Preface

Emerging markets are nations with business activities in the process of rapid growth and industrialization. According to the Emerging Market Global Players Project (n.d.), led by the Vale Columbia Center, the following countries are considered emerging markets: Argentina, Brazil, Chile, China, Hungary, India, Israel, South Korea, Mexico, Poland, Russia, Slovenia, Taiwan, and Turkey. According to a recent report by the International Money Fund, the share of emerging and developing economies in world GDP in purchasing power parity terms (PPP) is expected to overtake advanced economies by 2014. The global emerging markets’ middle class is anticipated to grow from 430 million in 2000 to 1.2 billion by 2030, with China and India accounting for two-thirds of the expansion in emerging markets (Euromonitor, 2010).

It has been well recognized that the emerging markets become more attractive to multinational companies as the European and US consumer companies confronted by slowing growth at home and global brands are turning their target markets to the fast-growing countries of Africa, Asia, and Latin America. For example, it has been estimated that by 2035, the gross domestic product from emerging markets will surpass that of advanced markets (Wilson & Purushothaman, 2003). Meanwhile, leading global brands, which have been dominated by European, American, and Japanese companies, have to compete in emerging markets created by strong local players. Researchers have observed that, although those powerful global brands take up high mind shares and market share in many parts of the world, their comparative performance in emerging markets has not been as impressive due to “inadequate reconciliation of the realities in emerging markets” (Keller & Moorthy, 2003, p. 49).

Worldwide brand competition has been facing new challenges as the emerging market brands have evolved upon the world stage. For example, emerging markets have been striving to become global brands, such as Samsun, LG, Lenovo, HTC, etc. According to Millward Brown’s (n.d.) report, of the top 100 brands globally in 2006, there were only two brands from emerging countries, more specifically China. Yet, by 2011, there were 19 from the BRIC countries (Brazil, Russia, India, and China) and Mexico. While brand building among some of the emerging market brands is still at an infancy stage, the challenge is whether and how brands from emerging markets can continue their surge in the world market and grow to be strong global brands of high brand equity. Due to unique characteristics associated with emerging markets, it is imperative to obtain fresh insights to help further our understanding of brand management and consumption in such markets (Burgess & Steenkamp, 2006).

With a focal theme of brand management in emerging markets, this book covers a wide range of important and timely subjects, such as customer-based brand equity, brand relationships, brand positioning, brand extension, brand communication, brand authenticity, brand risk management, and globalization of emerging market brands, including corporate brand, luxury brand, B2B brand, time-honored brand, appellation of origin brand, and nation brand. This book is organized into four sections that report con-
ceptual frameworks as well as empirical studies or case analysis, representing various countries, from those largest emerging markets, such as China, India, Russia, and Brazil (BRICs), to other emerging markets at different developmental stages, such as Poland, Turkey, and South Korea.

The first section provides an overview of brand management research and strategy development in emerging markets. Chapter 1 (He and Wang) provides a scientometric analysis of the extant research literature on brands and branding. A scientometric analysis perspective is based on a measurement of the impact of publications conducted by bibliometrics. Based on a comprehensive and systematic analysis of the 30 most-cited articles (adjusting to the length of publication time) on brands and branding, the authors identify the intellectual structure and internal relationship of the body of knowledge based on a relatively small number but highly influential seminal works. Meanwhile, the authors propose potential opportunities for further investigation in new research areas, particularly regarding branding strategies in the fast growing, but still largely ignored, emerging markets.

Brands developed from the emerging markets will not only compete with global brands in the home country but also in global markets. However, those Emerging Market Multinationals (EMMNEs) are often perceived as lacking experience and competence in global branding, especially in Western markets. Lin and Farrell (Chapter 2) develop a conceptual model with case examples to explain how such EMMNEs could achieve some non-traditional competitive advantages by leveraging knowledge and experience gained from “home base,” or their home country market, and other institutionally similar emerging markets.

It has been well recognized that consumer attitudinal and behavioral patterns are different in emerging markets and mature markets. Erguncu and Yildirim (Chapter 3) propose a conceptual framework based on different dynamics in consumer attitudes and mindset by comparing data from emerging markets (e.g., Brazil) and mature markets (e.g., UK) for the same brands over the same time period. Their results show that while the emotional brand connection is considered important in mature markets, it has less effect in emerging markets, where securing the brand image in consumer minds is more important. Meanwhile, consumers from emerging markets also differ in their preference for distribution channel selection and pricing strategies. Such findings shed insights on developing effective branding strategies and marketing programs in emerging markets.

The second section includes five chapters that focus on building brand equity issues from the consumer perspective. Brand equity can be considered the sum total of values associated with a brand. These generally include brand awareness, recognition, trust affect, loyalty, and performance. In order to build a strong brand, it is important to shape how customers think and feel about the product and to build the right type of experiences around the brand (Keller, 2012). As such, customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about the brand.

Customer-based brand equity is a way of assessing the value of a brand in customers’ minds. Such value is largely the result of marketing activities. In Chapter 4, Mishra and Sarkar examine the crucial role of market orientation in corporate brand performance, which is measured by customer-based corporate brand equity. Based on their research of Indian business-to-business firms, their study reveals the impact of market orientation on corporate brand performance is mediated by innovativeness.

Brand trust and brand commitment are important factors that determine brand equity and influence brand purchase. In Chapter 5, He reports an empirical study that investigates the intergenerational influence of a time-honored brand in terms of brand trust and commitment. Results based on a large sample of Chinese consumers show significant general differences in terms of consumer evaluation of trust and commitment. In particular, the younger generation tends to be less committed to a brand than their parents. Moreover, the influence of parents on the younger generation is weakened. Interestingly,
the reverse pattern is observed in that the younger generation has more influence on their parents. As such, the brand equity of those time-honored brands is eroding due to the discontinuity of transfer from parents to the younger generation. Understanding such reverse intergenerational influence helps marketing managers develop brand communication strategies targeting young consumers using new media such as Internet or social media tools.

Consumers’ knowledge about a brand also governs how manufacturers and advertisers market the brand. Thus, marketing communication plays an important role in building brand equity. Bakshi and Mishra (Chapter 6) applies brand management principles to the media sector. The authors explore the role of trust and affect in creating loyalty and influencing brand performance of television channels in India. The results demonstrate that affect creates a strong impact on brand loyalty, which in turn also has a strong impact on brand performance.

Consumer experience with brand is a key to forming brand association, which is deep-seated in customers’ minds. In Chapter 7, Kniazeva and Charters introduce an interesting subject: product/brand authenticity by bringing together concepts of authenticity and consumer autobiographical memories. This study, composed of ten in-depth interviews collected in Russia, provides a unique angle to explore how consumers’ memories shape their perception of product and brand authenticity. The study reveals that a product such as champagne interacts regularly with the drinkers’ life stages and with key emotional events. When a product interweaves consumers’ personal histories and the history of their nation, that product has the potential to achieve authentic power – regardless of its quality.

Effective brand communication depends on consumer and brand connection. In Chapter 8, Rajabi, Dens, and Pelsmacker report an empirical study that investigates self-brand congruity concept in explaining the psychological reasons behind the Indian consumers’ preferential patterns of the levels of advertising adaptation. The results reveal that ethnocentrism moderates the effects of advertising adaptation levels (globalization, glocalization, and localization) on Indian consumers’ ad evaluation and self-brand congruity.

Brand equity is created and maintained through brand management strategies. Because of the fast growth of emerging market economies and consumer purchasing power, creating powerful branding and brand management strategies in emerging markets have been the priority of the growth agenda of many multinational companies. The third section includes five chapters that address brand building strategies.

One of the key brand building decisions is how to position the brand that effectively communicates and appeals to the target market. Chapter 9, written by Xu, Bao, and Landry, explores consumer product branding through print advertising in China by examining whether there exist different preferences between domestic and foreign brands in their choice of models/spokespeople. The results reveal that while both Chinese firms and multinational firms prefer Asian models for their brand, the latter is more likely to choose young, mostly male models, suggesting a localized advertising strategy is often used in brand positioning in the Chinese market.

In Chapter 10, Raj discusses the corporate brand-building construct with a case of agribusiness firms in India. Branding and Corporate Social Responsibility (CSR) in agribusiness is gaining increased attention because agribusiness firms are often blamed for environmental degradation, use of excess fertilizers and pesticides to increase production, and promoting unhealthy foods. This chapter explores the emerging brand-CSR relationship and the use of CSR as corporate branding strategy in the context of Indian agribusiness firms. The author argues that key beneficiaries-oriented strategic CSR initiatives would be effective for sustainable CB strategy in agribusiness.
A related issue to maintain corporate brand image is the management of brands during crisis. In a dynamic and uncertain environment, national and man-made disasters would have a severely negative impact on firms and established brands. In this regard, Okan (Chapter 11) presents interesting case studies conducted in Turkey to identify key factors that influence successful brand management when a brand is at risk. Since brands are affected by many dynamic forces—political, economic-social, and technological—brand managers need to be prepared to overcome crisis without harming the brand equity.

Thanks to the fast growth of the middle class consumer segment in emerging markets, leading global luxury brands have found their new home in such countries as China and South Korea, which have shown a promising trend to overpass Japan as the largest markets for luxury product consumption in the near future. Chapter 12, written by Zhang, Zhao, and Lee, discusses Korean consumers’ value perception of luxury brands and how such perceptions influence consumer attitudes to extended luxury brands. Such knowledge helps multinational firms entering the Korean luxury product markets when adopting brand extension strategies. In the same vein, Chapter 13, authored by Mo and Roux, investigates Chinese consumer perception and motives regarding luxury consumption. The authors propose to segment the Chinese luxury market by relating traditional cultural values to brand preference for both Western brands and Chinese brands. The implications of the results are linked to an analysis of selected Chinese luxury brands in order to explore the possible avenues that could lead Chinese luxury brands to success in both the home market and potential global markets.

Brands starting from emerging markets eventually will face a challenge to compete with those well-established global brands, mostly from more developed countries. The fourth section deals with an important issue: how to build a brand in the home country and then grow it into a strong global brand, competing on a global scale.

Many countries attempt to promote national image as a way to enhance product image of the country. Such a nation-branding process aims to measure, build, and manage the reputation of countries. Because of the well-known country-of-origin effect, an improved national image will help product image as well as products made in the country (Wang, et al., 2012). Since products made in emerging markets are largely associated with relatively low country-of-origin image (Wang & Chen, 2004), building nation brand will have a positive impact on increasing the symbolic value of products. In Chapter 13, Wilczak and Skorek discuss how to build and manage a brand based on the example of the nation brand of Poland. The authors first conceptualize the nation brand in relation to the corporate brand and then report a case study of building the nation brand for Poland, with descriptions of the activities and effects of the nation-brand-building process.

In order to compete globally, a brand from emerging markets must be strong domestically. Some brands may have endowed distinctive competencies relative to other brands within the same country due to their geographic indications. Chapter 14, written by Niu and Wang, presents a very interesting and unique phenomena in branding – appellation of origin brands. Appellation of origin brands (originally comes from wine industry relating grape production locations) is largely based on the geographical characteristics where the products may possess certain unique features due to suitable climate and abundant natural resources. Such brands are also derived from historical heritage and that a particular place is well known for its unique product and production. Therefore, such brands are typically named based on two components: the geographic designation and the product. In China, because of certain geographic characteristics and relative concentration of skilled producers in a particular region, many brand names are often affiliated with, or partially contain, the name of its production place (i.e., the city, county, or even a province). For centuries, it has become a common practice in China that a producer
uses its product place as part of its brand name. This chapter provides a comprehensive overview of the Chinese appellation of origin brands, particularly exploring their unique characteristics, their development process, and the environmental factors that influence their brand performance.

While appellation of origin is mostly appealing to consumers with historical heritage and local geographic characteristic of the brand, global brands, on the other hand, are attractive to consumers around the world due to their symbolic meaning associated with moderation, sophisticated lifestyle, taste, and social status. In Chapter 16, Li, Wei, and Xue highlight the importance of understanding the uniqueness and trends of consumers’ global brand attitudes as a critical factor for brand management in emerging markets. Based on their empirical study in China, the authors argue that modernization brings cultural transformation represented by individual personalities—including global identity, self-construal, and social desirability—thus affecting consumer global brand attitudes.

The last decade has witnessed the trend that emerging market brands have been striving to become global brands. An important challenge for such brands is how they will sustain and grow in the future. As such, this section, and also this book, is concluded with Chapter 17, written by Sexton, a professor at Columbia University and a renowned expert on marketing and branding strategies. According to Sexton, in the global economy, long run success is often associated with strong brands. Building strong global brands requires a much broader perspective than building local brands. Many Chinese organizations have been successful in strengthening their brands. Yet, Chinese organizations must continue to strengthen their brands as well as manage and maintain their existing brands. Positioning and coordinating global brands requires the ability to evaluate many markets at the same time, including markets that at present are only potential markets. This chapter provides excellent observations and recommendations regarding how Chinese organizations, as well as businesses from other emerging markets, can build and strengthen global brands.

In sum, this book is dedicated to providing valuable and insightful resources for academic researchers and marketing managers or consulting professionals to understand and develop branding and brand management strategies in emerging markets. It can be used as instructional materials for marketing educators teaching branding and marketing subjects in emerging economies. As editors, we are very pleased to present this excellent collection of chapters to our readers, and we believe you will enjoy reading them.

Cheng Lu Wang
University of New Haven, USA

Jiaxun He
East China Normal University, China
REFERENCES


