i.e. buy our product and it will solve your problems), or an enhancement narrative (your life is already good, but if you use our product it will be that much better). The Tommy advertisement is an example of an enhancement narrative.

Now, let's compare the message being conveyed in both the Western and the Chinese context.

- **Motorcycle:** Whereas in a Western context a motorcycle represents freedom, adventure, and speed, in a Chinese context it is considered dangerous, noisy, and low status.
- **Open Landscape:** For Westerners, the open landscape portrays independence and lifestyle enhancement. From the Chinese view, the countryside may be perceived as dirty and dusty.

As you can see, the codes present in the advertisement convey a very different message when translated into the Chinese context, and do not result in communicating the message of a self-confident, successful, and visionary man.

Such a man in Chinese culture would possess attributes like thoughtfulness, a sense of tradition, strong family values, an established social network, a successful career, and a personal sense of peacefulness and harmony.

So, in order to convey the intended message to Chinese male consumers, the following corresponding cultural codes could be used:

Western Cultural Code	Chinese Cultural Code
(Old) Motorcycle	(New) Car / Jeep
Alone	With friends
Speed	Leisure
Rough	Smooth
Freedom	Responsibility
Satisfaction (personal)	Status (acknowledgement)

Other related considerations could include the cultural meaning of perfume and occasions of use for the Chinese consumer.

As you can see, advertising contains underlying codes, the meaning of which differs across cultural contexts. By conducting market research through semiotic analysis, companies can more effectively assess whether their advertising campaigns will be successful or not. In addition, for campaigns that have already been run, they can analyze why they were successes or failures in local markets such as China.

Stay tuned for more interesting market research articles from the team at Labbrand.

Branding for Business-to-Business Companies

When you think of a great brand, what comes to mind? Some of the most valuable brands in the world today include Google, Microsoft, Coca Cola, IBM, McDonalds, Apple, and China Mobile . These companies have successfully built brand equity and are well established in consumer's minds. But who are their customers? Are they individuals, or are they other companies? Your target consumer determines your brand strategy, and there are key differences when branding for business-to-business (B2B) as opposed to business-to-consumer (B2C) companies. One main difference between individuals and businesses as consumers involves how purchasing decisions are made—businesses make purchase decisions collectively with multiple decision makers. Therefore, general awareness and knowledge of B2B brands in the marketplace absolutely essential. This article will examine the importance of branding for B2B companies and look at a few ways to build a strong B2B brand.

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>> B2B Brand Differentiation

Many B2B companies have not effectively differentiated their brand from others. For example, the audit firms formerly known as the “Big Five” initially did not manage to differentiate themselves from one other. A survey conducted by PriceWaterhouseCoopers at the time of their merger showed that “the business community and the general public did not perceive any compelling differences between and among the Big Five. Not only did all firms appear to have similar defining qualities, they were also not sending any consistent message about their organisations to external audiences.” Around 10 years later, the situation remains the same. Although KPMG, Ernst & Young, Deloitte, and PWC all provide similar services, each firm is proficient in different areas. Due to a lack of focus on branding, the differentiating points of these large B2B audit companies are often not apparent in the B2B marketplace.

An example of a differentiated B2B brand is Dell computers. Dell has not only utilized an innovative business model, they have always communicated to consumers and businesses the factors that make their brand different. For example, Dell was one of the first computer companies to allow customers to custom-configure and purchase computers online. For their B2B clients, Dell offers extensive Enterprise Resource Planning systems and e-commerce solutions. At the beginning of 2008 Dell launched a revised services-and-support scheme for businesses named "ProSupport" which offers more options to companies to tailor Dell services to fit

their specific needs. Although there are many competitors providing computer solutions in the B2B environment, Dell has been a very popular choice over the last few years because they consistently abide by their brand promise to deliver customized product and service offerings, timely delivery, and reasonable prices.

>> Moving from a House of Brands to a Branded House

One way a B2B company can strengthen their brand is by moving from a “house of brands” to a “branded house”. An example of a house of brands would be Procter and Gamble, who possess many brands within an overall portfolio. Consumers may not necessary connect the individual brands within the portfolio to the Procter and Gamble corporation. On the other hand, a branded house is when brands use a single name across all products and services, like the Virgin Group. Virgin brands are too numerous to list here, but some include Virgin Airlines, Virgin Records, Virgin Media, Virgin Money, and more.

When a branded house launches a new product or sub-brand, it is more easily accepted by consumers due to its affiliation with the original brand. In addition, the original brand image may be enhanced by successful sub-brands. A branded house strategy must be carefully thought out in order to benefit from the virtue of the original brand while expanding its portfolio of activities. Once the strategy is in place, companies should then carefully choose new



products or service categories such that the original brand brings valuable associations and adds credibility to them. It should be noted that the branded house strategy has its own inherent risk: a huge failure in one category could potentially put the whole portfolio at risk.

FedEx is an example of a company operating in the B2B area that has strengthened their brand by going from a house of brands to a branded house .

>> The Benefits of Internal Branding

Internal branding refers to how effectively the brand is understood and believed in by the employees of the company. If the brand strategy is well established in the minds of staff it will allow them to effectively communicate the brand's message to clients and other stakeholders . In turn, this should enhance the customer experience and improve the bottom line. Having a strong internal brand will also help to recruit and retain qualified personnel. People who connect with your brand will want to work for you, and

once they are within the organization they will continue to contribute to your brand's success. However, internal branding efforts cannot be taken lightly— all internal processes, practices and symbols must reflect brand values .

Although it may be thought of as both a B2B and a B2C company, Google is an example of an organization with strong internal branding. As a result, in 2007 and 2008, Fortune Magazine ranked Google as the number one place to work . Google's corporate philosophy reflects the brand's values, containing principles such as "Great just isn't good enough. ", "Google does search", "Google believes in instant gratification", "you can be serious without a suit," and "the need for information crosses all borders" , to name a few.

So how is internal branding actually done? Employee training is an effective tool, but support from management is a key factor for successful internal branding. As is the case with Google, the brand values should be conveyed in corporate mission statements and reinforced by the words and actions of upper management.

>> Conclusion

As you can see, B2B branding shares some similarities with B2C branding, yet it is different in many ways. We have only touched on a few methods that B2B companies could employ to build their brand. Even this brief analysis proves that brand strategy is often neglected by B2B companies, although it is crucial for their success.

1. From Millward Brown Optimor, BrandZ Top 100 Most Valuable Global Brands ranking. <http://www.brandz.com/output/brandz-top-100.aspx>
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4. Gough, 2008. <http://www.mycustomer.com/cgi-bin/item.cgi?id=133691>
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7. <http://www.google.com/corporate/tenthings.html>

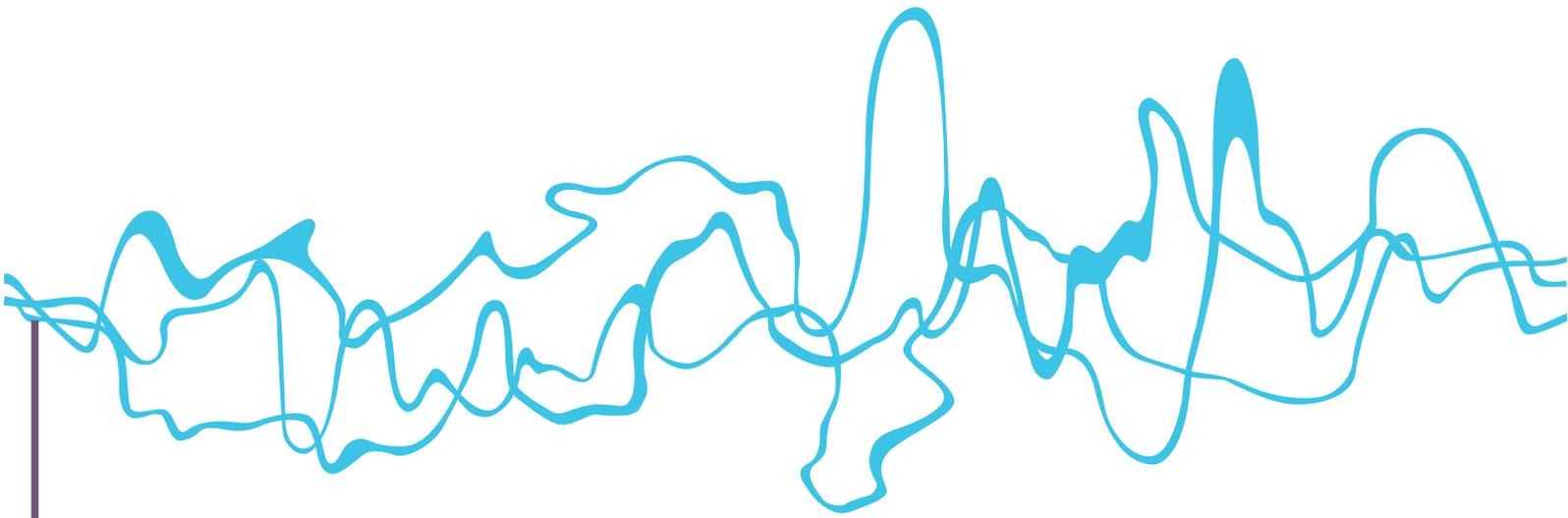


Sound Branding: Building a Sound Identity

Written in collaboration with Michaël Boumendil from Sixieme Son.

An effective brand identity is commonly perceived as a good brand name and logo, trendy package design — dimensions which mainly concern visual senses. However, this common perception of branding is incomplete.

Human beings have five senses, so why would brand strategists leave four of them aside? Over the past few years, senses other than sight have been explored by brand experts and marketers. Although the senses of taste and touch are more difficult for brands to reach, some brands like Singapore Airlines and Rolls Royce have already used scent to build brand identity, also known as olfactive branding. (Please see our article on [Sensorial Branding](#)). A new area of focus is now sound branding, which will be explored in this article.



Sound can be seen as a vague notion, so let's define it first. Daniel Jackson, the author of the book *Sonic Branding*, distinguishes three types of sounds: voice, ambience, and music. Voice covers any sound produced by human-beings, from a baby crying to Pavarotti singing. Ambience refers to every sound produced by our environment, from weather to machines. Finally, to define music ¹, we will quote the New Oxford Dictionary of English: "The art or science of combining vocal or instrumental sounds (or both) to produce beauty of form, harmony, and expression of emotion."

>> Hearing: A powerful human sense

First of all, while visual, taste or touch features of a product or brand requires people to directly interact with it in order for it to be perceived, a sound characteristic is a good way to reach consumers without them doing anything. We are all exposed to sounds whether we like it or not, and we do not have to do anything to hear them.

Moreover, as Michaël Boumendil, the founder and general manager of Sixième Son* (a leading agency worldwide for sound branding based in Paris) explains, each of us has begun our communication life by decoding sounds as early as when we are in our mother's belly. At this formative stage of our life, we had already heard and memorized sounds, the most important being the mother's heart beat. We were able to interpret that a beat of 60 pulsations per minute means

a calm and comfortable state. Due to this early biological exposure, human-beings are naturally sensitive to sounds and their meanings.

In addition to influencing our mood by making us feel energized or sleepy, happy or sad, sound has an amazing ability to inspire us and remind us of the past. Psychological studies have shown that humans strongly associate sounds with a particular memory. Thus, sound has this unique power to recall certain experiences, which is a crucial advantage when it comes to building a strong brand in the minds of consumers.

>> Sound Branding Examples

Many companies are now starting to realize the effectiveness of sound branding, also known as sonic branding, audio branding or auditory branding. Here are some examples of famous and efficient sound trademarks: the Intel jingle, McDonald's "I'm loving it", the Yahoo yodel, Apple computer sounds, and Nokia's ringtone. These major brands evoke a strong and unique identity on their own, but their foothold in customers' minds is made even stronger when coupled with a distinguished and memorable sound. All of these leading brands have built their own unique sound personality as an integral part of their brand identity, and they are now recognized not only through a logo or a slogan, but also through a few musical notes. The McDonald's Corporation itself has set out an aggressive sound branding campaign here in China, and even commissioned the



famous Chinese pop singer Leehom Wang to sing “I’m loving it” in Chinese.

Royal Air Maroc recently reviewed its entire brand identity and created a sound identity with the help of Sixieme Son. Wafaâ Ghiati, the marketing manager of the company, explains that the idea of a sound trademark came naturally with the whole brand revamp. Royal Air Maroc’s sound identity had to convey the five core values of the airlines, which are Moroccan, majestic, magical, maternal and modern, while respecting the oriental roots of the company and being strongly oriented to the future. The goal of this new identity was triple-fold: to better differentiate the airline, express its values, and reinforce the impact of its communication. Wafaâ Ghiati describes the new sound identity as music which is modern without being too “fashionable”, and which has personality without being aggressive. This sound trademark is used for TV and radio ads, on the company website, as a jingle at air terminals, on CDs for clients, ring tones, and more. Although the sound aspect of Royal Air Maroc’s brand identity is very recent, the success is already measurable: on the internal side, comments about the sound trademark have been very positive, and on the external side, the music of the TV ad has been well received and many people have asked for a way to obtain it.

Sound branding gives a brand a unique audio identity, which can over time become a valuable trademark. Branding in this sense not only helps trigger memory and associations, but it is

also perceived as an indication of quality and trustworthiness.

>> How can a brand create an effective sound identity?

The five most important characteristics of a brand sound identity are:

- length and clarity
- distinctiveness
- relation to the product
- pleasantness
- familiarity and accessibility

The first four characteristics can be managed during the creation process, and the fifth one can be reached through an effective marketing strategy. However, a sound which is familiar to customers does not mean instant success for the brand. Marketers have to make sure that customers associate this familiar sound with the corresponding brand. An easy and efficient way to guarantee this correlation is to include the brand name within the sound itself.

Although sound branding may at first seem complex and abstract, when prepared and communicated effectively in accordance with brand strategy, it has the power to build your brand in an “unheard of” way.

*Sixieme Son is a strategic partner of Labbrand. If you would like to find out more about this unique service, please email info@labbrand.com

1. Jackson, D.M. (2003). Sonic Branding. New York: Palgrave Macmillan New York.

Estée Lauder

As our regular readers know, every LABReport contains a Chinese name analysis. This issue we delve into a related and highly relevant area- Chinese product naming.

Chinese product naming is important for cosmetics companies who develop specialized products outside of China and introduce them to the local market. The names must clearly convey the functional attributes of the product but also be appealing to Chinese consumers.

The following two product names from the Estee Lauder portfolio are good examples of comprehensive adaptations in Chinese:



>> Nutritious 鲜活营养系列

- 鲜 (xiān) used as an adjective means fresh, special, and clean. It is frequently used in phrases like 鲜美 (fresh and tasty), 鲜明 (clean), and 鲜活 (fresh).
- 活 (huó) original meaning is “alive”. Now it is used in phrases like 活力 (huó lì), meaning energy.
- 营养 (yíng yǎng) means “nutrition”.
- 系列 (xì liè) simply means “series”, as in a product series.

Put these four characters together 鲜活营养 as a given name for a specific range of cosmetic products for Estee Lauder, and it conveys the meaning of restoration and nourishment for the skin. This is appropriate as this range of products mainly contains fruit essence which is believed to solve dull skin problems and infuse nutrients into skin. The name is also appealing for Estee Lauder’s target market—women between the ages of 28 and 40 with higher incomes.



>> Cyber White Ex 璀璨美白系列

- 璀璨 (cuǐ càn) means “bright” and is used to describe stars or diamonds.
- 美白 (měi bái) means “whitening” and is used by many cosmetics companies.

To differentiate their product, Estee Lauder creatively uses 璀璨 (cuǐ càn) in the product name. This shows their products are more luxurious as this phrase is usually used to describe diamonds.

In summary, these two Chinese product names by Estee Lauder effectively convey the functional attributes of the products. The names enhance the positioning and differentiation of the products, and appeal to their target markets. If you haven’t carefully considered a Chinese name for your product offerings, you might want to do so!

LABReport Team

Chief Editor: Vladimir Djurovic
vladimir.djurovic@labbrand.com

Editors: Denise Sabet
denise.sabet@labbrand.com
Amanda Liu
amanda.liu@labbrand.com

Staff Writers: Yeyen Ong
Helene Dupont
Jing Wen
Daniel Liu

Graphic Design: Summer Xia
summer.xia@labbrand.com



About us

Labbrand is an innovative agency that provides market and consumer research, brand strategy, and creative services for brand equity enhancement.

Located in Shanghai M50 Creative Industries Park and endowed with an international team of branding experts, Labbrand provides integrated branding solutions to prestigious multinationals, as well as vigorous small and medium-sized companies both in China and on a global scale.

Our unique strength is that we put research, strategy, innovations and creativity under the same roof. The result? Sound market understanding translated in strategic thinking, expressed in creative design, and resulting in valuable identity building that effectively strengthens your brand equity.

Labbrand China Consulting Ltd.

Address: M50 Creative Industries Park | Building 7 - Unit 202
50 Moganshan Road | Shanghai 200060 | China

Tel: T 86 21 6298 8956

Fax: F 86 21 6298 0775

www.labbrand.com