

Do country of origin and brand translation methods really matter in the chinese market?

The choice of a brand name can be highly important for the success of the product and it becomes even more relevant in an international context, where the company has to choose whether to translate it or not. The aim of this paper is to investigate how Italian brands enter the Chinese market, taking into consideration the brand name issue and the completely different language system. In the literature review the brand translation methods are analysed, followed by exploratory research and an experiment involving 301 Chinese subjects designed to investigate the effects of translation methods and COO on brand associations.

Key words: Branding, international marketing, China, communication

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1. Introduction

The choice of a brand name can be highly important for the success of a product. As one of the brand elements, it affects significantly brand attitude and image (Leclerc, Shmitt and Dube-Rioux 1989), as well as enhances awareness and creates a favourable image of the product (Aaker 1991).

According to Dong and Helms (2001), the ability to read or pronounce a brand name is the first step to achieving brand recognition or brand recall. As regards the brand recall, one of the most important factors of a desirable name is memorability (Robertson 1989). A brand name that is easy to remember and to pronounce is the prerequisite to processing information, effective positioning and repeated word of mouth (Keller 2003).

The brand name issue becomes even more relevant in international context, where the company has to choose whether to translate it or not. In most Western countries, there are no reasons to translate the brand name, since, even if foreign, it can be understood and pronounced by most consumers.

Moreover, going abroad with the original brand name can add a competitive advantage to the product, due to the Country of Origin (COO) effect. The origin of the brand, in fact, can affect consumer purchase intention (Papadopoulos 1993) and this effect is even stronger in emerging economies (Batra *et al.* 2000), because of the positive symbolic meanings, such as modernity and high social status associated with foreign brands (Zhou and Belk 2004). Nevertheless, a best way does not exist in the brand name strategy.

Alashban *et al.* (2002) propose a revised Structure-Conduct-Performance model (SCP) as a framework to describe the antecedents and consequences of brand-name standardisation/adaptation strategy. In their model one of the environmental factors that may influence the brand name strategy is the language, which is due to three aspects: pronunciation, meaning and phonetic sound.

This is particularly important when the language system is completely different between, for example, European and Asian countries. McDonald and Roberts (1990) began to question the applicability of Western brand naming models in the Asia Pacific context, because there was no evidence that the factors leading to a good brand name were the same in the West and the East.

Therefore, the problem that companies have to face is the Chinese language itself. Unlike Western European languages, Chinese uses characters; names are constructed from meaningful words and the creativity of Chinese brand names reflects Chinese cultural values (Huang and Chan 1997).

The aim of this paper is to investigate: 1) how foreign brands enter the Chinese market, with reference to the

brand name issue; and 2) whether the brand name translation methods and the COO can affect brand associations*.

In the research session we present an exploratory research, focusing on case studies of European (Italian) brands, which entered the Chinese market, and examining the brand translation decisions. Moreover, we present the results of an experiment to test three hypotheses concerning brand translation and COO effects.

2. Literature review

Chinese people are not so confident with the Latin alphabet and this means that they are not able (or able making an effort) to pronounce Western brand names. International literature states that difficult pronunciation may affect brand sales (Chan 1990) so cultural background could negatively influence the word of mouth that is very important to enhance brand knowledge.

Ideograms are written symbols that represent an object rather than a particular word or speech sound, and each has both an independent meaning and a different transformed meaning when paired with others (Li and Shooshtari, 2003). Thus, a name means more than a sound because of this ideographical linguistic nature and because of the cultural tradition of attaching social valence to names in general.

Another aspect to be considered is related to the way consumers process information: this depends on the language system and has an impact on how companies could improve the brand recall. In the Chinese market, visual aspects and writing are more important than sound. Therefore, whereas advertisers in the West try to improve memorability for a brand by means of jingles, marketing communications to Chinese consumers should create distinctly written brand names (Schmitt and Pan 1994; Henderson 2003).

Another important reason to translate the brand name using Chinese characters concerns the imitation of the name and trademark. The sound of a successful brand name might be translated into Chinese ideograms by a Chinese company and used for its products, thus creating favourable misunderstanding for them in consumer's minds.

Moreover, as Alon *et al.* (2009) state, avoiding choosing Chinese characters for the brand allows others to choose part of the Chinese identity for your brand.

Some researches identify different translation methods based on the presence or absence of the original sound and/or meaning. Dong and Helms (2001) define three basic methods. The first is free translation, which is simply based on the original meaning without considering the sound. The second is literal translation (transliteration) that involves transferring the brand name, based on the original sound, with or without considering

* The topic analysed in this paper is part of a wider research project (PRIN 2007), entitled "Business models and marketing strategies for the Italian companies entering the Chinese market."

the original or new meaning. Four different kinds of translations can occur using transliteration:

- a. pure literal translation, based only on sound (when the brand name is without meaning).
- b. literal translation with meaning: a translation based on the original sound and meaning attached to the new name for a brand name that originally had no meaning.
- c. literal translation with meaning modified: a translation based on original sound and a meaning different from that of the original.
- d. literal translation with meaning lost.

The third is a creative translation, which does not have to be considered a real translation because it is not based on original meaning or sound.

Alon et al (2009) suggest four methods:

1. Transliteration without meaning: the brand sound is similar, but the characters have no discernible meaning;
2. Transliteration with meanings: the brand sound is similar and the characters shown in the brand provide a meaningful combination;
3. Interpretive: the sound of the brand is different, but the meaning of the brand stays about the same;
4. Transliteration with an interpretive component: some part of the brand sound remains, but an additional character is used to provide some meaning.

Different translation methods might lead to different results, due to cultural influences and language familiarity (Aaronson and Ferres, 1986). Education can be considered (Hong, Pecotich and Il Schultz 2002) as a good indicator for cultural resilience.

The way a company decides to translate its brand name is not the only issue that affects a successful market entry. This is because a Chinese brand name is usually a compound, which should be governed by four linguistic principles (Huang and Chan 1997):

1. It should be a two-syllable compound;
2. The second syllable should be high-pitched;
3. The compounding structure should respect the trend of the modifier-noun;
4. The compounded brand should have a positive connotation.

The length of the name is a key factor also because the shorter a name, the easier it is to remember (Fan 2002).

Besides linguistic principles, there are other factors that should be considered:

- The target;
- Product category;
- The Country of Origin Effect (COO);
- The luckiness.

Education can be considered as a good indicator for culture resilience (Hong, Pecotich and Schultz II 2002). Dong and Helms (2001) identified six different segments in the Chinese market, based on the consumers' education and on reaction to the Western language.

The authors suggest that the translation choice should take into consideration the targeted segment and its education level.

Concerning the product category, it is important to note that, according to Alon *et al.* (2009), the type of industry may also have an impact on the strategy used to translate the brand name. Services and high technology are most likely to use straight transliteration. Beyond the specific method of translation, Chow, Tang and Fu (2007) examined the effect of translation presence or absence in purchase intention. They found that for hedonic products translating the brand name can reduce the purchase intention towards the product, while, in comparison, for utilitarian products, translation can enhance the purchase intention. Moreover, for certain kinds of Western products, the presence of the Chinese language in the brand name may damage the 'Western image' – still a premium in the Chinese market.

The third factor is the country of origin. It is well known that this can affect consumers' evaluation because people have stereotypical views about a country, which they attach to the products, and this influences purchase and consumption behaviours. Moreover, expectations about foreign products could differ (Kumara and Canhua 2010), and companies that enter the Chinese market should be aware of that. In China, Western brands represent status, cosmopolitanism and modernity (Zhou and Belk, 2004). Thus, if this is the aim of brand positioning, companies have to maintain the original name or use specific characters that recall the West. In fact, there are some brand names that Chinese people define as having a Western flavour.

Companies are faced by another problem: consumer confusion over brand origins. A possible explanation concerns the behaviour of local companies that adopt brand names or advertising elements with foreign characteristics, confounding consumers about the brand origin (Zhang, 2001; Zhou and Hui, 2003; Zhou *et al.*, 2007).

In the Chinese market it is also important to consider the luckiness factor of a brand name. Schmitt and Pan (1994, p.38) suggest that «to qualify as a lucky name, a name should have an appropriate balance of yin and yang—roughly, feminine and masculine qualities. [...] In a name, consisting of two or three characters, the combination of yin/yang elements matters, too. Yin Yin Yang is better than Yin Yang Yin. Finally, the total number of strokes should be auspicious (Chang and Lii 2008).

3. The Qualitative Analysis

3.1 Methodology

The literature review highlights the need to translate the brand name into Chinese and the different ways companies can do this.

Most of the literature is based on US companies. In

Italy, there are many companies that have, as a brand name, the surname of the owner. This leads to the fact that most Italian brand names, such as Barilla, Prada, Armani, Ferrari and so on, are without meaning.

As an exploratory step of our research, we decided to collect some case studies, in order to build the possible scenario for Italian companies. Cases were selected based upon successful brands in the Chinese market and having heterogeneity in the product categories.

Starting with the information related to brand translation, we interviewed seven Italian managers (for a total of eight brands) asking them about:

- the brand name adopted in China
- the translation method
- the meaning of the new brand name (if present)
- the reason why they decided to use (or not use) a new brand name
- the way they use the new brand name

A summary of this information can be found in the exhibit 1.

3.2 Results and discussion

Managers seem to be aware that the issue of brand translation is more significant in the Chinese market than in other countries. They highlighted the importance to maintain the original characters on the logo, so that they are perceived as foreign brands. Translating the logo using only Chinese ideograms might be problematic because positioning can change. Each brand tries to avoid being perceived as a Chinese brand, because the COO is a strength. Associations with Italian style and design are important and simplify the word of mouth process, but this affects the brand recall as happens to other brands that are not using Chinese brand names. In order to improve brand recall and to limit this problem, some companies do not use the brand translation in the logo, but in another way. For example, Paluani, sponsor of Chievo Verona, an Italian football team of Serie A, has displayed Chinese characters on the football strip. A translation of the brand name is also added in the Chinese product label.

When a brand is translated, companies that have original names without meaning related to their positioning, prefer a sound translation with added meaning. When the original name has a meaning, such as Inglesina (little English), translation is mainly based on sound, since trying to maintain the same meaning might lead to some misunderstanding.

Pasta Zara, however, decided not to use a translation at all. Pasta is a well-known Italian food and the manager stated that when they decided to enter the Chinese market, they thought that translation was not necessary. Today, the company is considering whether having a Chinese brand name paired with the original might be better to improve brand memorability.

Lotto, like Pasta Zara, operates in the Chinese market with the original brand, and the company has decided to use the institutional logo for performance

products, and the Lotto Leggenda brand for the leisure one. The original colours of the institutional logo, in fact, have been considered not right for the Chinese market, while the gold colour of the Lotto Leggenda logo has been evaluated as more relevant for that market.

The brand name choice is often delegated to distributors that use it for providing information to customers. This is the case of Pal Zileri, Paluani and Oikos, whose name in Chinese characters is used more by distributors in verbal and writing communications than by the company itself as a promotional tool.

Based on the literature review and the case studies, we can summarise the cases into a framework (Exhibit 2), considering the original brand name as the starting point and separating brand name with meaning from brand name without meaning.

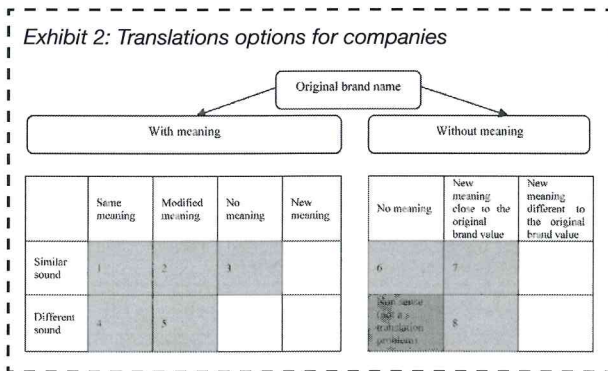
There is a modified meaning when the brand name has to be changed due to some cultural reasons, because the value of the original brand name would be different if translated in a literal way.

Since we are more concerned with a translation problem than a new brand launch, in our research we propose to analyse only the situations in which companies decide to maintain their domestic positioning or brand values.

Exhibit 1: Italian brand name in China

Brand name	Original Logo	Chinese Logo (if available)	Brand translation	Type of translation	Brand Meaning in Chinese	Translation adoption/use
Inglesina			英吉丽娜	Sound with a partially meaning	The Chinese name recalls England and a female concept	To support communication activities and to support brand recall
Idrobise			Only the mission, but not the brand name	Meaning of the mission	Advanced Pressure Water machines	To support communication activities and to support brand recall
Oikos			百乐美	Only sound		Local distributor uses the translated brand, but on the merchandising and the product face if they use the original logo
Paluani				Sound with a positive meaning added	100 years of happiness and prosperity	To support communication activities and to support brand recall
Pasta Zara			佰膳采利	Any translation yet		
Pal Zileri			乐透传奇	Sound with a new meaning added		To support communication activities and to explain the brand meaning and the company history
Lotto			"CHUAN QI" 乐透采隆达 "LE JIAN DA"	Any translation yet for the institutional logo	Happy, lucky, love	The Chinese brands logo are not adopted in China; the brand name has been translated only for legal reason, to protect the brand name.

Exhibit 2: Translations options for companies



4. The Quantitative Analysis

4.1 The hypothesis

The experiment was designed to consider Chinese consumers and Italian brands.

Even if the product and brand success depends on name as well as other marketing mix variables, some studies seek to investigate whether a brand name can affect consumer evaluations. Many are based on experiments. Chow, Tang and Fu (2007) examined the influence of brand translation on consumer purchase intention, taking into consideration both the moderating effects of hedonism vs. utilitarianism and of consumer involvement in purchasing the product.

There is no empirical work on the effect of brand translation and the COO effect, so we conducted an experiment to verify the following assumptions:

H1 – Brand name translation can affect consumers’ evaluation of brand.

H2 – There is a COO effect that modifies the perception of the product/brand attributes, connecting them to the typical image of a country.

Even though translated into Chinese characters, not all the names are perceived as Chinese language. Thus, we can assume that “made in” has been reinforced from sound or combined translation.

H3 – Sound translation can reinforce the COO effect in the consumer evaluation of brand.

4.2 The experiment

In order to verify our hypothesis we developed a 3x2 factorial design of brand name translation vs. COO. In particular, three different translations of brand name (phonetic – brand name translation based on the original sound; meaning – brand name translation based on the original meaning; combined – brand name translation based on the original meaning and sound) and two levels of COO (“made in” and not “made in”) were considered.

In this experiment we examined six products that are different in terms of both the brand name and the category, to create a heterogeneous sample. The following types of products (brands) have been considered: mass (Paluani

and Pasta Zara), durable (Giuliana Teso and Inglesina) and industrial (Microline and Idrobase).

In order to verify the hypothesis we asked 301 undergraduate students of Zhejiang University to: 1) associate attributes freely with the brand/product; 2) assess the proposed translations; and 3) judge six opposite couples of associations which are fittable for all the brand as well as they represent important factors, both for Chinese culture and for Italian or Western stereotypes.

The proposed associations were: 1) positive-negative; 2) lucky-unlucky; 3) masculine-feminine; 4) emotional-functional; 5) traditional-modernity; 6) high-low design. The first three associations are important characteristic for Chinese culture, while the others are related to foreign and Italian products.

A seven-point Likert scale was used to evaluate both the congruity of brand name (1=no congruity; 7=complete congruity) and the associations (1=positive; 7=negative).

Each student expressed his/her opinions on two brands/products (one relative to consumer goods and one to technical-industrial goods), presented in the form of product cards, after viewing each stimuli. Therefore, the total products evaluated were 602.

4.3 The samples

The undergraduate students of our sample are mainly female (58%), and on average 20 years old. The sample is heterogeneous as regards the degree of study: International Trade or International Business (39%), Finance or Economics (21%), Social Science (18%) – i.e. Humanities, Languages, Advertisement,... –Administration (11%) and others fields (11%). The majority of the interviewees (62%) had already bought international brands.

Finally, only some of the students knew that the analysed products were Italian, while others had no information about the product COO.

The use of a sample of students for this type of experiment is well known and accepted in the marketing literature (Pan and Lehmann 1993, Maheswaran 1994; Kocher, Czellar and Usunier 2006; Lowrey and Shrum 2007). The students are aware of Western brands, but unfortunately this choice prevents us from considering the education as a variable that could moderate the effect of brand name perception.

For the majority of products analysed (59%), “made in” Italy was mentioned during the experiment and these data have been used to test H2. In order to test H1 and H3, we did not consider the Giuliana Teso and Paluani products, as they have no meaning. In these cases both meaning and combined translations have no sense in our research questions, so we used 68% of the sample of analysed products (412 out of 602).

Exhibit 3 shows the two-way table of frequencies

observed between "COO" and "Translation method" variables.

Exhibit 3: Two-way table of frequencies observed between "COO" and "Translation method" variables.

	COO	Translation method			Total
		Phonetic	Meaning	Combined	
Made in not mentioned		63	62	46	171
Made in mentioned		81	74	86	241
Total		144	136	132	412

The analysis of the Quantile values for each of the opposite attributes reveals that brands of our sample are perceived as positive, high in design and lucky, modern, feminine and functional. However, not one of these attributes is really stressed as the median values are near to the central value of the scale, i.e. 4.

Exhibit 4: Mean, Mode and Quantiles values for each brand association

Associations	N	Mean	Mode	First Quantile	Median	Third Quantile
Positive - Negative	584	3.04	2	2	3	4
Lucky - Unlucky	583	3.30	4	2	3	4
Masculine - Feminine	584	4.17	4	3	4	6
Emotional - Functional	582	4.09	4	3	4	6
Traditional - Modernity	584	4.43	4	3	4	6
High design - No design	584	3.22	2	2	3	4

4.4 Results and discussion

The effect of "translation method" on brands was verified by analysing the data concerning the assessment of Chinese brand names and the score given to brand associations.

Kruskal-Wallis (1952) test is used when we have one ordinal dependent variable - and therefore no normal distribution - and one categorical independent variable with two or more levels. This is the non-parametric version of the ANOVA test.

Median values of the "assessment of brand name" variable are significantly different by translation method (Exhibit 5), revealing that the meaning and combined translation are better than the phonetic one.

Exhibit 5: Median (rank sum) and mean value for the assessment of brand name.

Relation	Translation method			χ^2
	Phonetic	Meaning	Combined	
	4 (22010.0); 3.51	5 (30106.5); 4.46	5 (28886.5); 4.48	26.52***

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

The Kruskal-Wallis test with ties on scores given to brand associations was used to evaluate the first hypothesis. In general, there is no significant effect on associations related to foreign ("Emotional" and "Modernity") or Italian products ("Design"). On the other hand, there is a significant effect on "Positive - Negative" attribute: if brands are translated in a phonetic or combined way they are perceived as more "Negative" than "Positive" (Exhibit 6).

Exhibit 6: Median (rank sum) and mean value for brand associations by translation method.

	Translation method			χ^2
	Phonetic	Meaning	Combined	
Positive - Negative	3 (27755.5); 3.18	3 (24306.5); 2.87	3 (26544.0); 3.17	4.775*
Lucky - Unlucky	4 (27033.0); 3.49	3 (24619.5); 3.23	4 (26557.5); 3.50	3.383
Masculine - Feminine	4 (24746.5); 3.52	4 (28622.5); 3.93	4 (25237.0); 3.64	4.229
Emotional - Functional	4.5 (26836.5); 4.45	4 (25971.0); 4.29	4 (25007.5); 4.33	0.541
Traditional - Modernity	5 (26891.0); 4.44	4 (27126.0); 4.45	4 (24589.0); 4.24	0.933
High design - No design	3 (26565.5); 3.26	3 (25750.0); 3.21	3 (26290.5); 3.33	0.729

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

Two answers were analysed to measure the COO effect. They were asked to interviewers to spontaneously associate with each brand/product up to six descriptive adjectives and to score the opposite list of associations previously described. Among the answers (about 3,000) similar adjectives or those attributable to a common factor were grouped for each of the tested brands. Among these, the blocks that could be linked to a COO effect were isolated.

Their frequency was measured based on an index that considers the number of citations of a particular factor on the number of people who analysed the specific brand/product. The results are presented in exhibit 7.

Exhibit 7: Measurement of the «COO» effect on the brand/ product perception.

MADE IN	GIULIANA TESO	PALUANI	PASTA ZARA	INGLESINA	MICROLINE	IDROBASE
delicious		0,65	0,45			
sexy	0,38					
beautiful	0,42	0,46		0,16		
nice package		0,23	0,56			
design				0,36		0,10
elegant	0,78			0,19		
fashion	0,69					
quality	0,20		0,17	0,36	0,67	0,27
expensive			0,19			0,35
uneasy						0,30
high-tech					0,45	
NO MADE IN						
delicious		0,89	0,36			
sexy	0,51					
beautiful	0,29	0,36		0,12		
nice package		0,43	0,45			
design				0,41		0,23
elegant	0,76			0,24		
fashion	0,82					
quality	0,18		0,26	0,22	0,71	0,23
expensive			0,30			0,49
uneasy						0,32
high-tech					0,39	

The data analysis shows that the expected effect of COO does not appear clearly. In some cases it seems to have an adverse impact on the brand, whereas it usually has rather positive connotations in the traditional export markets. This is particularly evident in the case of Paluani and Giuliana Teso as regards certain attributes such as "Delicious", "Sexy", "Fashion" or even "Design". In terms of other attributes, this is perceived as a positive effect in the case of "Beautiful" and "Expensive".

COO was also measured valuing the effect of its awareness on the score of some attributes. As for translation factor, Kruskal-Wallis test with ties was used to evaluate H2. The results reveal that consumers'

awareness of "Made in Italy" has a negative effect on brand, which is perceived more as "Negative" than "Positive" and with "No design". Moreover, Italian brands are perceived more as "Feminine" than "Masculine".

Exhibit 8: Median (rank sum) and mean value for brand associations by COO.

	Made in		χ^2
	Not mentioned	Mentioned	
Positive - Negative	3 (64940.5); 2.83	3 (105879.5); 3.19	9.745***
Lucky - Unlucky	3 (68459.5); 3.22	4 (101776.5); 3.36	1.646
Masculine - Feminine	4 (75969.5); 4.38	4 (94850.5); 4.01	6.144**
Emotional - Functional	4 (72784.5); 4.19	4 (96868.5); 4.02	1.294
Traditional - Modernity	4 (73080.0); 4.53	4 (97740.0); 4.37	1.021
High design - No design	3 (67780.5); 3.07	3 (103039.5); 3.32	2.797*

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

We also supposed that the effect of COO could be reinforced by the translation type (H3). Therefore, we analysed the interaction between factors for each variable.

Firstly, we used the Kruskal-Wallis test with ties on scores given to brand associations in relation both to translation method and COO. Exhibit 9 suggests that there are no significant interactive effects.

Exhibit 9: Median value (rank sum) and mean for brand associations both to translation method and COO.

Made in mentioned	Translation method			χ^2
	Phonetic	Meaning	Combined	
Positive - Negative	3 (8955.0); 3.32	3 (7622.5); 3.03	3 (9987.5); 3.23	3.527
Lucky - Unlucky	4 (8127.5); 3.37	3 (7982.0); 3.29	4 (7982.0); 3.43	1.151
Masculine - Feminine	4 (7922.0); 4.05	4 (9216.5); 4.12	4 (9426.5); 3.89	2.952
Emotional - Functional	4 (8063.5); 4.09	4 (8365.0); 3.98	4 (9906.5); 3.99	0.084
Traditional - Modernity	4.5 (8305.0); 4.41	5 (9068.5); 4.59	4 (9191.5); 4.12	2.362
High design - No design	3 (8446.5); 3.45	3 (8497.0); 3.36	3 (8497.0); 3.17	0.174

Made in not mentioned	Translation method			χ^2
	Phonetic	Meaning	Combined	
Positive - Negative	3 (5236.5); 2.92	2 (4791.5); 2.63	3 (3833.0); 3.04	1.096
Lucky - Unlucky	4 (5531.0); 3.39	3 (4595.0); 2.96	3.5 (3735.0); 3.38	3.375
Masculine - Feminine	4 (4648.5); 4.30	4 (5343.0); 4.65	4 (3869.5); 4.02	2.394
Emotional - Functional	5 (5434.0); 4.33	4 (4858.0); 4.07	4 (3403.0); 4.15	1.773
Traditional - Modernity	5 (5296.0); 4.43	4 (4852.5); 4.66	4.5 (3712.5); 4.46	0.740
High design - No design	3 (5101.5); 3.08	3 (4717.5); 2.82	3 (4042.0); 3.52	2.432

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

In order to analyse more effectively the interaction between COO and the translation type (H3), we estimated one Ordered Logit Model for each brand assessment (Exhibit 10). In this model each brand assessment was recoded into three categories (1 = score from 1 to 2; 2 = score from 3 to 5; 3 = otherwise). As can be seen from Exhibit 10, model results suggest that there are no significant interactive effects.

We have also estimated six Logit Model recoding brand assessments into two categories, but results are not different.

Exhibit 10: Results of the ordered logit model.

Variables	Positive ^A	Lucky ^B	Masculine ^C	Emotional ^D	Traditional ^E	High Design ^F
Mentioned	0.370 (0.39)	0.159 (0.4)	-0.569 (0.41)	0.113 (0.34)	-0.590 (0.39)	-0.233 (0.36)
Phonetic	0.200 (0.39)	0.216 (0.41)	-0.608 (0.43)	0.445 (0.37)	-0.127 (0.41)	-0.261 (0.38)
Meaning	-0.350 (0.41)	-0.556 (0.42)	-0.056 (0.48)	0.078 (0.41)	-0.294 (0.44)	-0.413 (0.4)
Mentioned*	0.278 (0.51)	-0.105 (0.52)	0.507 (0.51)	-0.490 (0.46)	0.295 (0.50)	0.544 (0.48)
Mentioned*	-0.085 (0.52)	0.581 (0.56)	0.405 (0.57)	-0.301 (0.52)	0.894 (0.53)	0.864 (0.52)

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

Robust Std. Error in brackets.
A N=396; Wald $\chi^2(5)=13.86$; Prob > $\chi^2 = 0.0165$; Log pseudolikelihood=-320.53357; Pseudo R²=0.0214

B N=395; Wald $\chi^2(5)=6.46$; Prob > $\chi^2 = 0.2643$; Log pseudolikelihood=-297.1421; Pseudo R²=0.0114

C N=396; Wald $\chi^2(5)=6.08$; Prob > $\chi^2 = 0.2990$; Log pseudolikelihood=-371.20553; Pseudo R²=0.0089

D N=394; Wald $\chi^2(5)=3.03$; Prob > $\chi^2 = 0.6960$; Log pseudolikelihood=-394.53303; Pseudo R²=0.0038

E N=396; Wald $\chi^2(5)=5.83$; Prob > $\chi^2 = 0.3227$; Log pseudolikelihood=-394.04402; Pseudo R²=0.0071

F N=396; Wald $\chi^2(5)=4.42$; Prob > $\chi^2 = 0.4901$; Log pseudolikelihood=-374.01432; Pseudo R²=0.0064

H3 does not seem to be supported, as COO and translation type have not a combined effect on any of the six brand associations.

As known from previous researches, product category can play a role in consumers' evaluation. So we divided our sample according to product category, as far as COO is concerned, and by brands, as far as translation method is concerned, to test our hypotheses on these different sub-samples.

There are no significant differences between brand associations, except for "Emotional - Functional" associations. If Inglesina, that is a durable product, is translated in a phonetical way, it is perceived as "Negative", "Unlucky", "Modern" and with "No design"; on the other hand, if it is translated by meaning, it is perceived as "Feminine".

If Made in Italy is mentioned, Inglesina and Giuliana Teso, which are both durable products, are perceived as "Negative", "Unlucky", "Feminine", "Modern" and with "No design".

For Pasta Zara some significant differences have been noted only for "Traditional - Modernity" associations with regard to the "Translation method" (if translated in a combined method, it is perceived as "Modern"). For Paluani and Pasta Zara, both mass market products, there is significant effect for "Emotional - Functional" associations with regard to COO (if Made in Italy is mentioned, mass market products are perceived as "Functional"). For business products there are no significant differences in any of the six brand associations.

Therefore, H1 are confirmed only for one brand (a durable product) and H2 for two brands that we analysed together as durable products category.

Exhibit 12: Kruskal-Wallis test with ties (χ^2) for brand associations by translation method and brands.

	Brands			
	Inglesina	Pasta Zara	Microline	Idrobase
Positive – Negative	12.827***	0.234	1.240	1.029
Lucky – Unlucky	10.778***	0.598	1.690	0.094
Masculine – Feminine	5.145*	4.599	3.299	0.906
Emotional – Functional	3.067	1.165	0.050	0.834
Traditional – Modernity	4.739*	5.962*	0.502	1.913
High design – No design	5.074*	0.367	1.583	1.309

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

Exhibit 13: Kruskal-Wallis test with ties (χ^2) for brand associations by COO and product category.

	Product category		
	Durable ^A	Mass market ^B	Business ^C
Positive – Negative	11.565***	1.229	0.186
Lucky – Unlucky	4.521**	0.318	0.144
Masculine – Feminine	7.368***	0.730	0.003
Emotional – Functional	0.027	10.855***	0.442
Traditional – Modernity	8.701***	0.021	1.785
High design – No design	9.033***	0.017	0.877

All test results are not significant unless indicated otherwise: ***Significant at $p \leq 0.01$, **Significant at $p \leq 0.05$, *Significant at $p \leq 0.1$.

^AGiuliana Teso and Inglesina; ^BPaluani and Pasta Zara; ^CMicroline and Idrobase.

5. General discussion

In general, therefore, there is still confusion as regards the perception of «Made in Italy»; the COO image is not clear, sometimes even reversed. Obviously, this aspect should be reconsidered and studied in more detail in relation to the Chinese market, avoiding easy transpositions from other world markets. Moreover, China is a collectivist culture so consumers evaluate home products more favourably (Gürhan-Canli and Maheswaran 2000) and this could affect the COO effect.

The perception of «made in» is still not very clear in China. It seems that the Western-European brand/product is defined as a homogeneous category, with significant difficulties in distinguishing specific country images. The low market and products experience and the poor knowledge of the country stereotypes upsets the brand communication as Italian and European companies are often mixed in the Chinese consumers mind.

Thus, the evaluation of the hypotheses of the research is as follows:

- H1 – the assumption that translation method affects brand evaluation is not demonstrated, while the research shows that the translation process must be differently addressed, considering the specific product and market where the Western company wants to enter. If we consider each brand, H1 is partially demonstrated only for Inglesina, which is a durable product. However, results concerning attributes related to Western/Italian products do not confirm that sound translation gives a Western flavour to products as expected, neither in general nor the single brand.

- H2 – the assumption that there is a COO effect, in particular with regard to «Made in Italy», is not clearly demonstrated. Even if some surveys seem to indicate a reversal of expectations of the image traditionally assigned to the «Made in Italy» perception, the assessments require further in-depth investigation. It seems possible that there exists a general COO factor as «West» and not for a single country, but only for durable products.

For the COO effect, product category seems to play an important role, which is consistent with the studies of Alon et al (2009) and Chow, Tang and Fu (2007). This result should be tested also for the way brands are translated because findings related to the single brands are significant only for Inglesina, a durable product. As we only analyse one brand for this category we cannot generalise.

- H3 – the assumption that sound (and combined) translation can reinforce the COO effect is not supported.

6. Future research and managerial implication

The main problem in this kind of research is that we are faced with a marketing decision – defining the best way to translate the brand name. However, we need to understand the point of view of the Chinese consumer. Even if a company has five (if the brand has a meaning) or three (if the brand has not a meaning) options, the consumer perceives only two situations: a brand with a meaning or a brand without meaning.

This experiment should be repeated by increasing the number of respondents; that is, using products that are meaningful for consumers and are strongly associated with Italy, while trying also to compare the image of «Made in Italy» with precise images of other specific Western countries.

Based on the managers' interviews and information from this first experiment, we expected that the best solution for companies would be to choose a name close to the original, both in terms of the sound and the meaning aspect. The meaning has also to be accepted by Chinese culture. Moreover, meaning translation seems to give products more positive associations.

This can be a general best practice, but this option is not always possible and it might depend on the already mentioned problems relating to different language systems. However, it might also be due to some cultural problems. When it is not possible, companies have therefore to be even more focused on Chinese culture.

Nevertheless, the research shows that, although reasonable, hypotheses based too much on existing literature and management experience may not be appropriate to interpret the Chinese market. Experiment results do not confirm the manager ideas about brand

name choices and COO effect. In the experiment, awareness that products are made in Italy does not lead to a higher perception of design or modernity as previous studies pointed out (Zhou and Belk 2004). These inconsistent results support Bhaskaran and Sukumaran's (2007) findings that COO depends also on the countries involved in the research.

Concerning the brand meaning, if not present or not consistent with the culture, it has to be created. Some elements have also to be taken into account, which are linked to Chinese culture:

- the social value of the product category in terms of status;
- the education of the target;
- the value of the country of origin;
- the cultural value of the product category, in terms of luckiness.

The COO effect also exists in the Chinese market, but it appears quite different from what usually happens in Western or more traditional markets. The formation of stereotypes about brand and product images concerns a larger geographical area and not only a single nation. In this sense, the effect regards Western and Eastern (Japan, Korea, etc.) products compared with local ones, in a first reading, and European compared with American in a second reading.

The brand manager needs to select the main asset on which to build the brand meaning, depending on the strategic positioning. In some cases the brand can be strongly related to the COO, considered in a broader sense and not only within a country, and this should also be present in the brand name. In some other cases, the brand name might need to be more global or connected to the local culture.

Brand strategies should therefore consider the particular situation of the Chinese market and develop different ways to manage the brand compared with those previously adopted in traditional export markets. In this respect, country images related to products should be first developed, even geographical area images (Europe), while efforts to affirm the images of micro-regional areas within nations seem useless.

A correct understanding of the value system of Chinese society and of the traditions and norms on which the culture is based, can help determine the best brand name.

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