BY MALENE BIRGER

Branding and marketing in the era of globalization: A case study of a Danish luxury brand entering China

MASTER THESIS

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ABSTRACT

The Chinese market has become a magnet for foreign companies as the country, after having opened up to the outside world in 1978 and thereby getting influenced by global processes, has become wealthier, and is growing and developing with a tremendous pace. This has resulted in altered lifestyles, changing consumption patterns, and a burgeoning interest in fashion and luxury products, among other things. Despite the prospects for a great return on investment and growth opportunities, this marketplace is challenging and many fall through, especially Western companies. This master thesis therefore takes point of departure in brand identity theories, the debate of standardization and adaptation of the marketing mix as well as culture theories, all discussed in relation to globalization in order to understand what challenges these face today. By gaining insight from Chinese female consumers, the object is to explore, analyze and discuss how a Western luxury brand, in spite of the branding and marketing challenges that globalization brings along, can accede to the Chinese market. In order to establish a hypothetical scenario suitable for researching this, the thesis focuses on a Danish luxury clothing brand, By Malene Birger, who has not expanded to mainland China yet.

The master thesis adopts a constructivist approach as I am pursuing a deeper comprehension of the subject. In continuation of this, the research strategy selected is a qualitative approach. The data that form the basis of the analysis encompass semi-structured, in-depth interviews with six young Chinese female consumers in order to get as rich and detailed data as possible as well as a literature review on aspects relating to China. The literature review is used as a point of comparison when analyzing the interviewees and their behaviors, perceptions and worldviews. Thus, the thesis addresses a shortage of research focusing on brands in the light of globalization from the perspective of the consumers, rather than seen from the managerial side.

The analysis shows that the interviewees are different types of Chinese consumers and that they have become influenced by outer processes which can be seen in their consumption habits, their clothing and brand preferences, and their behavior. Although China has been bombarded with an abundance of brands and luxury products, the interviewees still select clothing on the basis of quality, price and style rather than the actual brand. Moreover, the way they perceive and speak of a brand differ as they have different mindsets and do not focus on or emphasize the same aspects. In like manner, the interviewees have different perceptions of when a product is luxury or not, although they all agree that it should be expensive. However, what is regarded as expensive also varies among them. In sum, the interviewees prove themselves challenging, complex and fluid, and the master thesis argues that they have hybrid identities due to their blend of local culture with elements of other cultures.

Based on the findings from the analysis, the master thesis argues that traditional branding approaches are challenged in today's world where the consumers are in flux and highly unpredictable. It moreover argues that one cannot assume that a complete standardized or complete adapted approach will work today, rather a situation specific approach is beneficial. Furthermore, it argues that By Malene Birger, a Western luxury brand, should familiarize itself with the consumers in China in order to succeed.

The thesis concludes that branding and marketing need rethinking when operating today as consumers are neither heterogeneous, nor homogeneous, but hybrid as a result of globalization.

Keywords: globalization, branding, marketing, culture, standardization, adaptation, strategies, luxury brands, Chinese market, Chinese consumers

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1 INTRODUCTION

Imagine yourself taking an evening stroll down the hectic and world-famous Nanjing Road in Shanghai, China. You pass enormous stores and shopping malls, you see flashing neon signs with strange-looking characters hanging on the walls, illuminating everything, and massive, futuristic-looking buildings pile up around you as you walk on the pedestrian street that is densely crowded with thousands of Chinese people, some of them eating chicken feet on sticks or noodles from a cup, some of them dressed extravagantly, some of them in blue clothing, sweeping the street with a handmade broom, and who all curiously gazes at you when you pass while expressing themselves in a language you do not recognize at all. At this moment, you presumably feel yourself placed in a peculiar culture where the only facet familiar to you is the international brands you encounter on your way. I know I felt this way, however, it did not take many weeks before this feeling turned on a dime. Living side by side with two Chinese girls of my age and spending my time with many Chinese people gave me invaluable insights into the Chinese culture, and I soon felt at home as I gradually realized that we were not as different as I initially felt on my arrival. Along with my curious observation of the Chinese people and the Chinese culture, I started noticing how most Chinese people have a profound interest in fashion and style, and I was surprised by their attention towards being well-dressed. Every week or every other week, packages were delivered to our apartment containing clothes that my roommates had bought. They were into fashion like numerous of other Chinese people, and our tastes were not as distinct from one another as I had envisaged. When going out shopping on my own in the malls and the busy streets of Shanghai, I was approached several times by Chinese girls who wanted to ask me what I would suggest for them to wear or which item I would select among two to three choices; an indication that Chinese girls embrace Western standards and are eager to learn more about Western style and taste. Moreover, due to my interest for the business world and the communications and marketing disciplines, I regularly noticed obstacles that make the Chinese market challenging for foreign companies to operate on, e.g. in terms of language, legislation, culture, mentality, Internet usage, business etiquette, relationship-building, counterfeit products, major competition, and so on. I curiously observed as well as read about how the world's most populous nation, China, has become a magnet for foreign companies as it is growing and developing with a tremendous pace, and yet, how many Western companies keep failing when trying to enter this market. Startup China (2013), a group of business experts specialized in the Chinese market, state that:

> "There are a plethora of reasons why western marketing strategies fail to reach Chinese consumers. Many companies believe that the same marketing campaigns that have been used elsewhere will also translate to the Chinese market, but this is often not the case [...] On the other hand, some foreign companies have localized too much to the point that they have lost their unique appeal" (para. 2).

Also, founder of Knudsen&Co, Mette Knudsen, who advises Western companies on their establishment in China, asserts that there is a need for thorough preliminary work in order to achieve success on the already tough, changeable and challenging Chinese market (Deloitte, 2014). All things considered, I started wondering how a Western company can make sense of and utilize branding and marketing strategies when targeting the Chinese market in today's world. What challenges and opportunities are there? Are the Chinese people as different as we tend to believe at first sight, or are we all becoming more and more similar? In order to establish a hypothetical scenario suitable for exploring and discussing this, the master thesis is focusing on a Danish luxury clothing brand called By Malene Birger, who has not set foot in mainland China yet and thereby has not been established, and branding and marketing decisions have not been made. Why a luxury brand has been chosen will be elaborated on in section 1.2, where the research area also will be further identified. Thus, the inspiration for this master thesis arose after having resided in Shanghai for five months in order to complete an internship as part of my master's degree. The overall experience of my stay along with the noticing of how similar Western and Chinese people in fact can be, and yet how complex and multifaceted the Chinese market shows itself for foreign companies filled me with wonder and encouraged me to research this further.

1.1 PROBLEM FORMULATION

Based on the circumstances written till now concerning my wonderment about the Chinese consumers and the Chinese market as well as the aspect put forth regarding market entry difficulties, the problem formulation guiding this thesis is the following:

> *By gaining insight from young Chinese female consumers in order to enhance the knowledge of cultural processes in the Chinese society, the object of this master thesis is to answer: How can a Western luxury brand, in spite of the branding and marketing challenges that globalization brings along, accede to the Chinese market?*

To answer and support the problem formulation, the following sub-questions have been defined:

1. How can the Chinese culture be operationalized in today's globalized world?
2. How can Aaker's (1996) brand identity planning model and Kapferer's (2004) brand identity prism, i.e. traditional ways of understanding branding and marketing, be challenged in today's globalized world? Why/why not?
3. Referring to theories of standardization and adaptation, what marketing strategy can a Western luxury brand employ, and why can this be considered useful?
4. What components should a Western luxury brand highlight in a Chinese context?

1.1.1 Elaboration

The goal of this master thesis is to use the hypothetical scenario of By Malene Birger and its future entrance into the Chinese market in order to explore the underlying issues that branding and marketing face in the era of globalization. It is carried out by using branding, marketing and culture theories, secondary literature and six qualitative, in-depth interviews with young Chinese female consumers. Whenever a company wishes to enter and compete in foreign market places, there are multiple decisions to take and efforts to make such as e.g. deciding on which markets to set foot in, performing market research, assessing own capabilities, deciding on the mode of entry, deciding on a marketing program etc. (Kotler, Keller & Lu, 2009). In this master thesis, the end consumers are brought into focus and interviewed rather than the company itself in order to make a sort of market research prior to market entrance as it is assumed that including the consumers when discussing branding and marketing in a globalized perspective is advantageous. In fact, according to Askegaard (2006), although some exist, there is a lack of research focusing on brands in the light of globalization but seen from the perspective of the consumers; the research focus has always been more on the managerial side. Thus, Chinese consumers will constitute a major part of this thesis.

With regard to contribution, the master thesis has three aims, namely 1) to contribute to the comprehension of branding, i.e. to examine if traditional approaches are challenged by globalization, 2) to contribute to the long-standing and somewhat confusing discussion of whether companies must standardize, adapt or strike the golden mean in order to flourish on a new market, and 3) to add new knowledge to the subject of doing business in contemporary China as China has and still is undergoing massive changes, and it has proven to be a dynamic and challenging market.

The following section will elaborate more on the research area from where this master thesis finds itself. It will address globalization, branding, marketing, Danish business approaches and explain why a luxury brand has been chosen.

1.2 RESEARCH AREA

Globalization has and continues to leave its marks around the world, and one of the more visible features of globalization can be encountered in our everyday life, i.e. brands from abroad. One of the forces of globalization is that trade barriers have blurred and this has paved the way for companies who, more effortlessly than before, can gain international presence and thereby expand their sales into these foreign grounds due to the increasing interconnectedness of the world (Askegaard, 2006). The constant flow of new entrants in a country further makes it difficult to prosper in this new environment; this is where the notion of branding becomes essential in order to set oneself apart from competitors in today's globalized world (Baisya, 2013). Branding is a phenomenon with a long history as it emerged centuries ago where it was used to e.g. mark the ownership of slaves or animals by literally stigmatizing them. It was not till the twentieth century that it was adopted into the world of business and marketing (Bastos & Levy, 2012). Implicitly proposed by a number of experts and scholars (e.g. Roberts, 2004; Aaker & Joachimsthaler, 1999; Keller, 2004), branding is a universal method that can be used identically across nations. This idea of branding as an all-embracing method correlates with the perception found previously in international marketing literature saying that "marketing principles are universally applicable, and the marketer's task is the same whether applied in Dime Box, Texas or Katmandu, Nepal" (Cateora and Hess, 1966, p. 4), indicating that their conception of branding has not changed in decades. In a fairly recent book, Baisya (2013) argues that the traditional way of looking at and treating branding is challenged by globalization, and that more and more brands fail. This clash raises the question if branding needs rethinking and a different approach when operating in the international and highly volatile marketplace? Another aspect in the international marketing literature that originated from globalization is the debate concerning standardization and adaptation that has been ongoing for around 50 years, and essentially deals with whether companies should standardize or adapt their marketing mix in markets overseas in order to accede to this foreign and perhaps culturally different environment (Schmid & Kotulla, 2011). The underlying thought is whether the consumers become more homogeneous or more heterogeneous as a result of global processes (Ryans et al., 2003). Owing to the many years of research, an immediate thought would be that the topic has been exhausted, however, the debate remains unsettled (Vrontis et al., 2009). Theodosiou and Leonidou (2003) argue that more empirical research is needed as the results up until now are "[…] too fragmented to yield clear insights" (p. 141). Agreeing with this stance are Schmid and Kotulla (2011) who elucidate that the previous research results are contradictory, and that extant literature reviews throw doubt on the outcome. Hence, it is still relevant and necessary to conduct research in this area.

When looking into the past, a vast number of companies or brands in the business-to-consumer category have stumbled or failed when trying to break into the Chinese market such as e.g. Mattel, Toyota, Hummel, Jysk, Bang & Olufsen and Georg Jensen just to name a few (Hall, 2012; Boutrup, 2011; Reuters, 2012; Tulshyan, 2013; Wang, 2012). The latter four companies mentioned are Danish companies who have had a hard time gaining a foothold in the Chinese market. Where these have had obstacles to overcome and maybe even pulled up their stakes, other Danish companies have managed to position themselves in a successful way like e.g. Bestseller and Carlsberg (Boutrup, 2011). Nonetheless, when doing business in a foreign setting, investigations have shown that Danish companies often have a lack of focus on cultural aspects and do not prioritize it enough (Eiberg et al., 2013). Eiberg et al. (2013) argue that Danish people, although having a broad interest in the global world, often tend to disregard diversity by virtue of Denmark's history as a homogeneous nation without that many interferences from other cultures or nations. In other words, they do not have enough practice in this field. Additionally, Eiberg et al. (2013) point out that cultural dimensions often are considered merely to be a 'soft' subject and thereby something a company can focus less on without further ado. In a time where globalization is prevailing, intercultural differences could be fundamental to consider.

After initiating economic reforms in 1978 and thereby opening up to the outside world and becoming influenced by global market processes, China has experienced a rapid development such as e.g. increased export rates, a rising middle class, higher disposable incomes, improved purchasing powers and an intense economy growth leading to the position as the world's largest economy today (Atsmon et al., 2011; Atsmon & Magni, 2012; The World Bank, 2014;

Carter, 2014). All these aspects inevitably result in changes in lifestyles as it has created a more affluent society than before. Moreover, the Chinese market is truly promising with regard to luxury brands as it is envisaged that Chinese consumers in 2015 will account for approximately 20 percent of the global luxury sales (Atsmon et al., 2011); an indication that after the private expenditures of Chinese people have augmented, their consumer behaviors and willingness to spend money on quality products has too. These advanced spending patterns seem advantageous for companies who has luxury products put up for sale although being successfully present in the world's most populous nation with a number exceeding 1.3 billion and getting a hold in the Chinese consumer probably is an achievement most companies strive for no matter what they sell. Indeed, China has become a lucrative marketplace many want to have a share in owing to the prospects for a great return on investment and growth opportunities, but it has also become a marketplace where many fall through.

Following the introductory remarks leading to the problem formulation and an account of the research area, this chapter continues with a few concept clarifications, a presentation of the company in focus, and lastly, an overview of the remaining parts of the thesis.

1.3 CONCEPT CLARIFICATIONS

To avoid any confusion and to help the reader understand, there are a few key concepts I want to enlarge on in order to clarify how I approach them henceforward in this master thesis.

Globalization is an abstract term and difficult to give an adequate definition of, however, one definition that I acknowledge is that globalization is "[…] not a single, all-encompassing process sweeping the globe […] [but] a number of processes by which products, people, companies, money and information are able to move freely and quickly around the world, unimpeded by national borders or other territorial limitations" (Morrison, 2006, p. 138). On the grounds of this, I see globalization as a compression of our world; more interconnected along with more influencing, exchanging and sharing across countries than ever before; like a past, present and future processes that impacts on the world. Although globalization can be seen in connection with many areas such as economy, technology, environment, communication etc. (Ritzer, 2003), the focus in this thesis is on the impact globalization has on the area of cross-cultural business and consumption. Moreover, in this thesis, I focus mostly on the hurdles that globalization causes for companies, although I acknowledge and welcome all the positive effects it has and the opportunities it brings.

The concepts of branding and marketing have already been touched on, however, they have not been explained in relation with one another. Basically, and seen from a business perspective, I consider branding as who you are and marketing as what you do, i.e. branding as strategic and marketing as tactical, albeit I will not treat one concept as superior to the other, even though some people argue that branding is part of marketing or the other way around (Baisya, 2013). "Companies imbue brands with meanings through a variety of actions explicitly or implicitly included in a marketing plan, or in the four P's […]" (Torelli, 2013, p. 7). Hence, I see these concepts as intertwined and important to one another which is why they both appear in this thesis. How these can be defined will be elaborated on in the theory chapter.

The concept of culture can be used in many connections such as e.g. music, theatre and art (De Mooji, 2010), however, in this thesis, the concept is used with regard to "[…] the glue that binds groups together" (ibid., p. 48), i.e. the shared ideas, beliefs and values that exist among cultural members and guide them, but the concept of culture is also seen as of a more complex nature, where cultural members become more individual and are able to negotiate these ideas, beliefs and values (Jensen, 2007). When conducting business across nations, culture is an important element to consider which is why it appears in the thesis. Culture will be further elaborated on and defined in the theory chapter.

Another key concept that is repeated throughout this master thesis is luxury brands. High quality, expensive, strong artistic content, international and craftsmanship are some of the words used to describe a luxury brand (Chevalier

& Lu, 2010; Li et al., 2012). They are moreover characterized by "exclusivity, premium prices, image and status, which combine to make them desirable for reasons other than function" (Jackson, 2004, p. 158). The By Malene Birger company identifies themselves as luxury as can be read in the following section. Luxury brands will also be further elaborated on in the theory chapter.

1.4 PRESENTATION OF BY MALENE BIRGER

The aim of this section is to provide background information about By Malene Birger that includes knowledge of the brand, its history, and its international expansion process so far.

1.4.1 The brand

By Malene Birger is a high-end Danish luxury brand that retails clothing, shoes, bags and accessories to the modern-minded consumer. The company aims at being perceived as an upscale and internationally well-respected brand (IC Group, 2015), with affordable luxury products that is "[…] easy-to-wear while still looking modern and relevant" (By Malene Birger, 2015b). Appendix one illustrates a few examples of their items in order to show how this brand manifests itself. Throwing a glance at some of their products, it can be seen that there is something for every purse and purpose, e.g. 299 DKK for a basic top, 1,599 DKK for a black evening dress, 2,699 DKK for a pair of sandals, 3,299 DKK for a coat (By Malene Birger, 2015c). With reference to selling places, the brand is sold different places online and in physical stores. In March 2015, they launched a new design concept in their Copenhagen store characterized by circular shapes, warm nuances, leather etc., all meant to create a universe of luxury from the moment the consumer steps into the store (By Malene Birger, 2015d). Thus, the stores are places where the company wants exclusivity and elegance to radiate. Regarding promotion, the company uses the social media platforms Facebook, Twitter, Instagram and Pinterest (By Malene Birger, 2015e), and if looking at their Facebook timeline, it can be seen that they also have ad campaigns in magazines such as Eurowoman, Elle and Cover, and that they use celebrity endorsers like Khloe Kardashian (American television personality) and

Christiane Schaumborg-Müller (Danish actress) to promote the brand by emphasizing when they have worn their clothes (Facebook, 2015).

1.4.2 History

Malene Birger, the award-winning Danish fashion designer, initiated the company in 2003 (Wederwang et al., 2014). In reference to finances, the listed Danish company IC Group A/S has from day one operated as Malene Birger's investor with a 51 percent ownership of the shares. Being the founder and creative director with many working hours, Malene Birger decided in 2010 to relinquish her share in order to immerse herself in other exciting projects, and consequently, the remaining 49 percent were bought by IC Group A/S which gave it full ownership of the brand. This day, Malene Birger still advises the company, works as the face of the brand and has responsibility for e.g. the collections (By Malene Birger, 2015d; Schelin, 2011; Pedersen, 2012).

1.4.3 International presence

As IC Group A/S bought up the remaining shares in 2010, it increased and strengthened the possibilities for international expansion (By Malene Birger, 2015d; Wederwang et al., 2014). Currently, By Malene Birger is present in more than 42 countries, such as e.g. France, Japan and United Arab Emirates, and one of the most recent openings being their flagship store in Hong Kong. In the future, By Malene Birger is planning on entering the Chinese market (ibid.).

1.5 THESIS CONTENT AND STRUCTURE

This master thesis is comprised of seven overall chapters, and to get an overview of these, this section briefly outlines the content by the use of the following model (figure one) and an elaboration of this afterwards.

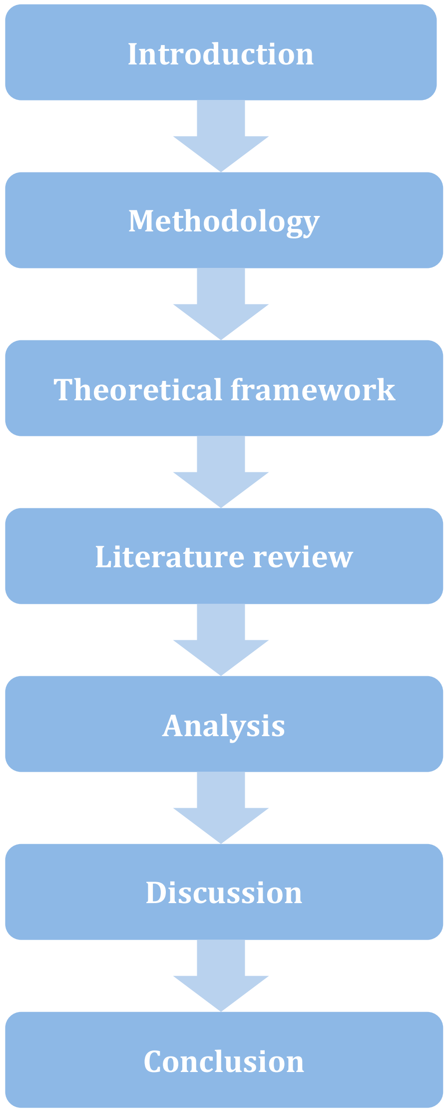

Figure one. Thesis structure (Own illustration)

Chapter 1 provides an introduction to the topic that leads to the problem formulation along with some sub-questions and an account of the research area. The introduction continues with concept clarifications and a presentation of By Malene Birger.

Chapter 2 describes my scientific stance along with accounting for the research design and strategy of this thesis. Next, the methods used including interviews and literature review will be specified and substantiated, followed by criticism of the gathered data as well as ethical considerations. Then, an explanation of how the data will be analyzed further on will be given, and to complete this chapter, one delimitation will be pointed out.

Chapter 3 presents the theoretical framework that provides guidance to the master thesis. The areas that will be dealt with encompass branding, marketing and culture with globalization treated as an integral part of these.

Chapter 4 outlines a brief literature review based on secondary literature that is composed with the purpose of gaining more insight into China, the society and the consumers.

Chapter 5 is the analysis that will draw on the theoretical framework, the literature review and the qualitative interviews conducted with the Chinese consumers. The overall themes in the analysis are the following: buying habits, Chinese society, brands and luxury brands, marketing activities and cultural values.

Chapter 6 will be a discussion written in the light of the analysis chapter in order to pick up the different pieces and discuss it further.

Chapter 7 is the conclusion of the thesis where the content will be reviewed along with some closing thoughts in order to round off what has been researched.

2 METHODOLOGY

This chapter outlines the methodological considerations of this master thesis as well as justifies the choices made. Beginning with an explanation of my scientific stance in this thesis, the chapter moves on stating research design and strategy, followed by an account of research methods. Then, criticism of the gathered data will be given as well as conveying the ethical considerations. Next, an elaboration on how the data will be analyzed will be explained. Finally, and to end the chapter, a limitation of the thesis will be put forth.

2.1 ONTOLOGY, EPISTEMOLOGY AND METHODOLOGY

In the following section, the paradigm will be expounded on. This is of vital importance to the master thesis as it, according to Nygaard (2012), will influence one's assumptions and actions, and thus, it is essential to make one's scientific stance explicit and reflect on it in order to recognize why the research process and the research outcome turn out the way it does.

One universal definition of a paradigm does not exist, but Guba and Lincoln (1994) define a paradigm as "[…] basic belief systems based on ontological, epistemological, and methodological assumptions" (p. 107), which indicates that the paradigm can be recognized on the basis of the three questions of ontology, epistemology and methodology. The question of ontology plays a dominant role and concerns the nature of reality, i.e. what is reality and how is reality perceived by the researcher? The response to this question is crucial to and will constrain what can be answered to the subsequent questions as this posture is fundamental (Guba, 1990; Guba & Lincoln, 1994). In this master thesis, I see reality as a social and mental construction, i.e. nothing is a fact, reality is constructed by human beings in their minds and hence, multiple realities exist as we all have different ways of agreeing on and grasping reality. As it all depends on the view we take, one could say that this viewpoint is a form of relativism (Nygaard, 2012; Mackenzie & Knipe, 2006; Guba, 1990; Guba & Lincoln, 1994). The question of epistemology deals with the relationship between the knower and the knowable, i.e. what is the researcher's relationship with the knowledge he or she is about to uncover or discover; is he or she a part of that knowledge or not? (Guba, 1990; Guba & Lincoln, 1994). Epistemologically speaking, the research outcome in this master thesis will be created in the process and by interacting with interviewees. Thus, my position is imbued with subjectivism rather than objectivism as the outcome only come into being by interacting with the human beings that create and hold the reality and by eliciting their mental constructions (Nygaard, 2012; Mackenzie & Knipe, 2006; Guba, 1990; Guba & Lincoln, 1994). The question of methodology is about how the researcher finds and obtains the knowledge, i.e. how does the researcher carry out research and with what strategic approach? (Guba, 1990; Guba & Lincoln, 1994). Methodologically speaking, I will analyze, compare and interpret these constructions from the human beings involved, with the object of generating constructions with agreement and consensus; like a hermeneutical approach (Nygaard, 2012; Mackenzie & Knipe, 2006; Guba, 1990; Guba & Lincoln, 1994). Putting these three stances of ontology, epistemology and methodology together creates a holistic view of the paradigm I adhere to in this specific research, namely constructivism (ibid.), where "[…] the core of understanding is learning what people make of the world around them, how people interpret what they encounter, and how they assign meanings and values to events or objects" (Rubin & Rubin, 2012, p. 19). In other words, a researcher, who undertakes a constructivist position, intends to "[…] reconstruct the "world" at the only point at which it exists: in the minds of constructors" (Guba, 1990, p. 27), and would seek to understand a phenomenon unlike explaining a phenomenon like a positivist would do (Creswell, 2014). To put it into practice, I am in this thesis pursuing a deeper comprehension of cultural processes in China by interviewing Chinese people in order to explore how branding and marketing are challenged today. I am therefore not using statistical data, instead I intend to lay open, rely on and interpret the beliefs, experiences and viewpoints of each of the interviewees, as they hold their own reality, in order to generate knowledge, identify patterns and obtain consensus that I can use in my pursuit of understanding. I recognize that I am co-creating the knowledge with the interviewees by interacting and asking the interviewees questions, and I am furthermore aware that my own background, culture, experiences and knowledge, i.e. a pre-understanding, will shape and effect my interpretation (ibid.). Also, this correlates with the hermeneutical approach as I am interpreting theory and data from my own pre-understanding in order to reach a new and deeper understanding of branding and marketing (Fuglsang & Olsen, 2007). It is therefore a process of going back and forth, looking at the interplay between the parts (the By Malene Birger brand, the Chinese consumers, the Chinese society) and the whole (the context from where these are situated), in order to provide a basis for new understanding; similar to the principle of the hermeneutic circle (ibid.). If, for instance, the subject was situated in another context and seen from the eyes of another researcher, it would most likely provide other findings and new results. For that reason, the findings in this thesis are not generalizable as such, but they do still provide useful information that should be seen in the context from where it was produced.

2.2 RESEARCH DESIGN AND STRATEGY

Having disclosed that I adhere to constructivism in this master thesis, this section moves on explaining the research design and then the research strategy, i.e. whether it is a qualitative, quantitative or mixed methods approach I choose.

A research design, according to De Vaus (2001), "[…] ensure[s] that the evidence obtained enables us to answer the initial question as unambiguously as possible" (p. 9), and consequently, a research design is essential to any research conducted in order to answer the problem formulation as clearly as possible. To understand the significance of it, the following analogy will help making sense of it. In the construction business, prior to any sketching, planning, ordering of materials etc., one must decide on or know the type of construction that is being built, i.e. whether it is a factory for machinery, an office building with eighteen floors and the like, as performing any tasks without information on the type of building presumably will be a waste of time (ibid.). Similar to this idea is the research design; it functions as an overall plan or procedure for the research (ibid.).

In social research, multiple research designs are practicable, e.g. experimental design, case study design and comparative design to name a few (De Vaus, 2001;

Bryman, 2012), however, in this master thesis, the research design will be a case study, defined as a "[…] detailed and intensive analysis of a single case" (Bryman, 2012, p. 66), where the term 'case' can be defined as an individual, an instance, a group, a city; it can take the shape of many things (Kumar, 2011). As the above quotation implies and thereby also one incentive for choosing the case study design is that focus is on one case; in this thesis, the case is the By Malene Birger brand that I explore in a Chinese context in order to make sense of and to gain knowledge of branding, marketing and cultural processes in a globalized world. Another incentive for choosing this design is that a case study is immensely relevant when wanting to go in-depth with a subject and when pursuing understanding rather than confirming, where the former is what I aim for (Kumar, 2011). An aspect worthwhile mentioning is that I am not looking at By Malene Birger in order to act as a consultant to them, rather I am utilizing the company's brand as a case study in this master thesis to represent a luxury brand within the fashion industry that I can use for a broader purpose.

Moving on, the research strategy selected for this master thesis is a qualitative approach, explained as a strategy that "[…] usually emphasizes words rather than quantification in the collection and analysis of data" (Bryman, 2012, p. 380), and that entails data collection methods such as e.g. ethnography, interviewing and focus groups (ibid.). This approach has been chosen first and foremost because a qualitative approach is consistent with the constructivist paradigm as it is interpretive in nature (Creswell, 2014; Guba, 1990). Albeit a qualitative method often goes with taking on a constructivist approach, quantitative methods also get deployed from time to time, however, still with the purpose of interpreting and understanding (Mir & Watson, 2000). Nonetheless, the qualitative approach has been chosen due to the nature of the problem formulation guiding the thesis; it implicitly asks for 'whys' and 'hows' rather than 'how many' which therefore requires a more interpretative approach that will provide rich and in-depth data.

2.3 METHODS

Taking on a qualitative approach, the data that form the basis of the analysis consist of both primary data (interviews) and secondary data (literature review), all conducted and collected for the specific purpose of this thesis. The way knowledge and data are acquired in this master thesis will be touched on and justified in this section.

2.3.1 Qualitative interviews

In order to approach the young Chinese female consumers, I have chosen to interview them, as the qualitative interview "[…] is a key venue for exploring the ways in which subjects experience and understand their world. It provides a unique access to the lived world of the subjects, who in their own words describe their activities, experiences and opinions" (Kvale, 2007, p. 9). Choosing this way of gaining knowledge yet again correlates with the constructivist paradigm as the interview is "[…] a meaning-making experience and […] a site for producing knowledge through the "active" collaboration of both interviewer and interviewee" (Hiller & Diluzio, 2004, p. 3), i.e. I am a creator of the knowledge as well as the interviewee is. I have reached the decision that the method of interviewing will turn out to be beneficial and suitable for gaining knowledge on the world of Chinese consumers although I have had my concerns. Initially, I was contemplating whether interviews or a questionnaire would give the best and most applicable results. What spoke in favor of interviews was that it would give more rich and valuable data and I could ask for further elaborations if needed and thereby obtain and co-create the knowledge needed for the thesis. What spoke against interviews was my uncertainty that the language barrier between them and me would be too damaging to the quality of the data as I know from experience that many Chinese have difficulties in expressing themselves in English because they either are shy or afraid of making mistakes, or their English is rusty as they have not practiced it since they left school. What spoke in favor of a questionnaire was that it would give information on more consumer lives and that filling out a questionnaire would provide the Chinese with more time to think before giving their answers in a written language. What spoke against a questionnaire was that I would not be able to intervene; the answers would be answers with no possibility for elaboration. For example, this thesis would not benefit from knowing that 52 consumers agree and find that luxury brands should be expensive and look sophisticated if the possibility was not there to get it particularized. And in case someone provided illegible or incomprehensible answers, these answers would be worthless to the thesis. Also, making a questionnaire with specific answers they can choose from is like a multiple choice test which would provide more or less rigid data. All things considered, I decided on the qualitative interviews, mainly because interviews would give more detailed and in-depth answers which is what I pursue in order to understand and interpret branding and marketing in today's world, and moreover, because I have Chinese contacts that would be able to help me; this will be elaborated on in the following section.

2.3.1.1 Selection criteria

When selecting the interviewees, I had only three requirements, 1) they should be female as I am focusing on By Malene Birger that retails products for women, 2) they should be Chinese as it obviously would be the best choice since I am focusing on the Chinese market, and 3) they should have resided in China for the majority of their lives so that they have been situated in the context of the Chinese market and Chinese culture for a long time and not e.g. have lived in another country for years with other social and cultural influences. Nothing else was required than these three conditions. On the grounds of my stay in Shanghai, I have made friends with people residing there, and I therefore utilized my network in order to find interviewees for the purpose of this master thesis. The six interviewees chosen fulfill the above criteria and are acquaintances/friends of mine that I either have lived with, worked with, studied with or interacted with under informal circumstances at some point. Consequently, they were each personally approached through the Chinese messaging app, WeChat (the Chinese equivalent of Facebook), and inquired if they would like to contribute to my master thesis with their knowledge, opinions and beliefs about luxury brands, consumption and other accounts of their lives. Each one of them accepted without further ado; they were more than happy to help. Furthermore, because of my acquaintance with them, I can get closer to them and closer to their everyday life. Due to my experience in China, my assumption is that they will confide in me and share more than they would have done if I was a stranger to them. On account of our friendship and because this is about the Chinese and their lives, I have decided to make each of them anonymous in this master thesis, and thereby only call them by letters, e.g. 'consumer A expresses this whereas consumer B says that'. They were all aware of their anonymity which hopefully made them even more comfortable in expressing their attitudes. In figure two below, information about the six Chinese interviewees is provided to give an idea of and insight into who these people are and how their lives are, without disclosing their name and identity.

Consumer A	25 years old. Status not provided. Project manager. Has a master's degree in Management of Training and Development. Resides in Shanghai. Hobbies and interests are travelling, watching movies and doing sports.
Consumer B	24 years old. Single. Entrepreneur. Has a master's degree in Finance and Accounting. Has lived in Shanghai, but resides now in Qinhuangdao. Hobbies and interests are jogging, reading, investment, painting and swimming.
Consumer C	24 years old. Single. Studies journalism. Has stayed in Denmark for a semester. Resides in Beijing. Hobbies and interests are botany.
Consumer D	27 years old. Single. Studies Culture, Communication and Globalization. Currently resides in Aalborg, but is soon travelling back to her hometown, Hangzhou. Hobbies and interests are swimming, making cakes with friends and riding bikes.
Consumer E	25 years old. American boyfriend. Customer support. Has a bachelor's degree in International Economics and Trade. Resides in Shanghai. Hobbies and interests are shopping, travelling and singing.

Consumer F	24 years old. Single. E-commerce. Has a bachelor's degree in Chemistry. Resides in Shanghai. Hobbies and interests are listening to music, dancing, doing sports and travelling.

Figure two. Interviewees (Own illustration)

As it can be seen from the above figure, the interviewees are in a narrow age group of 24-27 years old, their occupations differ, with four of them being employed and two of them still actively studying, and their overall profile indicates that they are considerably different. The majority of the interviewees live in Shanghai, and furthermore one in Beijing, one in Qinhuangdao and one in Aalborg respectively. Moreover, two of the interviewees have knowledge of Denmark as one have stayed and one currently is staying in Denmark.

2.3.1.2 The interview form, interview stage and interview language

The interviews in this thesis are semi-structured. This type of interview is, as the wording indicates, only structured and controlled to a certain extend as the interviewer "[…] has some latitude to ask further questions in response to what are seen as significant replies" (Bryman, 2012, p. 212). Hence, choosing this type of interview gives me a degree of flexibility so that I can follow the natural progress of the dialogue. A total of six semi-structured, in-depth interviews have been held, with an average duration of 1 hour and 2 minutes (the lengths of the interviews were 85, 58, 67, 54, 52 and 56 minutes respectively). Ideally, a researcher would stop interviewing at the point where no more relevant or new knowledge emerge, also called data saturation (Saumure & Given, 2008; Ambert et al., 1995), although it is hard to estimate when a satisfactory and adequate amount of information has been gathered. However, having a constructivist stance in this thesis, I take it that each interviewee creates and holds her personal opinion, and thus, each interviewee will possibly add a bit of new knowledge every time due to their individuality. Nonetheless, I held six interviews as these gave me valuable and useful knowledge; each interview was different although many aspects also recurred. In terms of the interview stage, they have all been conducted and recorded through Skype although I would have preferred face-to-face interviews in a cozy setting with a relaxed atmosphere, as the setting is important and should stimulate and encourage the interviewees to express themselves (Kvale, 2007). In a face-to-face setting, the interviewer also has the opportunity to establish good contact which is crucial for the interviewee in order to feel comfortable; especially if the interviewer and interviewee are unfamiliar with one another (ibid.). However, at the time being, I have moved back to Denmark, and thus, face-to-face interviews are not feasible anymore due to the long distance, and therefore, Skype was brought into action in order to outdo time and space. The fact that I know the interviewees fortunately diminishes the challenges brought by Skype and its lack of personal interaction as a Skype video call in this context would be like a reunion rather than a stranger calling. Also, when using Skype, it is still possible to see the interviewee and to show acknowledgements and confirmations by e.g. nodding and smiling. In terms of language, the spoken language during the interviews was English, which is a second language to both the interviewees and me, and furthermore the only language we have in common and are able to communicate with.

2.3.1.3 Interview guide

Prior to the interviews, an interview guide was composed (see appendix two), inspired from and relating to the theory and literature review of this thesis, and also from my pre-understanding and knowledge of China i.e. areas I considered essential in order to understand the lives of these Chinese consumers. I found it important to make a framework of questions to ascertain that the same areas would be covered in each of the interviews in order to discover patterns, enable comparisons and to make sense of it (Knox & Burkard, 2009), which is common due to the nature of a semi-structured interview. That being said, I would not stop the interviewees from sharing interesting aspects that go beyond the interview guide if they felt like it; I would follow through and then eventually return to the interview guide again. And in case I came up with more questions, I would not hold back.

The questions are categorized by the following themes; consumption, social context, life of the individual, branding, marketing and luxury brands. The consumption questions were created in order to obtain information about the consumption patterns of the Chinese and how and why they purchase clothing. I imagined myself to be By Malene Birger and I thought about what factors would be relevant to explore and know more about if targeting these consumers. The social context questions were shaped and inspired by the literature review, where knowledge about China is given, to see how much the surroundings and friends' opinions mean to them. This is something I anticipated would be desirable to know from a company perspective. The questions regarding life of the individual deal with their relationship with their family and their dreams about life: all inspired from the literature review. These questions go deeper as I was searching to explore the more underlying processes of their everyday lives. I had an assumption of what they would answer in advance, and I found these aspects to be valuable to the thesis in order to understand the cultural processes. The branding and marketing questions emerged from branding and marketing theory respectively, and they do seem simple and specific, but they are created with a deeper purpose which will be clarified while analyzing. Also, these are relevant in order to discuss the traditional branding models as well as the two views of standardization and adaptation. The questions regarding luxury brands were constructed on the grounds of what has been written about luxury in this thesis, both in theory and in the literature review, with the purpose of knowing more about how they perceive luxury and thus, what a company should be aware of. The questions from these different themes thereby have different objects, and are all constructed with a certain end in view. Furthermore, the questions are mainly characterized by being open (e.g. tell me about how you normally shop for clothes?) and direct (e.g. do you own a luxury brand?) while attempted to be kept brief and simple to ensure an understanding of these from the Chinese consumers (appendix two; Kvale & Brinkmann, 2009; Knox & Burkard, 2009). In order to give the Chinese consumers the best opportunity for answering, to make them feel comfortable and for our common good, the interview guide was sent to them in advance. One might argue that giving them the questions in advance will impair the possibility for them to speak above and beyond the questions asked, however, as I have come to know and understand Chinese people better during my stay in Shanghai, I felt the need to inform them about my questions. Simultaneously with the questions they received, I informed them that they should regard the interview as a normal conversation between me and them; just like we have had before, although an interview situation cannot be seen as entirely conversational because there is an asymmetrical relationship as I am the one controlling and putting forth questions whereas the interviewee is the one to respond (Hiller & Diluzio, 2004). In addition to the questions they received, a collage with clothing and prices from By Malene Birger was created and sent to the Chinese in order for them to look at, to form an idea of, and to have a foretaste of the style of By Malene Birger (see appendix three for the collage). During the interviews, they were asked questions about the clothing and prices from the collage.

2.3.1.4 Interviewing cross-culturally

A substantial aspect of the interview situations in this master thesis is that they are all carried out across cultures, i.e. across Danish and Chinese culture, which potentially could affect the interview. Why this is and why this aspect is crucial to bear in mind is that interaction forms, roles, gestures, norms, verbal factors, non-verbal factors etc. are all culturally dependent and thereby also different from culture to culture, and thus, it is important as an interviewer to be familiar with the other culture in order not to go amiss (Kvale, 2007; Kvale & Brinkmann, 2009; Knox & Burkard, 2009). For example, according to Ryen (2002), a challenging aspect of interviewing and communicating cross-culturally is breaks and silences. Where people from Western cultures often tend to start speaking whenever there is a pause, people from Asian cultures use pauses as an active part of their communication. These differences might imply that a Westerner accidentally interrupts an Asian when the latter still is speaking and finishing up his/her sentences (ibid.). Even the use and meaning of a simple ‘yes’ or ‘no’ can vary across cultures which may lead to misconceptions (ibid.). Fontes (2008) explains that we have been trained to interview in a universal manner where we disregard cultural differences and emphasize similarities. In her book, Fontes (2008) justifies why this universal approach does not work and why a multicultural approach is needed instead where we see the interviewees "[…] as individuals and as members of cultures" (p. 4). Hence, it is imperative to see and understand the interviewee as an individual, but an individual from a certain culture that presumably, but not necessarily, entails other values than one's own, which necessitates an approach that makes allowance for cultural differences. While interviewing cross-culturally in order to obtain knowledge for this thesis, I therefore had to consider potential communicative clashes. Fortunately, I have been accustomed to speak to these specific interviewees, and therefore I had some advantages as I am familiar with how they react and respond. Still, I needed to be alert and mindful of possible factors that impacts on our mutual relationship and the entire situation. Retrospectively, the cross-cultural interviews were performed without any noticeable difficulties regarding communication and interaction, from my point of view; I cannot know if the interviewees feel differently. Criticism of the data will be elaborated on in section 2.4.

2.3.2 Literature review

Based on secondary literature, a literature review has been written in order to know more about China and to get to know more about the destination culture for the By Malene Birger brand. To be more specific, it has the purpose of gaining more insight into Asian versus Western culture, Chinese consumerism, luxury brands in China and Chinese values. Together with the theoretical framework, these will be utilized in the analysis for comparing and discussing the findings in relation to theory and literature.

2.4 CRITICISM OF DATA AND ETHICAL CONSIDERATIONS

The qualitative interviews will be used in the analysis, which make up a major part of this thesis, and on the grounds of that, it is important to take a step back and evaluate and look at the outcome of the data. Therefore, a critical view on the gathered data will be taken in the following as well as ethical considerations will be conveyed.

Knowing one's interviewees poses some issues according to Blichfeldt (2007), however, advantages also exist. One of the advantages is that the interviewee would be more open and honest due to being familiar with the interviewer, allowing the interviewer to learn more of the aspects 'back stage', which possibly will lead to a more genuine interpretation when working up the data (ibid.). This was experienced in my interviews; I got the impression that the interviewees gave me authentic answers without hiding anything or being reluctant as we know each other on a personal level. An interviewer should, nonetheless, be careful not to force anything or exploit the pre-existing relationship between him/her and an interviewee (Braun & Clarke, 2013). I cannot know whether my interviewees agreed to contribute to my thesis out of delight, or if they did it because they felt it inappropriate to say no. Another aspect of interviewing acquaintances/friends is the bonds between interviewer and interviewee that might result in data outcome where many opinions and attitudes appear implicitly rather than explicitly as the interviewer, while interviewing, understood what was being said although it was said in a manner that only friends would understand (Seidman, 2013). Consequently, I attempted to make sure that their utterances would be expressed as explicitly as possible when interviewing, and I therefore had planned to make them elaborate on things that may seem clear to me, but presumably would seem unclear to others, however, I found this to be difficult in the process. Moreover, the bonds between them and me sometimes made the atmosphere too relaxed where laughing and expressions like 'you know' occurred. This does not necessarily have to affect the quality of the data negatively, but it is important to reflect upon it and include it in the interpretation process. The use of Skype as a way of outdoing time and space worked well, except for one interview where the sound quality fluctuated which sometimes resulted in slightly fragmented answers. This is one of the downsides of interviewing by the use of technology.

In terms of ethical considerations, I purposely chose to make the interviewees anonymous to avoid exposing their identity even though the topic is not particularly sensitive. First of all, their names are irrelevant to the thesis. Second of all, as I know them and they probably disclose more information than they would have done otherwise, I wanted them anonymous for the sake of their convenience. Another consideration I had regarding ethics was whether it was appropriate or not to ask for information concerning their yearly disposable income to see how much money different Chinese consumers have available after all. I ended up dismissing the idea as I felt it was crossing their line and invading their privacy.

2.5 METHOD OF ANALYSIS

Having a sheer amount of gathered data can be bewildering, and therefore, a systematic method for analyzing it is needed so as to make the best of it and to discover patterns and useful knowledge (Froggatt, 2001). In order words, it is about "[…] taking collected data and working with it to create an authoritative written account" (ibid., p. 433). Thus, this section will explain the method of analysis.

The questions in the interview guide arose from categories inspired from theory, the literature review and my own knowledge about China, i.e. the categories of consumption, social context, life of the individual, branding, marketing and luxury brands (cf. section 2.3.1.3). This provides a good structure where categories already have been worked up. However, during the interviews, it was discovered that some of the questions, although belonging to one category, still yielded useful answers in relation to another category. Therefore, in this master thesis, I am employing a thematic analysis in order to find and discover intriguing themes that emerged from the conducted interviews in the light of the already existing categories. Thematic analysis is a common approach when dealing with qualitative data (Bryman, 2012), and it "[…] move[s] beyond counting explicit words or phrases and focus[es] on identifying and describing both implicit and explicit ideas within the data, that is, themes" (Guest et al., 2012, p. 10). This method has borrowed techniques from both grounded theory, interpretivism and phenomenology, which makes up a methodological framework with significant properties, according to Guest et al. (2012). Consequently, the idea in this master thesis is to approach the data with an exploratory mindset and go through the transcribed data (appendix seven to twelve) while examining what is being said by the Chinese consumers and identifying key themes (ibid.). The way I am recognizing and identifying themes is by looking for repetitions, similarities and differences that appear relevant to and useful for discussing the subject of the thesis, and moreover, by asking "what is this expression an example of?" (Ryan & Bernard, 2003, p. 87). More pragmatically speaking, I am using a technique of printing out the transcriptions, reading them thoroughly, cutting them to pieces and start sorting them in themes in order to process the sheer amount of data (ibid.).

2.6 DELIMITATION

Due to the scope of this master thesis and the given timeframe, there is an aspect I have to delimit myself from.

In September 2014, By Malene Birger opened a flagship store in Hong Kong (By Malene Birger, 2015d), and, in terms of politics, legal systems, history, culture and life styles, Hong Kong differs greatly from China due to the fact that, in many decades, it was a British colony and thereby subject to European regulations (McKirdy, 2014). Knowing that Hong Kong has its own currency, has no Internet censorship, has English and Cantonese as official languages and has been under Western influence for over a century imaginably makes it a different environment to operate in for foreign businesses than the Chinese (BBC News, 2013a; BBC News, 2013b). Thus, in this thesis, I am not focusing on By Malene Birger being present in Hong Kong even though it could be valuable to know what they have done, business wise, to market themselves in Hong Kong. I will delimit from this, focusing solely on the Chinese market in mainland China.

3 THEORETICAL FRAMEWORK

In order to comprehend the scope of the master thesis, this chapter outlines the theoretical framework. The content will impact on the way this research subject is studied and interpreted, i.e. through the lenses of branding, marketing and culture. Figure three is created with the purpose of illustrating these building blocks and their interrelationship; as can be seen, globalization is fundamental and incorporated within each individual topic. Below the figure, these topics will be expounded on.

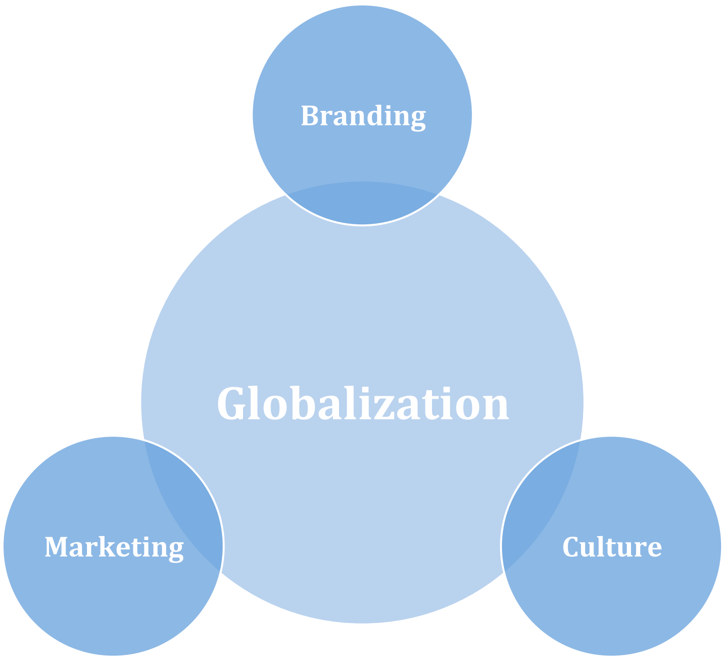

Figure three. Theoretical building blocks (Own illustration)

3.1 BRANDING

The following section approaches branding including what a brand is, the history of branding, luxury brands, a review and comparison of two brand identity models by Aaker (1996) and Kapferer (2004) respectively, and lastly, a discussion of this in the light of globalization.

3.1.1 What is a brand?

Have you ever encountered LEGO toys, Evian water, Apple devices, Chiquita bananas, Colgate toothpaste, Disney movies, BMW cars or how about Nike shoes?

It is not that remarkable if you have. Baisya (2013, p. xxi) states that “we live in a world of brands”, where brands are everywhere, they are powerful and they have gained huge influence on our society (ibid.). According to Holt (2004), consumers often choose the brands that will help them in constructing and expressing their identities; it could be that a consumer find the stories and values of the Nike brand to be admirable and thus, the consumer purchases this brand to help displaying e.g. that he or she is a great runner. Similarly, some brands are chosen simply out of habit such as e.g. Colgate, as this one is preferred to another toothpaste brand, perhaps because of the flavor (Torelli, 2013). But what is a brand and how does it manifest itself? A traditional definition offered by the American Marketing Association (AMA) that has been used broadly is that a brand is a “[…] name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition” (Keller, 2008, p. 2). An updated and revised version of this has transpired which describes the brand as:

> “[…] a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary” (Davis, 2010, p. 10).

This is a more nuanced definition offered by AMA that incorporates more aspects by e.g. drawing in the consumer as well. However, the important aspect of brand differentiation is missing, and instead, AMA highlights brand recognition (Rashid, 2012). The ability to recognize a brand most likely emerged from being able to distinguish brands from one another, and hence, brand differentiation is crucial in order to help the consumers tell the difference and favor one brand over another (ibid.). So, the aspect of brand differentiation should be present too.

Brands sound as imperative for companies in order to succeed, but how do these brands come into existence? This is where the discipline of branding becomes interesting.

3.1.2 The origin of branding

Centuries ago, the products that consumers could buy were generic, meaning that they were a commodity and no one considered the manufacturer behind, i.e. a pair of jeans was a pair of jeans regardless of who produced it (Csaba & Bengtsson, 2006; Hansen, 2012). Along with the industrialization in the 1800s and the rising competition, the need for setting oneself apart emerged. Inspired by the method of stigmatizing slaves or animals, the manufacturers started to mark their products to show ownership and to assure the quality of the products. Thus, in its early childhood, branding was about marketing a product in the light of its source and marketing a product of good quality, or in other words, about the Unique Selling Proposition, i.e. selling the product on the basis of what makes it unique and distinct (ibid.). As the products advanced, as the society became more affluent and as its people became more privileged, the need to offer more than just a functional product surfaced; now it was about the Emotional Selling Proposition which is a matter of what you personally get from buying a specific product and how you can use this product to represent yourself (ibid.). These intangible qualities also make a product more difficult to copy when looking at it from a company perspective. Thus, over time, branding has become a matter of marketing a product that provides the consumer with increased immaterial value and emotional benefits (ibid.). So, there has been a change in the way we use and perceive branding, but the fundamental idea, as it appears from the above, is that branding is a matter of being able to distinguish a product from those of other companies. And today, it is more about competing on a product's added value than competing on a product's physical nature.

3.1.3 Conceptualizing luxury brands

Luxury brands have only just been mentioned in section 1.3, where words such as high quality, expensive and strong artistic content were put in association with a luxury brand. In a business dictionary, luxury brands are described as:

> "Products which are not necessary but which tend to make life more pleasant for the consumer. In contrast with necessity goods, luxury goods are typically more costly and are often bought by individuals that have a higher disposable income […] than the average" ("Luxury goods", 2015).

Hence, luxury brands are usually bought out of desire and pleasure as it offers more than just the product, and according to Zhan and He (2011), these brands are bought to display a certain social status. They satisfy both a functional need and a psychological need, whereas the benefits of the latter are the reason why normal products or even counterfeit products get excluded by the consumer in favor of the luxury brand (Vigneron & Johnson, 2004). In research, it is agreed on that 'luxury' is not a category of products (Li et al., 2012), rather luxury can exist within many different product categories, e.g. cars, clothes, watches, jewelry, cosmetics, wines, hotels, and the like (Chevalier & Mazzalovo, 2008). One could say that within the car category, certain cars can be considered luxurious, e.g. Rolls-Royce and Maserati because of their exclusiveness, sophistication and distribution places, whereas others cannot, e.g. Citroën and Toyota (ibid.). Whether these are perceived as luxury cars or not also depends on the consumers as it is what they believe is special and different that can be categorized as luxury (ibid.). Moreover, Chevalier and Mazzalovo (2008), who argued back and forth over how to explain a luxury brand, e.g. how to label an Yves Saint Laurent perfume as luxury in contrast to a Nivea moisturizer, came to the conclusion that in order to be a luxury brand, it must comply with the three criteria of strong artistic content, craftsmanship and international (the same words used in section 1.3). These can then be used as benchmarks when contemplating whether a brand is luxury or merely 'normal'. Furthermore, "a luxury product comes along with a small fragment of its native soil" (Kapferer & Bastien, 2012, p. 13). A luxury product is therefore embedded in and marked by the culture from where it originates. This is also why Kapferer and Bastien (2012) argue that relocating the production centre makes it lose its identity as a luxury brand as the country of origin matters.

3.1.4 Brand identity

Branding has moved from just trademarking the products to the attempt to manage the meanings and attributes of brands (cf. section 3.1.2). This is essential as products have a life-cycle (the PLC concept) meaning that a product goes through different phases right from the introduction of the product to the market till it eventually gets removed again because of e.g. declining demands (Kotler et al., 2009). Exactly because of this, branding and having a brand identity becomes vital as brands, if managed properly, have the ability to persist without getting removed again (Baisya, 2013). According to Csaba and Bengtsson (2006), managing the meaning of brands occurs through brand identity systems, and this has been a part of many branding models up until now. In the following, two brand identity models will be reviewed, then compared, and lastly, a discussion of branding in the light of globalization will be given.

3.1.4.1 Aaker's brand identity planning model

One of the approved and well-known scholars within branding, who also speaks of brand identity, is David Aaker who has contributed to the literature with much knowledge (Hansen, 2012). Aaker (1996) believes that a brand must have an identity just like we all have e.g. values, personal traits, qualities and ideas of how our image should be, and all these characteristics make us who we are and help us differ from one another and make us stand out from the crowd (ibid.). The same idea applies to a brand. Aaker (1996) defines a brand identity as:

> "[…] a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members. Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional, or self-expressive benefits" (p. 68).

On the subject of brand identity, Aaker (1996) has developed a comprehensive model called the 'brand identity planning model' (figure four) that serves the purpose of giving a broader perspective on brand identity planning as he believes that many brands fail as they are too narrow-minded and thereby walk into typical identity traps. The model can be used to develop a brand but also to use on already existing brands (ibid.).

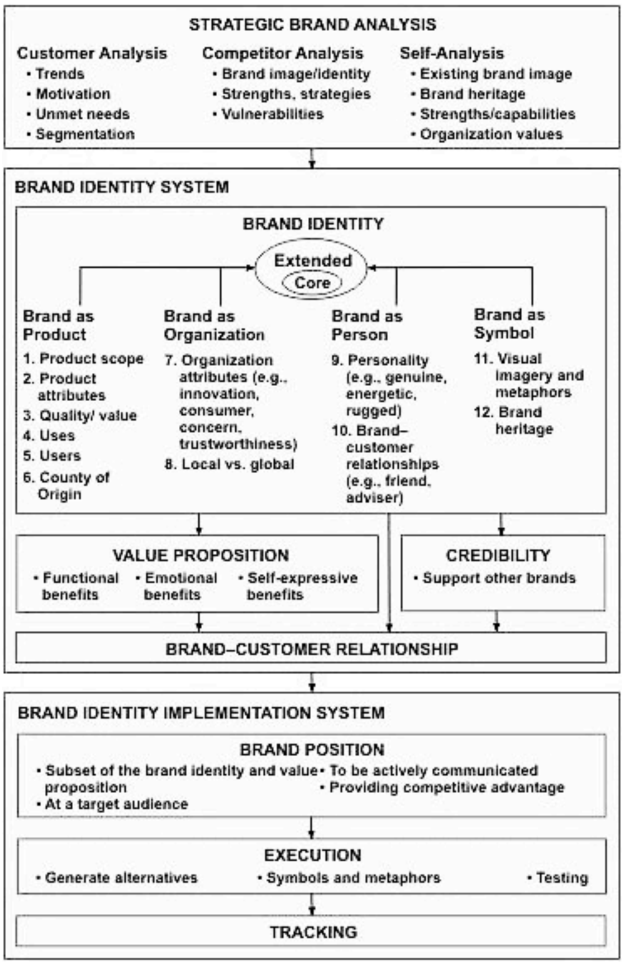

Figure four. Brand Identity Planning Model (Aaker, 1996, p. 79)

Aaker's model is divided into three components, namely 1) a strategic brand analysis, 2) a brand identity system, and 3) a brand identity implementation system (Aaker, 1996; Hansen, 2012). The first part of the model is a matter of analyzing the consumers and the competitors as well as making a self-analysis. It can be perceived as some sort of market research where the aim is to get to know more about the surroundings, i.e. consumers and competitors, along with looking inwards and reflecting on one's own brand to get to know image, heritage, strengths and values (ibid.). The second part is the heart of the model where the brand identity is analyzed from four different views, i.e. brand as product, brand as organization, brand as person and brand as symbol. Aaker argues that the brand identity should be organized around these four perspectives in order to give the brand depth and to formulate the core identity and extended identity, i.e. a brand's innermost substance (ibid.). Also, in this part, the value proposition is approached which is the position the brand marketer wants the brand to take up in the mind of the consumer. It has to do with the functional, emotional and self-expressive benefits the consumer gets. Taking the example of Weber Grills, the functional benefit you get is that Weber provides you with excellent barbecuing techniques, the emotional benefit you get is that Weber makes you a qualified barbeque master, and the self-expressive benefit you get is that owing a Weber product radiates that you only buy the best you can get and that you are a barbecuing enthusiast (ibid.). Aligned with the value proposition of the model is the notion of credibility as it is significant for the brand to be perceived as credible by the consumers (ibid.). Functioning as the bottom line of the second part of this model is the brand-consumer relationship that deals with the connection a brand can develop with the consumer. These relationships generally emerge when a consumer associates with the value proposition or the brand identity, or if these appeal to the consumer. This situation is also what Aaker refers to in his definition of brand identity, when he explains that a brand identity should establish a relationship by generating a value proposition. According to Aaker, most relationships emerge when the brand is considered as a person or an organization instead of e.g. a product (ibid.). The third and last part of the model is where the brand manager contemplates how the brand identity should be communicated to the surrounding world in terms of brand position and execution. As the finishing point of the model is tracking. It has the purpose of monitoring the growth and development of the brand (ibid.). Thus, Aaker's model is complex and far-reaching, dealing with many distinctive areas, all the way from trends in society to the execution of the brand.

3.1.4.2 Kapferer's brand identity prism

Another widely cited scholar who has produced a model concerning brand identity is Jean-Noël Kapferer with his 'brand identity prism' (figure five). As Kapferer (2004) argues that a brand speaks of the product or service and can only exist if it is being communicated as it will become obsolete otherwise, his model is therefore an interpretation of communication theory but approached and worked with from a branding perspective. Consequently, the components of the model are based on a communication model, i.e. physique and personality determine the sender, reflection and self-image define the recipient and relationship and culture link the recipient and the sender (Janonis et al., 2007). The purpose of the prism is to help the brand manager understand the essence of a brand identity as Kapferer (2004) claims that "in order to become, or to stay, strong, brands must be true to their identity" (p. 106). Moreover, the brand identity is vital for the brand due to three reasons, namely 1) the brand must be durable, 2) the brand must be coherent when sending out signs and products, and 3) the brand must be realistic (ibid.).

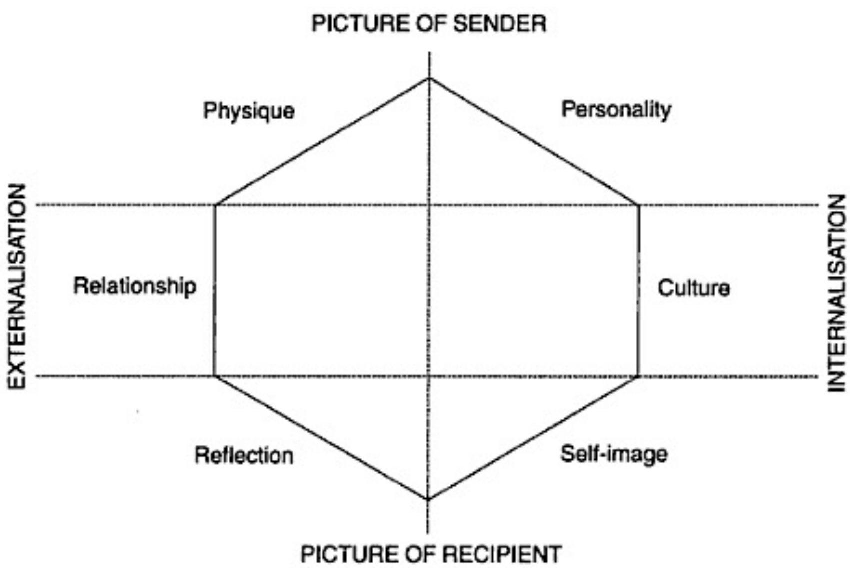

Figure five. Brand Identity Prism (Kapferer, 2004, p. 107)

As Kapferer (2004) believes a brand identity has six facets, his model represents a hexagonal prism with six components as seen in figure five. These interrelated facets together define the brand identity. The first facet, physique, is the set of physical features that the consumer recollects when hearing the brand name (ibid). The first step in this model is therefore to identify what the brand is, what it does and how it looks like, i.e. the tangible elements of the brand. The physical appearance of the brand works as its backbone, according to Kapferer (2004). The second facet, personality, is the character of the brand, and through communication, the brand can reinforce its character. The way the communication occurs proves what kind of person it is, if it was a human being that is. An easy way of vitalizing the brand and give it a personality with human characteristics is by using endorsers to represent and speak of the brand (ibid.). Relationship is the third facet that deals with the connection between a brand and the consumer, i.e. what kind of role does the brand occupy in the relationship with the consumer? Essentially it is what the consumer feel and have with the brand (ibid.). Culture is the fourth facet and has to do with where the brand originates from. Kapferer (2004) is of the opinion that "a brand is a culture" (p. 108), and that this facet is at the core of the brand and the strongest dimension within the prism. The brand thereby possesses the culture from where it was shaped and formed, entailing a set of values and basic principles. This cultural aspect can be decisive for the consumer's decision when wavering between two brands (ibid.). The fifth facet, reflection, is a matter of reflecting upon the consumer, i.e. the stereotypical user of the brand. Over time, and through communication, the brand builds up a reflection on the consumer it seems to be addressing. This often gets confused with target group, i.e. potential consumers, however, these are two different perspectives, according to Kapferer (2004). Perhaps the imaginary consumer base is 'these' types of people but that the target group in fact is much broader. This reflection can work as a source for identification for consumers who thereby can see themselves consuming this brand in order to strengthen their identity (ibid.). Self-image, the sixth and last facet, makes reference to the consumers and the way they see themselves when utilizing the brand. It is also about what they think others will think of them while using this brand (ibid.). The model moreover embodies an external side to the left and an internal side to the right as seen in figure five. If splitting the prism vertically, it can be seen that the external elements of the model are physique, relationship and reflection which presents the outward appearance of the brand while the internal elements of the model are personality, culture and self-image which can be connected to the inside of the brand, i.e. the soul of the brand (Janonis et al., 2007). So, the elements on the left side are visible whereas the elements on the right side are invisible in a way (Kapferer, 2004). Thus, Kapferer's model is simplified and has a clear structure; it is a model with a system of six elements, possessing both internal and external sides of the brand.

3.1.4.3 Comparison

The two brand identity models have resemblances as well as disparities, although there presumably is a majority of disparities because every scholar thinks differently, and as the scholars in branding literature have paid little attention to each other's brand identity contributions which has resulted in inconsistency (Csaba & Bengtsson, 2006).

Both scholars have created their models with the intention of showing how a brand identity should be planned, worked with and understood. There are certain elements that appear in both models; the qualities and physical appearance of the brand, the uses of it, the place or country from where it originates, the personality of the brand and the relationship with the consumer. Moreover, they both focus on external and internal factors where Aaker spreads his attention to competitors as well as looks at the brand's internal side, and Kapferer concentrates solely on the brand and its external and internal sides. Aaker thereby has a more outstretched perspective and takes the brand manager all the way from a market research to execution of the brand while Kapferer stays at close range to the brand. On the other hand, Kapferer touches on the receiver as his model is built on communication theory. He includes which self-image consumers will get by using the brand. Aaker's model does not emphasize consumers per se, he is merely looking at the brand identity from a sender's perspective. The only point where the consumer appears slightly is when he speaks of the brand-consumer relationship. Furthermore, in order to find what lies at the core of the brand, each scholar has a different approach. From Aaker's point of view, the brand identity should be analyzed from four different views in order to find the core identity. An approach that seems profound as well as deliberate. From Kapferer's point of view, the core of the brand and the strongest dimension within the prism is the cultural facet as this one provides unique values. The last point I want to make is that Aaker's model has three levels and seems static with a step-by-step sequence where Kapferer's model seems more dynamic with all the facets on equal footing. It can be argued whether it is necessary to put the whole branding process in one model or if just focusing on the brand identity itself is adequate. Both models seem advantageous to employ for the brand manager when developing, maintaining or finding the brand identity of one's brand, albeit disadvantages within both also exist.

3.1.5 Branding in a globalized world

Proposed by Baisya (2013), branding in today's world experiences challenges because of globalization and what this has brought along in terms of increasingly unpredictable competitors, consumers, suppliers, partners and environment. Baisya (2013) furthermore claims that more and more brands fail as they keep tackling branding the traditional way. According to Robinson (2007), "globalization is reshaping how we have traditionally gone about studying the social world and human culture […]" (p. 125). This is indicating that globalization has a huge impact on our approaches, and that it has started to be factored in when we study our world. Agreeing with these ideas are Cayla and Arnould (2008) who argue that companies need to adapt to the changing market conditions. Moreover, these ideas can be associated with Holt's (2004) belief, namely that conventional branding models employ a one-size-fits-all approach which is not suitable in today's world. The question is therefore if branding really needs a different approach now that globalization has transformed and advanced the world; is it necessary to settle with the traditional mindsets like Aaker's and Kapferer's and revitalize the branding approach?

A number of experts and scholars have implicitly proposed that branding is a universal method that can be used identically across nations (cf. section 1.2). Moreover, brand managers have often been advised to retain the consistency of their brands even when crossing cultural borders (Cayla & Arnould, 2008). Thus, conforming to a traditional mindset, companies should use branding the same way no matter which country or culture is approached. This correlates with the idea that globalization makes the world more homogenous, and that consumers become more ‘global’, behaving in a uniform manner (Callebaut et al., 2000). Forming a contrast to this is Torelli (2013) who argues that globalization makes the global marketplace more difficult and complex to navigate in when being a marketer. Additionally, Torelli (2013) speaks of markets with consumers of increasing diversity, i.e. not homogenous but rather heterogeneous. On the same note, Askegaard (2006) points out that globalization and homogenization are not synonymous with one another and instead, he contends that multiple different consumption forms exist within different contexts and thereby suggests that consumers still retain their way of consuming rather than becoming alike. Merz et al. (2009) state that branding does need rethinking, or a ‘new logic’, as branding and brands have gone from being provided by companies to being created in an active collaboration between the company and its stakeholders (e.g. the consumers). Different brand eras can be set forth that illustrate this evolution that branding and brands have gone through; individual goods-focus brand era (1900-1930s), value-focus brand era (1930s-1990s), relationship-focus brand era (1990s-2000), and stakeholder-focus brand era (2000 and forward), with the first era seeing brands as identifiers where the latter being an era where brands are seen more as dynamic (ibid.). Merz et al. (2009) are not the first scholars to consider branding as a dynamic phenomenon, more scholars have paid attention to the stakeholders and their participation in co-creating brands (e.g. Payne et al., 2009; Hatch & Schultz, 2010; Vargo & Lusch, 2004). Hence, the consumers are not just passive receivers of a brand and its communication anymore, they are taking part in the value creation (ibid.). This correlates with the viewpoints of Holt (2004) as he explains how brands come into existence as we speak of them; initially, it is just a product with a name, a logo, a design and in a unique form of packaging, i.e. a product with brand markers devoid of sense and history, and with no further value attached to it. Over time, the brand markers get filled with publicity and customer experiences as the product appears in advertisements, films or sports events, it gets evaluated in magazines and people converse with one another about the brand

and tell stories about it. All these ideas and aspects accumulates and eventually, the brand markers get filled with meaning and understanding, and thus, a brand has been created (ibid.). Holt (2004) moreover describes brands as a "[…] psychological phenomenon which stems from the perceptions of individual consumers" (p. 3). This idea is in alignment with the ideas of Merz et al. (2009), Payne et al. (2009), Hatch and Schultz (2010) and Vargo and Lusch (2004) as they all tend to believe that the consumers have influence and power when it comes to brands, which entails that brands have become more difficult to manage and control, in the conventional sense. As a matter of fact, one of the challenges of building brands in today's world is that consumers do not have the same needs and not everyone perceives and sees brands the same way (Davis, 2010).

So, what provides the background for challenging traditional perceptions of branding and brands in this thesis? The above has shown that we live in a world of complex markets with powerful, diverse and influential consumers due to globalization which poses challenges to the more traditional branding approaches. For instance, in Kapferer's brand identity prism, the identity is created and decided on by the brand manager without looking into the consumers, however, the above indicates that consumers have more to say and that brands cannot be dictated to the public like that (Csaba & Bengtsson, 2006). Globalization and its compression of space have resulted in the spread of nationalities and cultures to other world parts (Curtin & Gaither, 2007). The following quotation will exemplify this: "[…] what does the "Buy American" campaign mean when cars are produced by Japanese-owned companies in the United States from parts manufactured in Latin America?" (ibid., p. 181). The merging of cultures entails that culture is not that strong of an identifier for consumers anymore (ibid.). Smith and Leavy (2008) speaks of hybrid identities as a result of local and global influences, which means that "the identities are not assimilated or altered independently, but instead elements of cultures are incorporated to create a new hybrid culture" (p. 3). It indicates that we in this world are transforming, and thus, our identities are "[…] always contingent, always in flux" (Curtin & Gaither, 2007, p. 170) which presumably makes branding even harder.

3.2 MARKETING

Marketing is important in this master thesis as branding and marketing as intertwined and important to one another as expressed in section 1.3. Accordingly, this section touches on marketing and more specifically the practices of marketing as well as the notion of standardization and adaptation.

3.2.1 The practices of marketing

When considering marketing, one will probably be inclined to think that it is an assemblage of selling and advertising techniques with the purpose of persuading consumers to buy a product or service. True as it is, that is just the tip of the iceberg; there is more to it (Kotler et al., 2009). Marketing is essential to any business as it is "individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion and pricing of goods, services and ideas" (Morrison, 2006, p. 44). Thus, it is reasonable to say that marketing has two aspects; satisfying the needs and wants of the consumers and doing this by means of a range of activities. With reference to these activities, it is widely recognized to speak of the 'marketing mix' that comprises the so-called four P's; product, price, place and promotion respectively (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014). Product is noticeably about the product itself and the decision of e.g. design, product variety, name, packaging, quality and sizes. Price refers to the amount of money the consumer has to pay, discounts, payment period, credit terms and so on. Place concerns distribution channels, coverage and locations. Promotion covers sales promotion, advertising, direct marketing and PR (ibid.). The marketing mix is present in this thesis for two reasons. Firstly, it is said by Kotler et al. (2009) that "the most distinctive skill of marketers is their ability to create, maintain, enhance and protect brands through their use of all the marketing mix variables" (p. 425). Secondly, if managing the marketing mix properly and using each variable as an integral part of the whole, i.e. each variable should support the others and not conflict, then it can help building the brand (Masterson & Pickton, 2014). For example, a luxury jeans brand will not benefit from manufacturing the jeans on cheap fabrics, selling them in Tesco, putting them in plastic carrier bags after an ended transaction while charging an exorbitantly high price; the marketing mix needs to support the brand in order to establish the brand as luxury in the mind of the consumers. Therefore, the marketing mix is rather significant to look at when focusing on a Danish luxury brand in a Chinese context. In addition to this, the marketing mix is integrated in the section that comes next; the standardization and adaptation debate.

3.2.2 Standardization and adaptation

For a long time, scholars have researched and discussed the effects, opportunities and challenges that globalization brings along (e.g. De Mooji & Hofstede, 2002; Ritzer, 2003; Fischer, 2003; Yu et al., 2014). One of the discussions is the noteworthy debate of standardization and adaptation that was introduced in section 1.2, i.e. should a company employ a uniform marketing mix irrespective of the receiver country whether it being South Africa, Japan or the US, or should the company within each of these markets tailor its marketing mix to the conditions in each country? (Dimitrova & Rosenbloom, 2010). According to De Mooji (2010), this puzzle stems from the practice of export. Long ago, companies in the US allegedly had a dilemma of either "standardiz[ing] for greater efficiency or adapt[ing] for greater effectiveness" (De Mooji, 2010, p. 14) when selling their products or services outside the American borders. Ever since, the dilemma has been a part of academic literature and real-life performances of businesses in the global marketplace.

Two of the renowned advocates of standardization are Levitt (1983) and Elinder (1965) who take the view that markets are getting more homogenous in line with globalization and that this further entails a convergence of the needs, wants and requirements of all consumers worldwide. "Companies must learn to operate as if the world were one large market – ignoring superficial regional and national differences" as formulated by Levitt (1983, p. 92). He principally believes that differences across nations and cultures will vanish due to globalization which will result in a greater market similarity; focus is therefore on similarities rather than dissimilarities. Levitt (1983) also brings up the successful cases of Coca-Cola and Pepsi to argue what standardized products actually can accomplish. With the same mindset, Elinder (1965) stipulates that identical advertising messages in all European countries becomes feasible due to the increasing similarity. Standardizing one's marketing operations in foreign marketplaces saves costs, it is less time-consuming and it provides the company with more control of the operations (Ozsomer et al., 1991; Shah & Laino, 2006), and, as a company once uttered, "good ideas are scarce. By taking a uniform approach we can exploit those ideas in the maximum numbers of countries" (Yip et al., 1988, p. 39). Is standardization then desirable and applicable for companies in today's world?

Although acknowledging the benefits a universal strategy has, proponents of the adaptation view argue that the world and its people on no account are becoming more similar or with similar needs due to globalization as there is no empirical data proving the convergence of the behaviors of global consumers, and it is claimed to be nothing less than a myth (De Mooji & Hofstede, 2002; Boddewyn et al., 1986). In fact, when a country becomes wealthier, its citizens will start consuming more, and a higher disposable income will give them more freedom to purchase what they want in order to construct their identity, and this is where it is argued that they will buy what conforms to their cultural norms and values (De Mooji & Hofstede, 2002). Culture has therefore an immense effect on consumption. According to Vrontis et al. (2009), it is stipulated that certain differences between countries by no means can be vanquished, which is why an adaptation approach is more suitable, indicating that a company must adapt to the local conditions and needs in order to prosper. In continuation of this, Griffith et al. (2003) argue that consumers respond differently to marketing stimuli such as e.g. advertising appeals and the packaging of products due to their cultural backgrounds. This is supported by Kanso and Kitchen (2004) who explains that advertisers should take cultural dimensions into account in order to avoid any miscommunication and blunders. It is almost expected that the advertiser uses recognizable signs and symbols that produce meaning for the consumers addressed (ibid.). Is adaptation then the best strategy to employ for companies in today's world?

So far, these two main views have proved themselves as diametrical opposites, i.e. like different ends on a continuum. This quarrel gets substantiated by Schmid and Kotulla (2011) who reviewed 300 articles about this matter. They made an overview of the research findings from many of the articles, showing what the scholars behind the articles discovered and what they recommend to businesses operating in the international marketplace, and many of them have based their findings on theoretical grounds whereas others have based it on empirical data or even logical-intuitive thinking. Some recommend to keep the marketing mix standardized, some recommend adaptation, and some recommend a more moderate approach (see appendix four for the results). In literature, the latter has been designated as 'the contingency perspective' which is a matter of analyzing and assessing the specific target market in order to find how to approach this (Theodosiou & Leonidou, 2003; Vrontis et al., 2009; Dimitrova & Rosenbloom, 2010). Basically, this perspective is a situation specific approach that settles with the polarization of standardization and adaptation as it is more about finding the optimal balance and discovering how much standardization or adaptation the four P's need (Shah & Laino, 2006). In order to find the degree of standardization and adaptation, it has been suggested that a company must evaluate factors such as market characteristics, competitors, customer needs and the product in order to know more about what is most effective in the destination culture/country (ibid.).

3.3 CULTURE

Culture is an inevitable element to consider when companies expand their business to new markets. This section therefore elaborates on what culture is and moreover, culture is discussed in the light of globalization.

3.3.1 What is culture?

The concept of culture is complex and can be difficult to grasp. It is held that we, as human beings, do not know of behaviour unless we interact with culture, i.e.

we are incomplete without culture as it guides us (De Mooji, 2010). A definition that captures the essence of culture and explains it well is that:

> “Individuals are products of their culture; they are conditioned by their socio-cultural environment to act in certain manners. Culture includes the things that have “worked” in the past. It includes shared beliefs, attitudes, norms, roles, and values found among speakers of a particular language who live during the same historical period in a specific geographic region. These shared elements of subjective culture are usually transferred from generation to generation” (ibid., p. 48).

Essentially, culture is the ‘software of the mind’ (Hofstede et al., 2010) that influences the way we think, our actions, our values, our emotions, how we live, how we eat, how we enjoy ourselves (De Mooji, 2010), and it provides an agenda for social interactions, social rules and expectations (Mattila, 1999). Thus, it is something we learn and acquire throughout our lives, and much of it during our childhood (Hofstede et al., 2010). Often, the image of an onion is used to illustrate culture by showing that culture can be broken down into layers in order to understand it better (see figure six) (Trompenaars & Hampden-Turner, 2000).

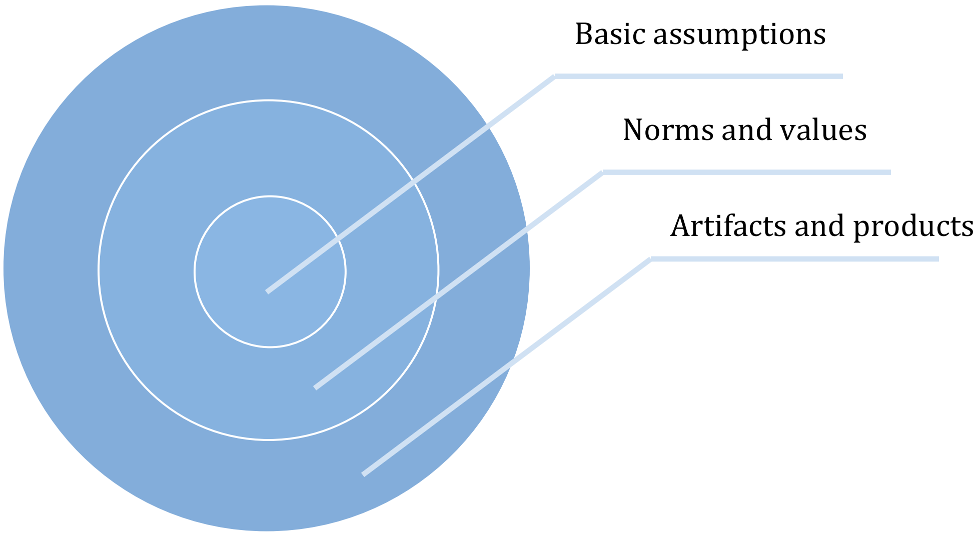

Figure six. A model of culture (Trompenaars & Hampden-Turner, 2000, p. 22)

The outer layer is observable and more explicit, i.e. artifacts and products. It can be the language of a culture, foods, rituals, practices, buildings, fashions etc. (ibid.). The next layer, the middle layer, encompasses a deeper layer of culture, i.e. norms and values. It is the underlying assumptions in a culture of what is perceived right and wrong as well as good and bad (ibid.). The inner layer, the core of the onion, is implicit and more hidden within a culture, i.e. basic assumptions and basic beliefs about existence (ibid.). Thus, the onion model portrays these different layers of a culture, and there is a reason why this is. The outer, visible layers are subject to change, a change that might happen rapidly, whereas the inner layers will change slowly, if changing at all (Hofstede et al., 2010). This indicates that a culture is somewhat stable and strong, but with the ability to change over time.

The world we live in is seen and grasped from a cultural 'filter' to some extent (Morrison, 2006), i.e. we view and interpret the surroundings from the culture we have been living in and learned from. When judging and interpreting another culture on the basis of one's own culture where one feels superior and feels that his or her way of acting and behaving is simply the right way, it is called ethnocentrism (Ahlstrom & Bruton, 2010). In contrast, when being open towards other cultures, and attempting to understand and take into account other's lifestyles and values, it is called polycentrism (ibid.). According to Morrison (2006), a polycentric approach is essential when doing business cross-culturally.

3.3.2 Culture in a globalized world

The above is one way of looking at culture, i.e. as groups of people in certain geographic regions that share the same ideas, beliefs and values that they have assumed from previous generations and will pass on to future generations. Jensen (2007) argues that this traditional view of looking at cultures is challenged by a more critical view that has emerged in anthropology. Jensen (2007) has designated these two views as 'The Descriptive Concept of Culture' and 'The Complex Concept of Culture' respectively. The first view on culture, the descriptive concept of culture, is basically the view that the previous section touched on, where culture is guiding the individuals, where culture is found in the individuals and where culture can be predicted because the basic assumptions, norms and values are fixed; like the onion model shows. Hence, individuals belonging to the same culture will be seen as identical, and what they do can be explained by considering their culture (ibid). In contrast to this, the latter view, the complex concept of culture, is a viewpoint that make allowance for the complexity that cultures is believed to have. The essence is that culture is found between individuals where the knowledge, meanings and values among them get negotiated, and the culture therefore is found between them rather than in them. Their mindsets and behavior cannot be predicted and is changing as they are able to negotiate this. Hence, individuals are not seen as identical and their actions cannot be explained by their culture (ibid.). I would therefore argue that this viewpoint cannot be linked to the onion model, as fluid meanings and values cannot be captured or illustrated as they are constantly changing. Despite these two completely contrasting views, Jensen (2007) states that both concepts are needed when looking at cultures, as members of a culture may follow the values and deeply-rooted habits they have been followed for decades while they simultaneously change by the growing relation with other cultures (ibid.). This influence by other cultures is a process that globalization has brought along. Moreover, in literature, scholars have started to speak of a 'global culture' (e.g. Robinson, 2007; De Mooji, 2010; Morrison, 2006; Usunier & Lee, 2013; Dailey & Carley, 2003; Torelli, 2013). The idea behind a global culture is that globalization and its processes are changing the world into a 'borderless world' or a 'single place' where differences start to fade (Morrison, 2006; Robinson, 2007), and where "[…] sociocultural differences in tastes, behaviour and lifestyles appear to be converging, transforming consumers and their patterns of consumption" (Dailey & Carley, 2003, p. 322), increasing the opportunity for global branding and standardized products (ibid.). Torelli (2013) expresses that in the global culture that is emerging, people start to identify themselves with other people from various parts of the world and acknowledge their resemblances rather than their differences. An example could be that an Indian consumer may choose Coca Cola, as this brand reflects globalization, as a manner of connecting to this global culture (ibid.). However, is the notion of a global culture to oversimplify reality? Morrison (2006) disputes global culture by asking if it is myth or reality. There is no doubt that our world is different from previous generations due to the information age we find ourselves in, and that this might unite certain areas, but as stated before with the onion model, there are fundamentals within a culture so deeply embedded that it will only change by degrees (ibid.).

Speaking of globalization of culture, one of the three positions of homogenization, heterogenization and hybridization has often been conformed to in the cultural theories (Robinson, 2007), where homogenization is about cultural convergence and uniform consumption patterns, heterogenization is about continued differences between cultures along with polarization and cultural clashes, and hybridization is about changing and evolving cultures due to the blending and influencing of other cultures. These are all different views on how globalization affects cultures and its people, and which position one takes most likely depends on the worldview and attitude towards globalization one has.

3.4 FRAMEWORK

The above theoretical building blocks have provided a foundation from which the subject in this thesis is being examined from. Globalization has been an integral part of them all, as this is of paramount importance from my point of view, when dealing with our world today. The following section will briefly explain how the above will be used in the analysis and discussion chapters of the thesis.

The analysis will be carried out and structured on the basis of the six interviews conducted with the purpose of analyzing and interpreting the behaviors, perceptions and worldviews of the interviewees in order to gain knowledge of cultural processes in the Chinese society. When applicable and relevant, theory and scholars will be referred to. The main purpose is to examine how the branding models of Aaker (1996) and Kapferer (2004) are challenged in today's globalized world. Both of these will be referred to throughout the analysis, albeit discussed mostly in chapter 6 where the different analytical pieces are picked up in order to discuss it further. Also, the different views from section 3.1.5

('branding in a globalized world') will be made use of to verbalize what this thesis agrees on, on the basis of the empirical findings; many scholars have an opinion of how globalization has effected the branding process, and this thesis will examine this in a Chinese context on the basis of the interviews. Moreover, the notion of standardization and adaption of the marketing mix in the case of the Chinese market today will be examined by virtue of the analysis and interpretation of the interviewees' utterances. Like the branding models, the standardization and adaptation debate will be discussed further in chapter 6. Furthermore, the different concepts of culture that has been presented such as e.g. the onion model (Trompenaars & Hampden-Turner, 2000), Jensen's (2007) two concepts as well as global culture (Robinson, 2007) will be referred to when applicable to recognize how the Chinese culture can be understood, operationalized and how its consumers can be approached, seen from a company perspective.

Essentially, a large part of the theoretical framework will be employed in the coming analysis and discussion chapters, whereas a smaller part of the theoretical framework has been written with the purpose of constructing a basis from where this subject can be understood from, i.e. certain areas, e.g. 'what is a brand?', 'the origin of branding' and 'the practices of marketing', will not necessarily be actively used in the coming chapters although they are of immense importance in order to understand this thesis and the other elements in the theoretical framework.

4 LITERATURE REVIEW

The following literature review is based on secondary literature, composed with the purpose of gaining more insight into Asian versus Western culture, Chinese consumerism, luxury brands in China and Chinese values.

4.1 ASIAN VERSUS WESTERN CULTURE

Hofstede's five cultural dimensions are probably one of the most well-known ways of distinguishing and operationalizing two or more national cultures. These five dimensions comprises individualism/collectivism, power distance, masculinity/femininity, uncertainty avoidance, and long-term/short-term orientation (Hollensen, 2011; Kim & Kim, 2010; Soares et al., 2007). Individualism/collectivism refers to the degree to which individuals act independently as individuals or dependently as members of groups or societies (ibid.). Power distance describes the degree of hierarchy in the society and inequality between individuals, i.e. in a high power distance culture, centralized decisions are more readily accepted, whereas in low power distance cultures, the power is not in the hands of a few individuals but rather spread out among individuals due to the principle of egalitarianism (ibid.). Masculinity/femininity concerns the role of gender and whether masculine values (e.g. success, performance and money) or female values (e.g. quality of life, care for the weak and warm, personal relationships) prevail in the culture (ibid.). Uncertainty avoidance reflects the degree to which individuals in a culture tolerate uncertainty, i.e. to which level do they or do they not attempt to avoid situations that threatens their uncertainty (ibid.). Long-term/short-term orientation, a dimension added later on, is about the time orientation of individuals in a culture, i.e. if they focus on the future or rather on the present or even the past (ibid.). To put this into practice, and to illustrate Asian versus Western culture, which in this context naturally will be Chinese versus Danish culture, the following shows how these can be compared:

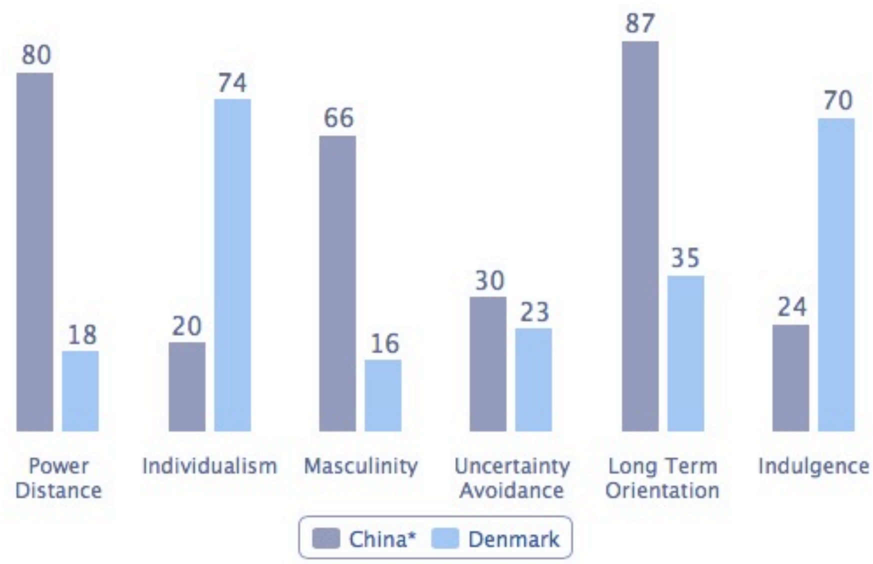

Figure seven. China in comparison with Denmark (The Hofstede Centre, 2015)

As figure seven displays, there is a vast difference between these cultures; where one culture gets higher rankings, the other one gets lower, and the other way around. This way of distinguishing two cultures can be seen in relation to 'The Descriptive Concept of Culture' as introduced in section 3.3.2, where culture is a defined entity with the same characteristics that they have passed on through generations. The purpose, however, is not to treat cultures as rigidly as Hofstede's five dimensions sometimes have been criticized for (Hollensen, 2011), rather it is to show how these two cultures can be operationalized on the basis of a widely used technique and thus, to use this as a point of comparison in the analysis and discussion chapters.

4.2 FROM CHINESE COMMUNISM TO CHINESE CONSUMERISM

"Starved of choice for over 40 years, the rising middle class is hungry for consumer goods and a better quality of life and is ready to spend" (Usunier & Lee, 2013, p. 137). This is the formulation that Usunier and Lee (2013) use in order to justify the growing consumption by the Chinese people. In their quotation, they refer to the time in the aftermath of Mao Zedong's regime where China opened up to the outside world which was the beginning of a new China with a rising middle class and better living standards. Ever since, their purchasing power has increased, and so have their willingness to spend them (cf.

section 1.2). That China has evolved rapidly is often expressed through personal stories about how visiting China in the years after Mao Zedong's regime was a different experience and rather contrasting to the reality one finds today (e.g. Yu, 2014; Riedel, 2012; Doctoroff, 2005). The contrast is well expressed by Gerth (2010) who went to China in 1986 to study at a university:

> "I was surprised to find myself immediately transformed from a poor college student […] to a "rich foreigner" with much more to spend than my Chinese classmates […] Outside the fancy new hotels catering to foreign tourists, there were few places to shop and not much to buy. This was a China very different from the one most visitors find today. Now luxury cars, fashionably dressed Chinese, and omnipresent advertising fill cities […]" (p. 3).

Thus, in a few decades, China has transformed from a closed and restricted country of communism to a country with a free market economy filled with opportunities that consequently has changed the way the Chinese consume. They do still consider the basic, functional attributes of a product as being of immense importance to them, however, they have started to consider the aesthetics and value of a product too, and thereby demanding more (Atsmon et al., 2010). In a graphical illustration by Atsmon and Magni (2012), it is shown how the purchasing of necessities have declined along with the rise of more discretionary products; an indication that the growing affluence of the Chinese society has paved the way for consumers to buy products not only out of need, but out of pleasure too (see this illustration in appendix five). Another aspect that happened after 1978 was the influencing of global market processes as well as the outside world (cf. section 1.2). According to Torelli (2013), Chinese (and Russians, Brazilians and Indians, i.e. from emerging economies) are, and still is, adopting lifestyles and living standards that resemblance to those in Western countries, and it has often been phrased that the Chinese people have become 'Westernized' as Western consumption patterns have influenced them (Mattila, 1999).

4.3 A RAVENOUS APPETITE FOR LUXURY

One of the areas where the Chinese consumers are dominating is luxury products, as the Chinese this year will account for around 20 percent of the global luxury sales (cf. section 1.2). The majority of the luxury brands in China are from foreign countries, and these are therefore often associated with living standards from Western countries which is why they appeal to Chinese consumers (Zhan and He, 2011) as they sometimes adopt these lifestyles as expressed in the previous section. Eiberg et al. (2013) assert that people from different cultures have different reasons to why they purchase luxury brands, and as Chinese people live in a collectivistic and masculine culture (as expressed in figure seven), Eiberg et al. (2013) state that they buy luxury brands in order to show a certain social status and not to lose face. Briefly explained, the sociological concept of face, *miàn zi*, is of vital importance to the Chinese and symbolizes the feelings of prestige, social status and reputation of a Chinese person within multiple areas, e.g. among family, friends and colleagues (Oetzel et al., 2001; Hu, 1944). Hence, a Chinese person makes efforts gaining face, protecting him- or herself rather than losing face (ibid.). Moving on, Zhan and He (2011) explain that Chinese people buy luxury because of e.g. the functional benefits, their need for something unique and prestigious, to reward themselves, to support their own identity and other emotional benefits. Furthermore, a research from McKinsey & Company shows that Chinese people are increasingly demanding 'the real deal' rather than counterfeit products (which have been and still is prevailing on the Chinese market) (Atsmon et al., 2011). An example of why this is, is implied in the following: "a woman who used her first salary check to reward herself with a luxury handbag said, "it would be meaningless if it was fake" " (ibid. para. 7).

4.4 CHINESE VALUES

The traditional cultural values in China have been shaped and maintained through thousands of years of history, and thereby, it distinguishes itself from Western cultures as well as other Eastern cultures (Fan, 2000). The most influential thought that the Chinese culture encompasses is Confucianism, albeit other schools of thought have prevailed such as Taoism and Buddhism. Confucianism is a way of life that provides some rules of conduct for the Chinese people with regard to relationships, behavior and social structures (ibid.). Both Zhang et al. (2005) and Faure and Fang (2008) claim that these traditional values get competition from newer value systems in the era of globalization. For instance, the strong family and group ties the Chinese have get challenged by individualism where one cares for own personal interests, the importance of face, *miàn zi*, and modesty get challenged by self-expression, thrift and frugality get challenged by materialism and extravagant consumption etc. (ibid.). It all happens whilst the Chinese start embracing modernity more and more and start taking in influences from foreign cultures (ibid.). It may especially be seen among the younger parts of the Chinese population as Dailey and Carley (2003) assert that “in many ways, young people around the world are more similar to one another than they are to their parents” (p. 326). Likewise, Callebaut et al. (2000) talk about an increasing individuality among the young Chinese people of today, and indicate that the Chinese culture is up for alterations due to globalization and the mindsets of the young generation.

5 ANALYSIS

In the following, the analysis will be carried out with the purpose of interpreting the behaviors, perceptions and worldviews of the interviewees. As I am focusing on the empirical data, the themes found when scrutinizing the transcriptions will form the structure of the analysis. The theory and literature review will therefore not frame the analysis, but will be used and referred to when applicable. In chapter 6, the findings from the analysis will be used in order to discuss it all further. Before starting the analysis, a few details need clarification, 1) direct quotations will be indented, and it will be stated which appendix it comes from and the line from where it starts, e.g. 'eight, line 9', 2) both RMB, yuan, and the more colloquial expression, kuai, have been used by the interviewees to designate the Chinese currency, and they all appear in the analysis, and 3) the Chinese currency is almost equivalent to the Danish currency, i.e. 100 RMB corresponds to 106 DKK. With these details explained, the analysis will begin. The first section is concerned with buying habits.

5.1 BUYING HABITS

This section will go through the most straightforward themes found in the transcriptions, i.e. how often the interviewees shop, how much they spend, their favorite shopping places, what motivates them to purchase clothing as well as different clothing styles.

5.1.1 How often and how much

When asked about how they shop for clothes, their responses proved different consumer behaviors. Consumer F shops twice a week, consumer A and E shops twice a month, consumer C shops once a month, and consumer D only shops when she need something specific. One interviewee, consumer B, expresses that she used to go shopping every single day, as she one year ago started her own business and earned much more than her classmates. The amount she shopped for ranged between 10,000 to 20,000 RMB per month, but this shopping habit has declined and today it is around 2,000 RMB per month. Regarding the other interviewees, they likewise pay around 300 to 1,000 RMB per shopping time or around 1,000 to 3,000 per month. Although the shopping frequency varies, the amount of money they spend signifies that buying clothes has become an essential part of their lives. Even consumer C, who utters that she is not a typical girl, still spends around 2,000 RMB per month on clothing. Depending on whom one compares with, the quantities they pay seem as a lot of money to spend on clothes, indicating that these Chinese consumers do have valuable spending patterns for companies and do not hesitate splurging them, as implied in section 1.2. The fact that consumer B, a 24 year old Chinese girl, is able to spend 10,000 to 20,000 RMB on clothes every month likewise illustrates that some of the Chinese people have come to money, or at least are able to earn large sums of money in China.

5.1.2 Shopping places

With reference to shopping places, consumer C prefers the Japanese clothing store, Uniqlo, the majority of the consumers favor shopping streets and Western clothing stores such as Zara, H&M and Marks & Spencer, and besides the Western stores, consumer E and F furthermore love shopping from the Chinese website, Taobao, which best can be explained as the Chinese equivalent of Ebay or Amazon. In this context, the interviewees primarily mentioned Western and Japanese stores which suggest that the outer world really has taken hold of them and persuaded them to buy foreign. Consumer C, however, recalls that when she was younger, she bought Chinese clothing as this was the only clothing available.

> "When I was a teenage girl, I lived in a small town […] at that time, I think I bought more local brands […] I had no other choices" (nine, line 94).

Some interviewees were even asked the ultimate question of which shop they would go to first if standing in front of a Chinese clothing store and a Western clothing store, where the majority chose the Western store. With the explosion of foreign brands and vast buying opportunities in China (Gerth, 2010), the consumers tend to buy only foreign and thereby not supporting their own country's brands. Usunier and Lee (2013) pointed out that the Chinese have been starved of choice for 40 years, which obviously do not apply to the interviewees due to their ages, but it does apply to their parents. Even though the interviewees have not lived in a closed China, they have still sensed and followed this increasing desire for what is outside of China to the point where they rarely, if ever, choose Chinese.

5.1.3 Motivational factors

The interviewees were asked what they find important when they shop for clothes, and I mentioned some factors they could relate to if they needed it such as price, quality, the brand, if it fits their style, good service, if their friends or a celebrity have been spotted wearing it. Remarkably, they all, except consumer B, found either price, quality and the style/design to be of significant importance to them. Consumer A states:

> "I think I will consider … the price and the quality, if this is worth the money. And also, if this clothes fits my style. And I don't care about the service actually, because when you shop in China sometimes you can't get service […] And what motivates me to buy it is just if it looks good on me or not" (seven, line 17).

As the only one standing out, consumer B prioritizes differently and emphasizes the service in the shop, the judgment of her friends and if the clothes are comfortable and can be used multiple times, albeit expressing later that the product and its quality also matters.

> "I prefer high quality dresses. And I think the brand is not very important to me, it is the dress itself" (eight, line 32).

In fact, none of the interviewees mentioned the brand as a motivational factor. It can best be explained with Atsmon et al. (2010), who argued that although China has transformed with amazing rapidity from a restricted country of communism to an open country of opportunism, the Chinese do still deem the basic, functional attributes of a product as being of immense importance to them; almost like it was the case centuries ago where the products were generic (Csaba

& Bengtsson, 2006; Hansen, 2012). Moreover, as I experienced myself when living in Shanghai, and as explained in chapter 1, the Chinese people do care about being well-dressed, and this analysis demonstrates that they typically will aspire to finding clothes that fit them, i.e. the basic features of clothing, rather than finding and wearing a specific brand, i.e. a piece of clothing with a symbol or logo and certain associations and values attached to it (Davis, 2010). Holt (2004) describes how consumers often choose brands that will help them constructing and expressing their identities, however, in this context and with regard to motivational factors, the Chinese seem to be more concerned of how particular clothing help them look good rather than what a possible brand associates. One could say that they choose on the basis of the Unique Selling Proposition rather than the Emotional Selling Proposition (Csaba & Bengtsson, 2006; Hansen, 2012).

5.1.4 Asian style versus Western style

Where the last two sections may seem contradictory as the interviewees like to go shopping in Western clothing stores with Western brands such as H&M but yet still purchase clothing on the basis of its price and quality rather than the brand itself, it should not be seen as simplistically; they naturally have some places they prefer to go, often the Western stores, but they would not purchase the clothes if it was not suitable for them and their style. Speaking of style, I curiously asked the interviewees about differences between Asian and Western style to see what their perceptions are and what they approve. As Torelli (2013) holds, the Chinese are, and still is, adopting lifestyles that resemblance those in Western countries, and Mattila (1999) argues that the Chinese have become 'Westernized' due to influences from the outer world. When interviewing, it was found that this is somewhat exact, although one must be careful to imagine this about all Chinese consumers as consumer A and C prefer Western style clothing, consumer B prefers Western and Korean style clothing, consumer F prefers Western, Japanese and Chinese style clothing, consumer E prefers Western and Chinese style clothing, and consumer D does not have any preferences but goes to the nearest shop, not particularly interested in what style it is. This proves that the Chinese consumers can be inclined to buy different styles, although consumer A asserts:

> "My taste is more closer to the Western style, and I feel like I can never go back again" (seven, line 49).

Thus, one interviewee has actually changed to a more Westernized look, and the reason she gives is the fact that she has travelled a lot and therefore has become influenced by this style. There is a somewhat shared belief among them all that Western style is more simple, plain-colored, casual and sexier sometimes. Consumer C has stayed in Denmark for some months and says:

> "I was impressed by the [Danish] girls and their clothes because they always wear black and white, grey, yeah, especially in Autumn, they always wear the same jackets, that black jacket … they all look the same. But like in China, it is different. They have so many colors and many girls they always make themselves look like flowers … that is not good, that is not good, because you are a girl not a flower" (nine, line 75).

Her image of the Chinese girls as flowers correlates with how other interviewees describe the Chinese style as words such as lovely, sweet, detailed and colorful are utilized. Moreover, consumer B and C both explain that many Chinese girls wear clothes that hide their body curves, as body curves are thought of as radiating a strong personality.

> "I think on average, Chinese people dress more traditional and more conservative than the Western countries […] young people in China … their mind is more Western orientated now, so there are more and more young people who stop wearing traditional clothing, and they start to wear clothes that show more body" (eight, line 59).

> "They [the Chinese] tend to hide their sexy parts, and to show that they are easy to control. Girls, they all have curves, body curves, it makes them

> look sexy [...] they pretend to hide it. It is not because they are shy or they are not proud of it, it is because they think that makes them look too strong or too hard to control for males" (nine, line 66).

These expressions indicate that a shift has happened and is happening regarding the Chinese females and the way they see themselves and want to be seen. The fact that consumer B and C portray typical Chinese girls as girls who dress innocent in order to curb their womanhood suggests that the Chinese society used to be and probably still is a collectivistic society where they are not acting in their own interest and should not be strong and individualistic (The Hofstede Centre, 2015; Hollensen, 2011; Kim & Kim, 2010; Soares et al., 2007). However, when interviewing the interviewees, it was evident that they are all more or less independent, individualistic women with e.g. consumer A moving permanently to Germany this fall, consumer C and D having lived in Denmark for a while and C planning to move to Dubai this summer, and consumer E and F with a desire for travelling the world and meeting new cultures. These are all new ways of living that would not have been possible 40 years ago. And they all chose Western as one of their dressing styles, indicating that they cannot be seen in relation to these typical Chinese girls. As the only one mentioning it, consumer B still dresses traditionally whenever visiting her parents.

> "Traditional basically means that the dress can make you look uglier. So traditional means that the dress does not show any sexy parts of your body [...] When I am with my parents I will dress like super traditional, but [...] I wouldn't dress traditional when I am with my friends" (eight, line 66).

This likewise indicates that a certain standard is expected in China but that the younger generation has started to get influenced more and more by the outer world which shows itself in terms of how they dress and how they behave. Where their Western counterparts have been developing rapidly fashion wise, the Chinese have started to follow suit.

5.1.5 Reflection

The above knowledge of the Chinese interviewees' buying habits is essential to be aware of when wanting to enter a foreign marketplace. I wanted to explore these aspects in order to set the scene and be more familiar with whom these consumers are so as to use this understanding when discussing branding and marketing strategies later on. So far, the interviewees have proved themselves different but with some shared characteristics. That being said, the analysis continues with the Chinese society.

5.2 CHINESE SOCIETY

In this brief section, the notion of social relations and fashion trends in the society will be expounded on.

5.2.1 Social relations and fashion trends in society

The interviewees were asked if they care about what other people think of the clothes they wear, how they would react to a recommendation from a friend and what fashion trends there are in China. In general, the interviewees do not seem intensively concerned about other people's judgments besides if they are attending e.g. a job interview. Consumer A seems confident about her own appearance as she states:

> "I don't care about it actually, because different people have different taste. So what I choose is just something that can reply to my taste and personality. It is a brand of me, so I actually don't care too much about the others" (seven, line 33).

She takes the view that she is a brand herself which is why she remains unaffected by other people's viewpoints. Consumer D sees it in another way as she just dresses the way she likes without further pondering:

> "I wear it for myself, I don't need to pleasure other people" (ten, line 34).

Despite their different attitudes, they both do not care about other people's opinions. However, when it comes to recommendations from friends, most of the interviewees, except consumer D, do from time to time take their advice. Consumer B says that a recommendation is often the reason why she would purchase an expensive dress, and if it makes her look stunning and her friend agrees, she would not consider the price.

When I asked them about fashion trends in the Chinese society, it resulted in numerous different answers. Consumer A and C do not believe there are any trends. Neither does consumer E although she repetitively mentions the word 'in' to describe how she chooses her clothes. Asking for an elaboration, she explains how she goes to different websites, e.g. Taobao, and when she sees the same clothes being worn again and again, in her opinion, it insinuates that this specific piece of clothing is fashionable. When asked if she prefers clothes that are in, her answer was affirmative with the following explanation:

> "Cause we are young, so we just try to follow the fashion … if you dress in something that is not in and you go out and people will think 'god, you are so out, you dress like five years ago" (eleven, line 105).

This can be seen as contradictory to the previous about not caring about other people's opinions. This shows that there might be some expectations from the society about being well-dressed that she intentionally or unintentionally tries to meet. Consumer F uses the same strategy of reading fashion websites and Weibo, the Chinese equivalent of Twitter, to see what is popular at the moment. Both consumer B and D believe it is the shops that decide as the fashion trends depend on what they sell, and consumer B even holds that trends are based on the inventory of the shops, i.e. what they have in stock is what is being used and promoted as being fashionable.

5.2.2 Reflection

Overall, this knowledge about the Chinese society can be used to understand more about the context these interviewees are placed in and what occurs among them in the Chinese society. The next section will deal with brands and luxury brands.

5.3 BRANDS AND LUXURY BRANDS

This section will touch on significant themes in this master thesis, i.e. brand consciousness, perception and consumption of luxury as well as By Malene Birger and brands from Denmark.

5.3.1 Brand consciousness

Although the motivational factors for buying clothes showed that the brand was unimportant to them (cf. section 5.1.3), the interviewees are still well aware of brands. I asked them about their favorite brands to see what they focus on and how brand conscious they really are. Their responses can be seen in the figure below. I have added the country of origin for each brand they mention.

Consumer A	Prada Italian	Apple American	Coca Cola American
Consumer B	Chanel France	Apple American	Nike American
Consumer C	Muji Japanese	LAMY Germany	-
Consumer D	Google American	Coca Cola American	iQiyi Chinese
Consumer E	Zara Spanish	Prada Italian	Miu Miu Italian
Consumer F	SLY Japanese	Zara Spanish	Steve Madden American

Figure eight. Favorite brands of the interviewees (Appendix seven to twelve)

While answering this question, I noticed how consumer C had difficulties in stating her favorite brands, and accordingly, only two brands appear in figure eight indicating that to her, brands are not essential as such in her daily life. What is intriguing when looking at the figure is how minimum one Western brand appears in each consumer's mind, if not occupying the whole. And some of them even appear twice, indicating that these brands must have done something right to be at the top of their minds. Generally, they all choose brands that reflect other countries than China, and only consumer D mentions a brand that reflects her own heritage. So, a Chinese brand is only mentioned once out of eighteen possibilities. That the Chinese people have become 'Westernized', as Mattila (1999) phrased it, shows itself more clearer now than before where they explained what clothing styles they prefer (cf. section 5.1.4). Consumer C, E and F all explain that these are their favorite brands due to either design or style; yet again, they are talking about the basic features of a product rather than what values it has (Atsmon et al., 2010). Consumer B also likes the design and usage of her favorite brands; she adores Chanel because she finds their clothing beautiful and she likes Apple as it has enhanced her work efficiency, however with Nike, she explains another story:

> "And Nike is because, I like their label … When I was in high school, I usually wore Nike to go to exams because it means that I might do right" (eight, line 151).

She is referring to the Nike logo, the swoosh, that does look like the checkmark that one gets in school for a correct answer. Thus, she actually uses the brand in a way that has not been presented before in the analysis; she uses it as a means of constructing her identity, representing herself and using the values that she associates with this brand (Holt, 2004; Davis, 2010; Csaba & Bengtsson, 2006; Hansen, 2012). Taking Kapferer's (2004) brand identity prism into consideration, the sixth facet, self-image, is the one that makes reference to the consumers and the way they see themselves when utilizing the brand; just like consumer B sees herself pull through the exams by the help from the Nike swoosh; it is a self-image she has created in collaboration with the Nike brand. In like manner, consumer A expresses something fascinating. The first remark concerns Prada whereas the second remark relates to Coca Cola:

> “I think I like Prada. I think it is because of my personality, I think the brand of Prada is sharp, and elegant […]” (seven, line 147).

> “I like the brand, I don’t drink it” (seven, line 160).

Thus, consumer A likes the Prada brand as she feels they have particular characteristics in common. She describes the Prada brand with adjectives almost as if it was a person. Relating this to Kapferer’s (2004) prism, this is the second facet, personality, where the brand is imbued with human characteristics. Bearing in mind that consumer C was the one expressing that she chooses clothing on the basis of what fits to the brand of her and her personality, I can only assume that she likes the Prada brand as it, from her point of view, shows personality traits similar to her own. The other remark she makes concerning Coca Cola is interesting as she explains that she does not consume it, rather she likes it solely because of the brand. Obviously, this is not beneficial for the Coca Cola company as she does not purchase their product, but they have done something right to attract her with their brand. She explains that the way they combine social responsibilities with the environment is what she finds appealing about this brand. Coca Cola is also a favorite of consumer D as she believes the brand has learned and understood the Chinese culture so that they know how to target the consumers. For instance, they have realized that Chinese people love red which is why they make sure to use this color, and they also utilize the group spirit the Chinese people are said to have by depicting many people in their advertisements rather than only one or two. The way of targeting the Chinese people will be further touched on in section 5.4.2.

In the process of understanding how they perceive and see brands, I moreover asked them to describe the brand of H&M with three words, as it was assumed they were all familiar with this brand as it ranges far and wide on a global scale. This was simultaneously to test if a strong brand identity, as it is believed H&M has, can occupy the same position in the mind of the consumers and to see what they put emphasis on when thinking of a particular brand. Their utterances are illustrated below:

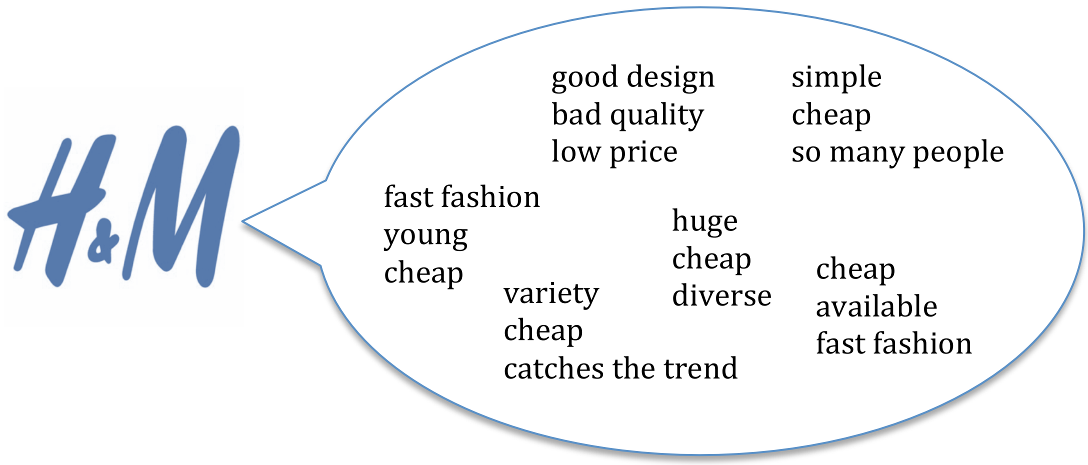

Figure nine. H&M description by the interviewees (Appendix seven to twelve)

When creating this question, I naturally did not expect them to say the exact same words. As it can be seen, the consumers put emphasis on different areas when asked to describe H&M. Relating this to the prism by Kapferer (2004), some of them focus on the physique of the brand, i.e. the tangible elements, by saying that H&M has 'good design', 'bad quality', 'variety', 'huge' and is 'simple'. One interviewee focuses on the personality, i.e. the human characteristics, by saying H&M is 'young' (ibid.). Without exception, all of them mention H&M's prices as being 'cheap' and 'low', indicating that their relationship, i.e. what they have and feel about this brand, is the fact that they can afford it (ibid.). In addition to that, one interviewee mentions 'so many people' which is a matter of describing how she feels about the physical stores of H&M, and not necessarily the brand itself. This proves that when thinking of a brand, more factors are at work. The majority of the words in figure nine describe the physique of the brand, i.e. the product (ibid.), which probably does not come as a surprise as the interviewees in section 5.1.3 proved that they care deeply about the basic features of a product rather than the brand itself. Continuing with Kapferer's (2004) prism, no one mentions any words that can correlate with the last three facets; culture, reflection and self-image, although these facets might come into work when dealing with other types of brands. When looking at figure nine, the association 'bad quality' is in all probability not what H&M aimed for with their brand. But it indicates that a consumer has power and can decide by him- or herself what to think of the brand. Or it raises the question if H&M has not communicated their brand identity well enough to the Chinese market, as this is what Kapferer (2004) believes companies should do; he says that a brand speaks of the product and that a brand only exists if it is being communicated. The above shows what Merz er al. (2009) said when they argued that we are in a stakeholder-focus brand era where brands are created in an active collaboration between the company and the consumers, and thereby splitting up the power.

5.3.2 Perception and consumption of luxury

Luxury was a theme we spend much time discussing during the interviews. To set the scene, I initially asked them what a luxury brand meant to them, which yielded different results. Consumer E and F articulate some adjectives to describe a luxury brand, inspired by the adjectives I had provided them with beneath the question in the interview guide. Consumer F explains that a luxury brand is expensive with a unique design and a good service in the store. If she had the money, she would purchase a Chanel bag at the price of 15,000 RMB as she loves the design of it. I asked if she could buy a counterfeit product to which she replied that it would be embarrassing; just like Vigneron and Johnson (2004) and Atsmon et al. (2011) asserted the Chinese would think. Consumer E believes a luxury brand is expensive and that the store where one finds the products are big, tall and shiny. She does own a Louis Vuitton purse which she bought the first time she visited the US some years ago. However, she does explain a shift in her consumer behavior as she back then purchased the purse on the grounds of the brand and the design, but today, she would choose a luxury brand on the grounds that it is pretty and suits her. An interesting aspect of our conversation was when she explained the following:

> "Chinese is all about their face […] Cause then if you have a luxury … let us just say a purse, and you go to a party […] if you have a luxury brand, it will make you feel more confident" (eleven, line 205).

As it was stated by Eiberg et al. (2013), the Chinese buy luxury brands in order to show a certain social status and not to loose face, *miàn zi*; just like consumer E believes, although her current feelings about luxury brands are not what they used to be; now she would purchase it in case it suits her and not because it is a luxury brand. Consumer C expounds that in her opinion, a luxury brand should be expensive, but there is another aspect that seems of paramount importance to her, namely time. The time and energy that has been put into creating the brand is what she finds luxurious.

> "It has a long history, and you can feel that their spirit, their time … their values into the items […] I think it is more about the spirit. That is a real luxury brand, I think" (nine, line 262).

Thus, her point of view is different than the other two consumers as she sees and interprets luxury brands on a different level. Consumer D also perceives them in another way. To her, brands sell culture more than products which is connected with the claim of Kapferer and Bastien (2012) as they say that "a luxury product comes along with a small fragment of its native soil" (p. 13). Even though this is her belief, when she speaks of a luxury product she owns, this is not what she puts emphasis on. Some years ago she received a gift from her father; an IBM laptop that set him back 15,000 RMB. To her, this laptop is considered luxury as it was expensive. Thus, she does perceive luxury brands to be expensive after all without mentioning culture. Consumer B expresses that a luxury brand is expensive, unique, with great quality, craftsmanship and with good service. She is simultaneously the interviewee who owns most luxury brands such as Chanel, Burberry, Louis Vuitton etc.

> "Having LV and Chanel bags can make me look good in front of my friends, so that is the motivation" (eight, line 232).

What she utters in the above quotation can be related to face, *miàn zi*, as consumer E mentioned. It gives her feelings of prestige and social status that she uses in front of family and friends (Zhan & He, 2011; Oetzel et al., 2001; Hu, 1944). Hence, when purchasing and wearing luxury brands, she is protecting her face. Moreover, she describes how purchasing a luxury brand makes her feel special as luxury brands, from her point of view, only can be afforded by a minimum of people. And by being able to purchase one, she belongs to this small group of wealthy people. Consumer A has a different view from the rest of the interviewees:

> “I think luxury is not only about a handbag or clothes, it is the way you live life. Because some people in China, they think luxury brand is just LV and Gucci and everything, you know, which is very expensive […] So maybe the very rich guy in China spend thousands of dollars to buy maybe the clothes, the car, but eat unhealthy for like 10 kuai, you know, on the street. And don’t care about the food. So I don’t think this is luxury” (seven, line 222).

She believes that luxury is a lifestyle, and a luxury brand is about quality and identity. When asking about her luxury consumption, she explains that she owns several Prada handbags, Gucci brands, sunglasses, wallets and so on. Additionally, she drinks health juice bought from the US, presumably due to her belief that luxury is a lifestyle throughout. However, like consumer E, she has experienced a change in her values and spending patterns. Now, it has been a while since she has purchased any luxury products, because as she says:

> “I don’t need them, but having them is also good” (seven, line 240).

This correlates with how luxury products was described in section 3.1.3, as it was said that luxury products make the life more pleasant although not being a necessity. Furthermore, in literature, the benchmarks one can use when contemplating whether a brand is luxurious or merely ‘normal’ are the notions of strong artistic content, great craftsmanship and being international (Chevalier & Mazzalovo, 2008). The only aspect of these that one interviewee mentioned was craftsmanship, indicating that the perception of luxury brands is all in the eye of the beholder. Where one consumer sees her Louis Vuitton purse as a luxury brand, another believes the same about her IBM laptop. Chevalier and Mazzalovo (2008) said that whether a car is perceived luxury or not depends on the consumers as it is what they believe is special and different that can be categorized as luxury. On the same note, consumer B made a good point during the last phase of the interview, where she stated that:

> "I really think luxury brands … differs from which level people are in, you know, when you have like 1,000 RMB in your pocket, you probably think that a 10,000 RMB brand is luxury enough. But if you are a millionaire, then you probably think that the super, super expensive things are luxury" (eight, line 311).

Thus, due to the income inequalities in the Chinese society, what they perceive as luxury or normal depends on the money the have available, from her point of view. It shows that the consumers themselves are able to construct and identify how luxury can be perceived.

5.3.3 By Malene Birger and brands from Denmark

Knudsen, as referred to in chapter 1, advises companies to test their brand in proportion to the Chinese consumers as it is important to test before entering a new market (Deloitte, 2014). Thus, I have attempted to do so during the interviews. Appendix three was sent to them in advance, depicting clothes with prices from the By Malene Birger brand, although they were unacquainted with the fact that By Malene Birger is behind. I asked the interviewees to take a look at the paper and let me know if they consider this clothing as luxury. The majority of them responded with a resounding no. In general, the attitude towards the clothing was unfavorable due to the prices and the concern that these clothing pieces would not suit them and their bodies. Consumer C does not perceive it as luxury as the prices stated are normal from her point of view, i.e. a coat at a price of 3,000 RMB and a bag at a price of 1,500 RMB are common, although she would not pay so much for clothing. However, she does like the style and color of the clothing. Consumer B also adores some of the pieces, being very conscious about what she likes and dislikes. The prices do not intimidate her as she explains that she could easily pay 4,000 RMB for a coat; but the price has to correspond to the material, otherwise she would not purchase it as the quality and design are important to her. Both consumer D and E respond to my question with an unhesitating no. They mention Taobao as a place where similar, but cheaper, clothing easily can be found:

> "Actually I don't think so. Cause if you look at the price, you would think like, 'yeah, it is expensive, they have to be a very good brand', but if you look at the design, you can find it under like 100 kuai on Taobao, cause they are very simple and it is not much design" (eleven, line 253).

Where the prices are criticized by consumer A for being too low, both consumer D and E find these prices high which they equates with the clothing being of high quality. Consumer E has an eye on the grey knit as she likes the color and assumes the quality is great which would make up a reason for her to buy it. Consumer D, who so far has proven herself as the one shopping the least and being more of a convenience shopper than a conscious shopper, would purchase the coat for 2,900 RMB, showing that in some areas she does not compromise and are willing to pay a lot to ensure quality clothing. The coat seems popular among the interviewees as consumer F also likes the coat due to its design and exquisiteness, albeit not considering it as luxury clothing. To her, the price is more of a premium price, ranging in the middle of cheap and expensive. Contrasting to this is consumer A who does not consider it as luxury due to the price; a bag for 1,500 RMB is cheap from her point of view; like consumer C said. Moreover, she is not that into the style although she seems acceptable towards the colors of the clothes. Consumer A is interestingly enough the consumer who declared herself Western in her clothing style and that she could never go back (cf. section 5.1.4). Nonetheless, at this point, she is not aware of the fact that the clothing is from a Danish luxury brand, and thus, Western clothes. Where literature would say that strong artistic content, great craftsmanship and being international are reasons to call oneself a luxury brand (Chevalier & Mazzalovo, 2008), these interviewees do not approve. As analyzed in section 5.3.2, the interviewees first and foremost perceive luxury products as being expensive, which also is the most frequent reason why they in this section do not perceive the clothing from By Malene Birger as luxury, although the style of it likewise was an important factor for them. Some of the interviewees regard the prices as cheap whereas others regard the prices as expensive. Again, this might indicate that in the Chinese society, the perception of luxury depends on how much money the Chinese have available in their pockets, which also hampers the branding and marketing process as it complicates how to successfully reach the target groups. This price issue can be related to standardization and adaptation, one of the significant aspects of this thesis (Levitt, 1983; Elinder, 1965; Vrontis et al., 2009; Theodosiou & Leonidou, 2003). This will be further discussed in section 5.4.1. Having analyzed the interviewees' attitudes towards the prices of By Malene Birger, it shows how a careful examination before setting the prices presumably is vital.

After having conversed back and forth, I informed the interviewees that the clothing is from By Malene Birger, a Danish luxury brand. My intention with revealing this after having asked them of their opinion in the first place was to see if the country of origin would matter to them. The fourth facet in Kapferer's (2004) prism deals with culture and concerns where the brand originates from. This facet is the core of the brand and the strongest dimension within the prism, and it can be decisive for the consumer's decision when wavering between two brands (ibid.). Due to this, it was intriguing to see if it would have an affect on them and change what they previously told me about the clothing to know where this clothing originates from. However, it did not have any noticeable influence on the majority of them, and left them nothing but puzzled about my question:

> "Why should I change?" (nine, line 308).

> "Why do I need to buy it, because it is famous?" (ten, line 355).

> "I can't see why it should change my mind" (twelve, line 237).

Consumer A reasons her opinion with the fact that style and shape are most important to her, and consequently, not the brand or where the brand comes from. Consumer E says that it does not matter if the brand is from Denmark as it is unknown to the Chinese; she does not believe they will purchase the clothing at these prices when the brand is unfamiliar to them. The most positive interviewees were consumer B and F who did not reject the question straightaway. Consumer B, for instance, changes her mind about the bag; suddenly she seems interested in the bag and envisages how this bag could fit other clothing pieces. It did not take long before I realized that their positive attitudes were determined by the fact that I said it is a famous brand, i.e. not because it is from Denmark, but solely because they acknowledged that this brand is popular and therefore, it seems more appealing to them than before. Thus, that the country of origin should be fundamental and a decisive factor when purchasing brands, as stated by Kapferer (2004) in his prism, cannot be shown from this analysis. In the context of By Malene Birger clothing, the country of origin seems trivial to the interviewees.

In continuation of this, I wanted to ask the interviewees what they think of when thinking of a brand from Denmark. When creating this question, I was well aware that two of the interviewees have knowledge of Denmark as one currently lives here, and one has lived here for some months. Additionally, the interviewees who have not visited Denmark before still have a relation to Denmark in the shape of me; I am a Danish friend or acquaintance with them and consequently, some of them have been influenced by me during my stay in Shanghai as I have familiarized them with my mother country. Nonetheless, I was still interested to hear what they focus on and associate with brands from Denmark in order to grow my wisdom towards areas that potentially could help the By Malene Birger brand in its branding and marketing process in China. The answers from the interviewees were unanticipated, although it was not expected that people from the most populous nation in the world would know a great deal about a small country westwards with five million people. Consumer F utters:

> "When I hear it first, some words just come up, like quiet, beautiful, have a beautiful view and snow and fairytales" (twelve, line 253).

Her conception of Denmark appears very idyllic and imaginative, presumably much influenced by me. On top of that, she is able to mention LEGO and Pandora as Danish brands, and what she focuses on is the innovativeness of LEGO and how the design of Pandora is special but not her style. The connection the Chinese people make between Denmark and fairytales are not that uncommon. Consumer B and C make that reference too:

> "I don't know. To be honest, the first thing that pops up in my mind when I think about Denmark is fairytales, it is the mermaid [...] Denmark brand. Oh gosh, I really don't know" (eight, line 300).

> "Because in China, I have to say, not many people now much about Denmark, they only now about Andersen" (nine, line 336).

The latter quotation is by consumer C who also believes that Danish brands are well designed and have a special beauty as she has come across multiple Danish brands when living in Denmark. She also mentions H.C. Andersen which proves that most Chinese know about Denmark on the grounds of the fairytales by H.C. Andersen. Consumer A and E remember the cookies from Denmark, although they cannot recall the name (they refer to Kjeldsens Butter Cookies, a market leader of sweet biscuits in China). Other than that, they are not familiar with any Danish brands, or at least, their knowledge is vague. Moreover, an interesting aspect that consumer A gives is that her father likes cars from Germany as he finds these reliable and secure, and her mother likes kitchen equipment coming from Germany. However, I cannot help wondering if they prefer German products as their daughter, consumer A, is moving to Germany this fall and therefore, they have developed a preference for German products. Or maybe there is something veracious about Kapferer's (2004) prism saying that the cultural aspect, i.e. the origin of the brand, can be decisive for the consumers' decision when wavering between two brands. As mentioned before, consumer A drinks health juice bought from the US; she deliberately selected juice coming from this country. Likewise, she purchases imported milk from either Germany or New Zealand as she does not trust local milk for safety reasons. Besides, she would also choose a car coming from Germany. However, when it comes to clothes, she has a different opinion:

> "But clothes. I don't usually associate it with different countries. I just check if this is good shape, stylish, and maybe I don't even know where it is from" (seven, line 331).

Thus, from this it can be argued that the prism of Kapferer (2004) to some extent are right about that culture can be a decisive factor for consumers, although it does not apply to all product categories.

5.3.4 Reflection

As Baisya (2013) said, 'we live in a world of brands', and so do they in China, which Gerth (2010) clarified. Thus, it was immensely important to look more into this, and what the above knowledge demonstrates of brands and luxury brands is of significant importance in my exploration of how branding and marketing are challenged in our globalized world. Continuing with the analysis, the next section touches on marketing activities.

5.4 MARKETING ACTIVITIES

In the following, the notion of the four P's in reference to the By Malene Birger brand will be elaborated on, divided in pairs; product and price, followed by place and promotion.

5.4.1 Product and price

Product and price have already been slightly touched on in section 5.3.3, where the interviewees were inquired into the brand of By Malene Birger. In general, the attitude was unfavorable due to the prices and the concern that these clothing pieces would not suit them and their bodies. These two concerns can be connected to product and price, two of the four P's (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014). The fact that the interviewees call attention to these two as possible issues shows that a company's product and its price cannot necessarily be standardized without any consideration for the receiver culture/country. The clothing they were exposed to was taken from the Danish website of By Malene Birger and the prices stated were converted from the Danish currency to the Chinese currency without changing the value of the price. Thus, this 'test' I performed can somehow be considered as standardized. And it did not generate positive results.

In terms of the product, i.e. the design, product variety, name, quality, sizes etc. (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014), the By Malene Birger company should probably consider to adapt their clothing so that it can fit the body of a Chinese female who tends to have a slight figure compared to a Western female. Especially when considering that the interviewees in this master thesis pay much attention to that the clothes will fit them; it is their motivational factor for a purchase in the first place (cf. section 5.1.3). When considering the brand name, By Malene Birger, it has proven to be difficult to pronounce for a Chinese as one interviewee attempted to do so. Another interviewee was asked what she thought of the name translated to Chinese due to the linguistic difference, and her reply was:

> "No, I think it does not have to translate … cause like, I don't know why cause in our mind it is like the English or like the other languages brand, it is like more classic than Chinese […] they can pronounce it uncorrectly, but they just have to know the brand, they don't have to pronounce it clear" (eleven, line 327).

This can be linked to what Kapferer and Bastien (2012) say when they argue that relocating the production centre makes a brand loose its identity as the country/culture of origin matters. Likewise, in order to stay international and keep its brand consistent, By Malene Birger should stick with the same brand name everywhere, and not adapt this to foreign markets.

In terms of price, i.e. the amount of money the consumer has to pay (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014), the By Malene Birger company should definitely be careful not to shoot themselves in the foot. So far, the analysis has shown that the price is of utmost importance, and already at the amount of six consumers, there is disagreement when it comes to the value; some find the prices too cheap to be a luxury brand whereas others find it adequate (cf. section 5.3.3). As globalization has compressed our world and made it possible to travel anywhere, we have become more knowledgeable about what is happening in other countries (Morrison, 2006), and also e.g. how they charge products. Some of the interviewees express that they find H&M's prices to be higher in China than in other countries which they are dissatisfied with. In like manner, consumer D, who currently lives in Denmark, narrates how Arla Foods charges prohibitive prices for their milk powder for babies in China, when it is cheaper elsewhere:

> "Actually, in China it is 475 yuan for one bottle. I don't know which group Arla focuses on, maybe the really really rich people, you know, the baby drinks this milk so fast, it is just like burning money. And a lot of rich people, my family and friends, they are very rich, but, you know, from where do they buy the Arla? From me, or from other international students" (ten, line 379).

It creates resistance when the consumers are aware of the prices in other countries. This story depicts it well; setting the price can be hard and require a great deal of preliminary work, but setting it wrong can be devastating for companies, and By Malene Birger in this case.

5.4.2 Place and promotion

In terms of place, i.e. distribution channels and locations (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014), the By Malene Birger company should perhaps consider to sell their clothing in the same, standardized store all over as the one explained in section 1.4.1, i.e. their new design concept that is characterized by circular shapes, warm nuances, leather etc., all meant to create a universe of luxury (By Malene Birger, 2015d). Consumer E associates luxury with a store that is big, tall and shiny (cf. section 5.3.2), so an exclusive store like the one explained would probably substantiate the brand and help it appear luxurious in the eyes of the Chinese. Consumer D expresses that the e-market is huge in China, with more and more people shopping online, especially career people as they save some time that way.

Concurrently, she believes that luxury cannot be sold successfully online as consumers cannot touch the product and feel its worth. In Denmark, the By Malene Birger brand is sold different places online (By Malene Birger, 2015d). As Kotler et al. (2009) claim, the marketing mix variables are able to create, maintain, enhance and protect the brand. Then, is it a way of hurting the luxuriousness of the brand by putting it for sales online in China, when the Chinese are focusing a great deal on basic product attributes such as quality and expect the brand to be in an elegant store and not online? Should By Malene Birger then adapt their place variable slightly in order to create and establish themselves as luxury in the minds of the Chinese consumers?

In terms of promotion, i.e. advertising and PR (Kotler et al., 2009; Morrison, 2006; Hollensen, 2011; Masterson & Pickton, 2014), the By Malene Birger company should take into consideration what intercultural factors and other barriers there are at work when targeting the Chinese consumers in a Chinese context. A barrier they cannot avoid is the great firewall of China, a surveillance system enforced by the Chinese government to control the Internet and Internet usage in China (Stout, 2015). As By Malene Birger's main social media platforms to communicate through are Facebook, Twitter, Instagram and Pinterest (By Malene Birger, 2015e), they will encounter problems as they all, except for Pinterest, are blocked in China. They will have to look around for other options to reach out to the Chinese consumers. In order to examine this further, the interviewees were asked from where they normally get inspired to buy clothes. The following shows a quick overview of this:

- Consumer A: TV shows, movies, friends, fashion magazines.
- Consumer B: Online, Instagram, store windows, fashion magazines.
- Consumer C: Online, Weibo, fashion bloggers.
- Consumer D: Magazines.
- Consumer E: Taobao, sometimes magazines, fashion blogs.
- Consumer F: TV, websites, on the street, celebrities.

Thus, they have different areas from where they get inspiration; from friends, the society, the Internet or from the companies selling clothes. This means that By Malene Birger cannot use their standard way of reaching out to consumers for two reasons, 1) their main communication ways are blocked in China, and 2) the Chinese people are therefore and have always been reachable through other communication channels. The way to expose them to By Malene Birger's clothes is therefore not that simple. As many of the interviewees get inspired from fashion magazines, By Malene Birger can still aim at getting their clothes mentioned and illustrated in magazines, and likewise put emphasis on the celebrities wearing their brand as they currently do (Facebook, 2015). In fact, celebrities were also a theme I twisted and turned with some of the interviewees to understand if the power of a recognized individual would have any effect on them. If consumer C gets enticed by it or not depends on the clothes:

> "Sometimes, the celebrities are very thin, tall … they have very beautiful bodies, so it depends if the clothes they wear is really beautiful, then maybe I can have some interest in it" (nine, line 31).

Although an 'ideal body' gets depicted by the celebrity, she might still try on the clothes if she finds it beautiful. Some of the interviewees would in fact prefer a Western celebrity wearing the brand as this appeals to them more, which seems a bit contradictory considering that almost all of the interviewees have expressed their concern before in the analysis about the By Malene Birger clothing not fitting their bodies (cf. section 5.3.3). That they prefer a Western celebrity, with another body figure, to wear the brand therefore gives the impression that they do like Western styles. Also, by consumer B, it is almost expected that a luxury brand is worn by a celebrity as she expresses:

> "What kind of brand is not worn by a celebrity?" (eight, line 206).

Thus, in the eyes of the Chinese consumers, a luxury brand like By Malene Birger should probably use celebrity endorses to support their brand and status as luxurious.

The interviewees were furthermore asked if they could describe a commercial they like and one they dislike in order to see what appeals to them and what a company should stay away from doing in a Chinese context. Yet again, the majority mentioned a Western brand when explaining what they like. Consumer B, for instance, loves a perfume commercial made by Chanel that portrays a strong, individual woman (Keira Knightley, an American actress) who is riding a motorcycle with a man chasing her, because:

> "First of all, the commercial is very sexy, it is very attractive, and I think that is because I have the same … as the actress in the commercial, and it makes it more near to me, I mean, I feel like a have a connection with that commercial" (eight, line 178).

The commercial works as an identifier for her where she can see herself in the role of the main character. Other interviewees like commercials by Mini Cooper, Nike and Coca Cola. The latter is adored by consumer D, who also previously has spoken of Coca Cola as a company that does well in China (cf. section 5.3.1).

> "Coca Cola do not do so many advertising … actually, I only saw their commercial on important holidays in China. They know Chinese people, they use color to make their brand more close to Chinese culture […] on this important holiday, you can see their ads … on normal days, you will not see their ads … they just on important occasions come out and do some very good ads" (ten, line 235).

Thus, the Coca Cola company has studied Chinese culture and knows how Chinese people acknowledge when they feel that time has been spent to learn their culture in order to cater to them in their own surroundings. Moreover, consumer A and F like interesting and eye-catching advertisements without being pushed to see it. In general, what the interviewees dislike is when there is an excessive amount of information, when advertisements appear too frequently, repetition, and when advertisements do not reveal their point till the end.

Consumer E even make it clear that she sometimes ignores commercials in English as it is not her mother tongue.

5.4.3 Reflection

As "companies imbue brands with meanings through a variety of actions explicitly or implicitly included in a marketing plan, or in the four P's […]" (Torelli, 2013, p. 7), the above knowledge is valuable when considering By Malene Birger's future entrance on the Chinese market, although the analysis has not been created to act as a consultant to them. Rather, the analysis is made to shed light on the long-standing standardization and adaptation debate as this is imperative for a brand on the international scene. This will be further discussed in chapter 6. The next and last section of the analysis deals with cultural values of the interviewees.

5.5 CULTURAL VALUES

The analysis completes with an account of values and life goals of the six Chinese interviewees.

5.5.1 Values and life goals

As China has been described as a collectivistic culture where relations with other members of that culture play a central role rather than the individual's needs (cf. section 4.1), and these traditional cultural values have been shaped and maintained through thousands of years of history influenced by Confucianism (Fan, 2000), I wanted to explore more of this to see whether the impact of globalization is able to alter these deeply imbedded values. The interviewees were therefore asked what family means to them in order to explore their more underlying cultural values, i.e. if taking the image of the onion model into consideration, I wanted to bring more hidden values to the surface to understand them better (Trompenaars & Hampden-Turner, 2000). All interviewees, except consumer C, stated initially that family means a great deal to them, e.g. consumer A, B and E express:

> "I think family is my harbor, I feel safe and warm when I go to my family, and I feel comfortable" (seven, line 91).

> "To me, family always comes first. And in China, we kind of have to listen to our parents. Basically, which school we are going to, what major we are going to learn, who is my boyfriend, what job am I going to do, I think this kind of big, important decisions is basically discussed by all the family members" (eight, line 99).

> "I think family means everything, cause you cannot live without your family, and your family raised you, taught you a lot, so yeah, family is everything" (eleven, line 109).

Family occupies a huge position in their lives. Consumer D and F also express positive attitudes towards family. Consumer C, on the other hand, disclosed that it is complicated; she feels there are some boundaries between them as they live separately and have separate lives. Although feeling this, they still call each other every Saturday night to catch up. This weekly call was a recurring theme with all of the interviewees; they all call their parents every single week; consumer F even calls her parents twice. Consumer A explains that she cannot communicate too much with her parents, as they sometimes do not understand her. For consumer B, this regular call is tiresome:

> "When I was in Shanghai, I talked with them through phone once a week, although I am very tired of telling them what I do. I think it is necessary for the bond … because I am the only child of my family, and my parents is worrying about me constantly" (eight, line 122).

She is the only child of her parents as China for decades has had a one-child policy that the government has enacted in order to control the growth of the Chinese population (Moore, 2014). On the same note, many interviewees mention the fact that they in China are obliged to economically support and take care of their parents when they get older. As consumer B says:

> "I have the responsibility to take care of them when they are old [...] we have this kind of culture for basically five thousand years now … when we were children, we were told that we should respect our parents and … basically this is how it works in China, for five thousand years, so how can we change it now, that is basically impossible" (eight, line 108).

From her point of view, culture cannot be changed; like the descriptive concept of culture says (Jensen, 2007). Consumer A likewise explains how her father does not want her to move permanently to Germany as this is far away, because who is then going to take care of her parents when they age? Overall, it seems as if the parents of the interviewees attempt to pass on their values and behaviors that they have learned from previous generations to the young generation today; like the descriptive concept of culture says (Jensen, 2007). And it seems as if the government too makes efforts to control the younger generation as they have gotten more influenced by exterior processes after has China opened up; this can be seen as consumer D states that the government does not have a decent system for taking care of the elder people, and thus, the offspring bear the responsibility. Moreover, consumer B explains the following:

> "And, oh, our president, Xi Jinping, just announced a statement about the government people. So when they recruit government people in China right now, they have to look into how he treats his parents and if he is not respecting his parents, he is not going to get to work for the government" (eight, line 113).

This clearly indicates that the society strives to maintain the traditional culture and its Confucian values. I furthermore asked the interviewees if they will move back and take care of their parents in the future as one thing is the rule in the society but another thing is their actions. Most of them were uncertain about this. For instance, consumer F explains that she is not sure whether she will go back to her hometown as it is hard to find a job there. This signifies that she cares a lot for her own personal interests, i.e. her individualism (Zhang et al., 2005; Faure & Fang, 2008). Their uncertainty about this gives the impression that these interviewees feel they can decide themselves, they have a choice, and they do not have to succumb to what is expected of them and what has been ascribed to the Chinese culture for a long time. Jensen (2007) spoke of the complex concept of culture where values get negotiated among the individuals, and where culture is found between them rather than in them. It can be argued that this is what is happening here; the interviewees settle with habits that have prevailed for thousands of years and their actions are changing and cannot be predicted. If the interviewees were to act according to the descriptive concept of culture (ibid.), they would live near their parents so they can take care of them when they age. However, their salient change in behavior also changes their values slightly. Moreover, when discussing these future plans with the interviewees, they were also asked what they want to have and achieve in their lives. What is noteworthy in their responds is that none of them emphasized a family, but all of them accentuated goals of personal interest or personal value such as a career (consumer A), have her own business (consumer B), travel the world (consumer E and F) and financial freedom (consumer C and D). In fact, consumer C has always dreamt of being a journalist, but now that she has discovered the massive opportunities the world brings, her mind is now perplexed. Some of them mention family too, but only after having expressed these above mentioned wishes or after being asked directly about it by me. Yet again, their views signify other values than what their parents have. The traditional values that Zhang et al. (2005) and Faure and Fang (2008) argued are challenged, i.e. family orientation, face, and thrift and frugality also seem contested when looking at these six interviewees. I am not arguing that they are moving away from these completely, however, the interviewees do still have other living patterns, preferences and behaviors than previous generations, indicating that something has altered. De Mooji and Hofstede (2002) said that culture has an effect on consumption, and I believe too that the interviewees' individualism and self-expression have an effect on their consumption, e.g. when they purchase luxury out of self-indulgence or when they purchase Western brands as they feel it fits their more Western mindsets.

5.5.2 Reflection

Since China has developed from a country permeated by communism to an open and wealthier country in contact with foreign concepts, foreign lifestyles and other influences, much has happened to the Chinese society (cf. section 1.2). From my point of view, the above knowledge is therefore essential to this master thesis as it provides some insights in the underlying processes of the interviewees. A point I want to make is that the interviewees are all a part of the educated and urban population in China, meaning that they live or used to live in more or less modernized cities that have been greatly internationalized. And they know me, which means they are familiar with and have a relation to one coming from a Western county. Thus, these are modern Chinese people under certain influences by the outer world which gives the results above about Chinese values and life goals. The use of more traditional interviewees would in all probability give different results, but in the context of this master thesis, these modern Chinese interviewees were considered suitable.

6 DISCUSSION

In the light of the analysis, the following chapter intends to pick up the different analytical pieces in order to discuss it further and take it to a higher level of abstraction. This chapter should therefore be seen as a continuation of the analysis, but on a more reflective and debatable level.

The six interviewees have been explored and analyzed through the fifth and greatest chapter of this master thesis. Where they in some areas appeared similar, they were still different in others. Consumer B is the one standing out the most and the consumer that most likely will be of value to By Malene Birger as her disposable income is high which is reflected in her spending patterns, and she shows an immense interest in being well-dressed and purchases what is popular in society and around the world. Albeit living a somewhat luxurious life, she is still the interviewee with the most traditional mindset. With regard to the other interviewees, consumer A is the one most influenced by Western processes and who also once in a while purchases luxury brands. However, she is very conscious about buying products that fits the brand of her. Consumer C and D have a tendency to be more convenience shoppers, buying clothes when they need it although still spending a vast amount of money, and are willing to pay e.g. 4,000 RMB on a coat. Consumer E and F are much alike. They shop the same places, have some of the same preferences, are greatly influenced by Western processes and have a desire for travelling the world. However, they are also great friends, which may explain their similarities. By and large, the interviewees have proved themselves challenging, complex and fluid.

6.1 BRANDING CHALLENGES

Despite their brand consciousness, none of the interviewees mentioned the brand as a motivational factor for purchasing clothes, although they might consider the brand when dealing with luxury products (e.g. consumer B who loves Chanel) while still focusing on the quality, design and price; the basic features of a product (Atsmon et al., 2010). The majority of the interviewees fuse normal brands such as H&M and Zara with luxury brands now and then which make their consumption patterns unpredictable. Moreover they have different perceptions on when a product is luxury or not. On the grounds of that, segmentation of the Chinese population seems complicated as well as targeting these constantly changing consumers appropriately does. Their shifting consumption patters show that within the practice of branding clothes, there are differences and inconsistencies that universal models such as Aaker's (1996) and Kapferer's (2004) have not made allowance for and cannot cope with as their models are more sender-oriented and categorical. Considering Aaker's (1996) brand identity definition (cf. section 3.1.4.1) and the value proposition in his model, the brand manager decides on brand associations and what position one wants the brand to take in the consumer's mind. However, as showed in the analysis with the H&M brand (cf. section 5.3.1), the six interviewees put emphasis on different aspects when thinking of the brand. They are influential and able to think by themselves, and thus, they are no longer passive receivers of communication (Payne et al., 2009; Hatch & Schultz, 2010; Vargo & Lusch, 2004), and no longer quiescent receivers of anything; globalization has given individuals a lot of power to construct their own identities, negotiate their own cultures, and even brands. Consumer A, for instance, considers herself a brand, and thus, she purchases what she feels fit her own brand, not the other way around. And consumer D considers an IBM laptop as luxury which presumably is not what IBM associates themselves with. Kapferer's (2004) brand identity prism is built on a one-way communication model with a sender consisting of the physique and personality of the brand, a receiver consisting of reflection and self-image, and the gap between the sender and receiver is in his model is encompassed by relationship and culture (Janonis et al., 2007; cf. section 3.1.4.2). These six facets cannot just be decided on and then communicated out. That the interviewees primarily prefer the basic features of a piece of clothing without thinking too much of the brand itself shows that branding, and this brand identity model, can be troublesome. It seems like they only focus on the physique facet, the personality facet and slightly the relationship facet and then omit the other facets of Kapferer's (2004) model. Moreover, when considering the two models of Aaker (1996) and Kapferer (2004), they are meant to be universal and thereby do not contain elements that make them suitable in culturally different environments, or suitable in targeting today's consumers. But who are these consumers anyway? In this thesis, I would argue that the processes of globalization have had a huge impact on the lives of these six Chinese interviewees. Where the three different positions of homogenization, heterogenization and hybridization often has been used to describe the globalization of culture (Robinson, 2007; Smith & Leavy, 2008), I, after having explored and analyzed the cultural processes in the Chinese society, would argue that the Chinese interviewees have more hybrid identities than they have homogeneous or heterogeneous identities; something that theories often have declared the world's consumers to have (Ryans et al., 2003). Their identities are in flux and not fixed. They have all lived in a China that was growing and developing to what it is today and lived when the foreign stores started to enter China. Today, despite the governments endeavours to control the Chinese by enacting a one-child policy, by lacking decent systems for elderly care coercing the offspring to take responsibility, and by enforcing Internet censorship, the interviewees have still been exposed to the outside world along with its alluring opportunities, its fascinating cultures and other ways of speaking, behaving, dressing etc. The interviewees are rooted in China, but they have taken in elements of other cultures to construct what they are today, i.e. they blend their local identities with elements of other cultures such as Western and other Asian cultures. Due to what has been discovered in this thesis, I would not say that they transform to a global culture as a global culture speaks in favor of similar behaviors and consumption patterns that eventually call upon standardized products and marketing activities (Robinson, 2007; De Mooji, 2010; Morrison, 2006; Usunier & Lee, 2013; Dailey & Carley, 2003; Torelli, 2013). Rather, I find that these interviewees still retain some of the cultural values they have been taught while also negotiating them to make them fit into their current lives. Hence, when looking at culture, the need for using both the descriptive concept of culture and the complex concept of culture by Jensen (2007) is necessary to comprehend today's cultural members with hybrid identities.

So, from what I have observed throughout this master thesis is that the two traditional brand identity models of Aaker (1996) and Kapferer (2004) have not taken these hybrid identities of the consumers into account. They both seem to be built on the belief that consumers are passive and will receive this brand and understand it as the brand managers do; a one-size-fits-all approach which is not suitable in today's world, as argued by Holt (2004). It seems complicated today to e.g. imagine the self-image facet in Kapferer's (2004) prism and believe that one can anticipate how consumers will see themselves when using the brand. And it seems as if the country of origin element from Aaker's (1996) model and the culture facet from Kapferer's (2004) model (which is said to be the core of the brand) are not even relevant when branding clothes, as proven in the analysis. Just like many scholars that were presented in the theory chapter said, traditional ways of looking at and treating branding are challenged by globalization (e.g. Baisya, 2013; Merz et al., 2009: Holt, 2004).

6.2 MARKETING CHALLENGES

In literature, it often prevails that a company should either uniform its marketing mix in all the international markets (e.g. Levitt, 1983; Elinder, 1965), or tailor its marketing mix to these different markets (e.g. Vrontis et al., 2009). What can be seen from the analysis of the four P's is that it is not a question of either or. The Chinese consumers and the Chinese circumstances as well as globalization and its effects necessitate the need to consider and address each situation differently, i.e. using a contingency approach where neither a complete standardized approach or a complete adapted approach is acknowledged (Shah & Laino, 2006; Theodosiou & Leonidou, 2003; Vrontis et al., 2009; Dimitrova & Rosenbloom, 2010). In this context, the product variable should presumably be adjusted in order to fit to Chinese body figures as the have proven to care a lot about whether the clothes fit them or not; it is their motivational factor for a purchase in the first place. But the brand name should in all likelihood be retained to maintain a global status. The price variable is a tough variable and thorough preliminary work is needed to determine standardization or adaptation of the price as setting the wrong price can make the brand of By Malene Birger lose its status as luxury in the Chinese society. The place variable may be the variable where a standardization strategy to a certain degree is suitable. The promotion variable is a variable that presumably needs adaptation when dealing with China.

Overall, By Malene Birger should analyze and assess the Chinese market comprehensively with reference to the four P's in order to find the optimal balance and the degree of which the activities should be standardized or adapted in order to approach China, i.e. a situation specific approach. In the beginning of the master thesis, the quotation by Startup China (2013) stated that Western companies often fail in China as a consequence of either too standardized approaches or too localized approaches where the brand loses its unique appeal. Having gone from that quotation, through theories, a literature review and the analysis, I argue that complete standardization is like oversimplifying reality and complete adaptation is like exaggerating differences. As expressed before, if managing the marketing mix properly and using each variable as an integral part of the whole, i.e. each variable should support the others and not conflict, then it can help building the brand.

6.3 BY MALENE BIRGER ON THE CHINESE MARKET

When By Malene Birger in the future wants to enter the Chinese market, there are many aspects to consider as the traditional ways of branding and marketing do not hold water in today's highly volatile marketplaces, at least not in terms of clothing. As stated in section 1.2, Danish companies often give a lower priority to cultural aspects (Eiberg et al., 2013), which is why they must keep an open mind and ensure to be polycentric; the term formulated by Ahlstrom and Bruton (2010). In this thesis, the interviewees have proven more hybrid than anything else which requires a branding and marketing approach that makes allowance for similarities, intercultural differences and unpredictable, powerful consumers who are able to co-construct brands. And who knows, maybe the Chinese will change their preferences in the future and choose clothes on the basis of the brand rather than its basic attributes as the country keeps developing and its people get accustomed to a modernized, affluent China with an abundance of brands and luxury products. Thus, a branding and marketing approach must be open to changes to oblige these shifting consumers.

7 CONCLUSION

The last chapter of this master thesis is the conclusion where the content will be reviewed along with some closing thoughts in order to round off what has been researched.

Encouraged by curiosity and a wonder that arose during my time in Shanghai, this master thesis has used the hypothetical scenario of By Malene Birger and its future entrance into the Chinese market along with theories, a literature review and six in-depth interviews with young Chinese female consumers in order to explore, analyze and discuss how a Western luxury brand despite the branding and marketing challenges that globalization brings along can accede to the Chinese market. The thesis thereby takes on a receiver-oriented approach as there has been a lack of this in literature.

The analysis revealed that the interviewees have hybrid identities as they have taken in elements of other cultures due to globalization and blended it with their own culture which thereby makes them hybrid and difficult to predict in terms of e.g. their behavior and consumption patterns. The Chinese culture is therefore difficult to operationalize as its cultural members are immensely different although still encompassing some of the same values that has been passed on for thousands of years in the Chinese society. Moreover, the analysis showed how these consumers nowadays pose challenges that traditional branding models such as Aaker's (1996) and Kapferer's (2004) cannot cope with. The interviewees proved themselves as brand conscious, empowered and individualistic Chinese consumers, wiser than ever, and capable of negotiating their own lives, their own culture and also the brands they utilize. Their perceptions of brands were different as they are able to decide this themselves. Their motivation for buying clothes was delimited to quality, price and style rather than the clothing brand itself, which is an obstacle for brand marketers as these are simply the basic features of a product and not the values that are associated with a brand, which makes it harder to distinguish oneself. They do not care about country/culture of origin when it comes to clothing which is an important aspect of both brand identity models. Thus, in the discussion, it was established that a brand identity cannot be created by looking at a fixed model and just decide on some values and transmit these to consumers. Another approach is needed in today's globalized world. A core identity with immutable elements might still work; just like our fingerprints that give us our unique identity. But to envisage what emotional and self-expressive benefits consumers will get, what relationship the consumers will have, and what self-image the consumers will get by using the brand is a demanding if not unachievable task. Brands today are complex, social and dynamic phenomena which call for rethinking when wanting to carry out the practice of branding today. Furthermore, the analysis elucidated the standardization and adaptation debate, and in the discussion it was argued that in China and in today's world, it is most advantageous to assess each situation in order to discover how to approach this, as we live in a world of hybrid identities. As this result has been stated before, the fierce debate and the polarization of standardization and adaptation will presumably continue, although this time, the result has been based on empirical data. Moreover, the interviewees had different perceptions on luxury which showed that any product can be considered as luxurious; it depends on the eye of the beholder. In a Chinese context though, it is important to get the price right, as this was the only aspect that was common to the interviewees. Other than that, the Chinese consumers attach weight to different aspects which impedes the opportunity to brand and market oneself as a luxury brand.

So, imagine yourself taking that evening stroll down Nanjing Road in Shanghai, China once again where you pass enormous stores and shopping malls, you see flashing neon signs with Chinese characters hanging on the walls, and massive, futuristic-looking buildings pile up around you as you walk on the pedestrian street that is densely crowded with thousands of people. At this moment, you presumably do not feel it is a peculiar culture anymore as you have become acquainted with this culture and these people who to some extent are similar to you and to some extent are Chinese to the core. Thus, in this master thesis, it can be concluded that being a Western luxury brand, and wanting to accede to the Chinese market today, one should go to great lengths to ensure knowledge, familiarization and understanding of the powerful Chinese consumers, because ultimately, being a global luxury brand and locally relevant at the same time is a challenge today where traditional branding and marketing approaches are up for rethinking.

The results from this master thesis will hopefully foster the need for more receiver-oriented research on how companies can tackle branding and marketing in today's globalized world.

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9 LIST OF FIGURES

10 APPENDICES

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