Developing a China Marketing Strategy

The rapid growth of China’s domestic economy is creating new opportunities for UK SMEs across different industry sectors. Whether targeting consumer (B2C) or business-to-business (B2B) markets, it is essential to spend time developing a marketing and branding strategy best suited to the local environment.

Market Research
It is crucially important to carry out thorough market research before investing significant time and resources to entering the China market. General information concerning China is increasingly easy to find, and a huge amount of market information can be accessed through desk research. Good starting points are the UK Trade & Investment (www.ukti.gov.uk) and CBBC (www.cbbc.org) websites, which provide detailed country and sector information. Local statistical bureaus, government websites, local industry associations, third party sector reports and reports by consultancies and research agencies are also useful sources for reports and economic data.

Bespoke market research studies can help SMEs to determine the size of the market, which specific regions to target, which market segments to focus resources on, which product offerings are best suited to the market, which channels to sell through, what the pricing strategy should be and how to deal with competition. The UKTI’s Overseas Market Introduction Scheme (OMIS) is one option that SMEs may wish to consider, as it can be used to get market research directly from China at subsidised rates.

Brand Localisation
Many foreign companies have failed in China by assuming that products and services will automatically have the same appeal in China as in their home market. It is critically important, particularly in consumer markets, that companies take time to fully understand the needs and preferences of local Chinese customers, which are often informed by China’s unique cultural heritage. Although not relevant for all products, it may be important to explore whether the product or brand could be localised to resonate better with a Chinese audience. This could range from using local Chinese flavours in a food product to adapting the colours and images used in a specific marketing campaign.

Brand Naming
Names are imbued with deep significance in China and the importance of your Chinese brand name cannot be understated. The product name is the first thing potential customers see and, if carefully chosen, it helps cultivate the image you want associated with your product. A direct, phonetic translation of your company name into Chinese may sound clumsy and the meaning will not relate to the product, so many foreign companies consult specialists to help choose a new Chinese name that has positive metaphorical connotations, thereby creating an emotional connection with the customer. It is also worth considering how the chosen brand name translates when spoken in each of China’s seven main regional dialect groups.
The British Brand
Research by a leading branding agency has shown that the UK has seen its reputation in China improve markedly over the past 10 years. The UK in China is now strongly associated with the values of ‘traditional’, ‘upper class’, ‘high-performance’, ‘reliability’ and ‘trustworthiness’. UK luxury brands such as Burberry, Mulberry and Jaguar Land Rover have been particularly successful at capitalising on this thirst for British products. SMEs should also consider how they can integrate their British identity into brand concepts and marketing communications.

Marketing Communications
As in any market, it is crucial that the customer is central when devising your China marketing communications strategy. Whether targeting local Chinese customers or businesses, it is important to ensure that marketing messages are translated into Chinese and communicated through Chinese language channels. It is worth investing time in having marketing materials such as flyers, product brochures, technical data sheets etc. translated into Chinese.

Companies operating in B2B markets also need to try and communicate their experience to customers and partners. It is important to prepare comprehensive case studies, reference projects and client testimonials to build confidence with potential customers in China. Many new-to-market companies will be reliant on local distributors/agents to drive sales, so it is often important to provide them with as much marketing literature as possible to help motivate them and drive sales.

Digital Marketing
With over half a billion Chinese citizens now online, digital communications are an increasingly important element of the marketing mix. As well a setting-up a local Chinese language website, it is also worth considering establishing a presence on Chinese language social networking sites such as Weibo. Advertising on relevant industry websites and online promotional videos are other useful tools by which SMEs can increase their brand visibility with limited investment. See CBBC’s guide on Establishing An Online Presence for more information and advice on putting digital marketing strategies into practice.

How Can CBBC Help
Speak to one of our local China Business Advisers for further advice and assistance on developing your marketing strategy for China.