Guest Editorial

From the Guest Editors

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Since the 1950s, Asian economies have been largely export-driven, with manufacturing industries supplying North American and European markets. As the internal economies of the early exporting countries have grown, foreign brands have entered, fuelled by the manufacturing sector and the emergence of a prosperous middle class. Given the increase in disposable income of consumers in recent years, Asia has become an important part of the global economy, a promising ground for multinational corporations' future growth and a battleground for brands of all origins.

To be successful in the global market, global brand players must be able to capitalise on the mindset of local customers and the opportunities created by the unique driving forces of each local market. This requires a thorough understanding of brand learning and buying behaviour of local customers and of the idiosyncrasies of the business context in different parts of the globe.

This special issue focuses on key brand-related issues that characterise the Asian market and have profound strategic implications for international marketers, from both a management and a customer perspective. The special issue has received a very favourable response from potential contributors: over 40 submissions from contributors in 15 countries/regions, with the majority from the US, mainland China, Taiwan, South Korea, Hong Kong and India. Submissions deal with the key brand building and management issues faced by multinational firms promoting their brands in Asia, including country-of-origin effects, brand perceptions among local

customers, brand and country personality as perceived by Asian customers, brand extension strategies for Asia, the impact of marketing mix on brand performance, brand equity measurement in an Asian business context, cultural impacts on brand perception and brand buying behaviour and the brand management competencies needed for successful brand management in Asia.

After a thorough review process, we finally selected six papers for publication in this special issue. These include three papers in the B2B category and three in B2C. Topic areas include branding capability in the emerging economies, original equipment manufacturer (OEM) branding, B2B brand extension decisions, a comparative study of the effects of corporate visual identity, within-category brand personality measurement and sales promotion effects on brand trust and purchase behaviour.

Many of the papers deal with issues identified as research needs by Keller and Lehmann's¹ thought-leader-in-branding paper. For instance, brand elements shape brand image, and it is important for marketers and designers to understand how visual effects are manifested in consumers' memory for brand elements.¹ However, there have been only limited empirical studies on the visual aspects of brand.² The study by Jong *et al.*, which demonstrates that cultural differences exist in consumer corporate visual identity (CVI) evaluation, is a timely response to this call for research. Whether cultural differences between North American and Asian consumers play a role in CVI evaluation will

have marketing implications for global companies. Their findings reveal that the role of affect was more important for American consumers while cognition was more significant for Korean consumers. The authors conclude that CVI is an important component in global marketing, and they draw attention to the need to manage the visual aspect of corporate logos.

How to use brands as platforms for business growth is an important strategic concern for many firms, both local and multinational. To do so calls for effective use of brand extension strategies, recently a key research topic in brand management research.¹ The study by Tang *et al.* deals with this issue, investigating how a B2B brand may be extended to the B2C market. Using the Aaker and Keller³ model, they examine the role of the perceived fit between a parent B2B brand and its extension product. Their results show that the consistency of brand concepts between the parent B2B brand and the B2C extension product is the dominant factor influencing consumer evaluations of perceived quality, innovativeness and skill transfer capabilities. The findings support previous consumer evaluation research on B2C brand extension.

Historically, the manufacturing sector in Asia developed in response to the outsourcing activities of large US and European retail/trading companies, seeking to contract out their operations to lower cost countries. Subsequently, contract manufacturing dominated the Asian manufacturing landscape in electronics, textiles, toys, watches and many other industries. Contract manufacturers engaging in high quality yet low-cost manufacturing developed prominent production capabilities and became known as OEM. OEM manufacturers brand goods according to overseas buyers' product specifications and do

not create their own brand. Today, however, many OEMs in Asian countries have developed to the stage of introducing their own brands to support future growth, but such companies are faced with strategic uncertainty and market risk due to their limited market knowledge and experience. The question of how to overcome these hurdles is of great interest to those OEMs who would like to become original brand marketers (OBMs). In their paper, Liu *et al.* conclude that two sets of forces determine OEM's chances of success in their own brand-building activity. The first relates to competence in product design and development, and the second relates to constraints defined by customer structure, which limit contract manufacturer's design and development competence for own brand production. Further, the choice of geographic target market and the stage of product lifecycle also determine success.

Developing competence in brand management is not just a major challenge to OEMs but to all firms that would like to compete on brands either for offensive or defensive purposes. The dynamic market environment of emerging economies such as China and India has increasingly attracted researchers' attention due to the unique cultural, economic, political and institutional environment of these countries. These markets are emerging as a battleground between multinational corporations (MNC) and local firms. How MNC and local players leverage their competitive advantage and learn from each other to develop their branding strategies deserves attention. Na Ni and Fang Wan develop a configurational framework to analyse the branding capabilities of firms engaged in competition in the changing environment of emerging economies. Specifically, they develop four archetypes of global competition and identify the particular type of branding

capabilities that a firm needs in order to compete successfully in each archetype. They illustrate their propositions with data from the Chinese cellular phone industry over the past 18 years.

It is well known that Asian consumers have a big appetite for American and European luxury product brands. Empirical research on the role of trust in brand-customer relationships and brand buying behaviour in retail business is sparse, particularly on luxury brand retailing in Asia. In their study, Luk and Yip test the effect of two brand trust dimensions—brand reliability and brand intentions—on consumers' spending on luxury brands. The findings reveal that brand intentions account for much of the effect on consumer spending and that confirmed customer satisfaction was an antecedent to brand trust. In addition, the findings show that brand trust effect could be significantly moderated by monetary sales promotions. In such cases, brand reliability would have no effect on the consumer's buying behaviour.

International marketers are interested to know whether perceptions of brand personality are culturally bound. The paper by Lee and Rhee draws on consumer perception to study brand personality within a single product category—men's apparel. Using South Korean data from 648 subjects with 44 men's apparel brands, including both global and local brands, they developed a conceptual framework and a set of scales on *within-category brand personality based on consumers' perception*

(WCBP-CP), with five structural components and six meaning dimensions. Their results show that the WCBP-CP framework is able to explain brand differentiation within a category.

In initiating this special issue, we aim to provide a contribution to the emerging research stream on brand management, and to help shape the research agenda on this important theme. In addition, the papers should provide insights and guidance for international marketers who are currently promoting their brands in Asian economies.

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**Tony Aperia, Sherriff T.K. Luk
and Leslie S.C. Yip**

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