

AN INTRODUCTION TO UNDERSTANDING CHINESE MARKETING STRATEGIES

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China's impressive economic growth performance over the past thirty years has elevated China to the second largest economy in the world. This economic performance was achieved with a centrally planned government and a market oriented system. Research suggests that Western academic and prescriptive literature on basic strategic marketing practices are practiced in Chinese manufacturing companies, with higher performing firms differentiating themselves by utilizing effective local marketing strategies (Huan, Brooksbank, Taylor & Babbis, 2008). And although there is a trend towards adopting Western marketing management theories, there are efforts to apply indigenously developed theories (Sutton-Brady, Voola, & Yuksei, 2010). However, China has a very unique and complex culture and philosophy that directly influences marketing strategies, consumer preferences and emotional appeal. Marketing strategies and research into doing business in China must be comprehensive in capturing the depth and understanding of China's political, legal, economic, social, cultural, and environmental systems; as well as development of marketing strategies, competitive intelligence strategies, marketing analysis, mode of entry, cultural impact on consumer behavior and so on. Further, researchers argue that organizations' marketing strategies must be locally adaptive and responsive in foreign countries; that is, *think globally; act locally*. Moreover, research further suggests that the Chinese consumer market is diversified, dynamic and constantly evolving at a rapid pace, reflecting China's economic growth.

For many decades China closed its doors to the rest of the world. During this period China had a central planning system. And in the late 1970s to early 1980s China transformed its economy to a market economy with the objective of achieving economic growth and social development. This strategic approach was further motivated by China's desire to gain, economically and financially, from globalization. And to achieve this goal China had to develop internal policies that promoted integration into global institutional systems. China's economic growth performance over the past three decades, averaging 9.7%, and especially during the most current global financial crisis has led many countries to change their perceptions of China (Torres, in press).

China's economic growth has come at the expense of environmental pollution and a widening in gap between the income levels. Thus, many Chinese corporations are lacking principles of Corporate Environmental Responsibilities (CER), or also called Corporate Social Responsibilities (CSR). Research suggests that the primary reason why Chinese corporations seldom practice CER is that their competitive strategies in cost cutting leave them with limited resources to comply. Today corporations are viewing environmental regulations as suffocating industry competitiveness; costly to society, and not at all improving environmental performance (He, & Chen, 2009). With such a strong global awareness, with regards to CSRs, due in part from the recent misguided corporations such as Enron, and many others, CSRs must be addressed by China if it is to sustain itself as a global competitor.

To this end, research suggests that Western basic marketing strategic theories and practices are effective in China. However, marketing strategies must follow in-depth Chinese marketing research in identifying market differences based on culture, political, economic, social and legal systems; that is, localization and adaptation. Further, the literature suggests that the Chinese culture is unique and complex and must therefore, be understood in order to apply the 4Ps of marketing mix effectively and in adapting to local consumer tastes and emotional appeal. Furthermore, research also suggests that the younger generation in China has adapted to global brands, whereas the older and more traditional Chinese prefer local brands and are slow to changing their preferences. Additionally, literature suggests that cross-cultural equivalence analysis must also be conducted, since often English words; for example, do not have a direct translation in Chinese. Research also suggests that the Chinese cognitive map is heavily influenced by their history and ancient literature. This influence is reflected in the Chinese psyche during negotiations, for example. As with all market entry strategies, China poses new challenges not faced by many corporations. Therefore, exhaustive research must be done with respect to the mode of entry into China, where risks and all variables have been considered. And market research must include competition in China and in foreign countries that do business in China. Moreover, research suggests that "regional heterogeneity of the Chinese market should be carefully considered to implement effective marketing strategies" (Li, Shenghui, Ahn, 2010, p. 55).