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Interview with Mr Thomas Isaac, Director of Research, TNS

Transcript

Nick: Hello, I'm Nick Waters. I'm joined by Thomas Isaac, and we're going to talk about the upcoming "Chinese Brands Going Global" seminar in Shanghai on September 16 for the Shanghai World Expo. Thomas is the Director of Research for TNS, the company that carried out the massive research project for the seminar.

Let me start by asking you what makes this project so special?

Thomas: I see this as a survey on brands, so we were lucky to be able to interview true brand experts. All 490 respondents that we spoke to are senior planners or account leaders from the big 4 advertising agencies global offices. So they have a certain degree of expertise when it comes to understanding brands and branding. This was also a very wide survey that covered 29 countries from all the regions of the world. So it gives us a truly global perspective on Chinese brands.

Nick: Can you tell us a little bit more on how you actually carried out this survey?

Thomas: The survey was done using an online methodology, which makes it much more convenient and efficient when you are trying to gather opinions from 29 countries. The questionnaire itself had closed-ended questions as well as some open-ended questions, where the correspondents could expand on their views. We had three main sections to the interviews, the first was current perception of Chinese brands, and then be asked about people's view on the future of Chinese brands, and finally some suggestions on strategies for improving brand perceptions.

Nick: It was a very large-scaled survey, what were the main challenges you came up against?

Thomas: I think more than the scale of the survey, when you are talking to senior executives, response rates and timing become big challenges. So it was a bit of a challenge for us to get all these opinions within the one and a half months we had for the study. But we were lucky that the brand experts are very generous, giving us very detailed responses to the open-ended questions, and we were able to maintain the high quality profile of the respondents.

Nick: So it was a lot of interest from the people you...

Thomas: This is obviously a topic of some interest to them, so they answered in great detail.

Nick: You are going to present the result at the seminar in Shanghai on September 16, can you give us some more sneak preview of what we can expect?

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Thomas: Yes. Chinese brands are still at an early stage compared to international competitors, and by-and-large Chinese brands are considered to be behind the international competition. Now when we look at the results by region, the Middle East and Africa, and the developing countries, the perceptions are somewhat better than the rest of the World. When we look at the strengths and weaknesses of Chinese brands, the keys strengths are really price and value, and the big weaknesses currently are quality and safety. So if you look at what Chinese brands need to do going forward, the main thing they need to address are these issues about quality and safety. And then it becomes critical that they communicate any improvements that they make using PR and advertising.

Nick: And what's the good news for Chinese brands?

Thomas: On the positive side, the vast majority of experts believe that Chinese brands will improve dramatically in the next 5 years, and it is particularly true of technology and automotive categories. One other very interesting finding from the study was that those brand experts who are aware of specific Chinese brands in a particular category tend to rate Chinese brands in that category much better than Chinese brands overall. So what this really means is that there are certain Chinese brands in specific categories which have good brand perceptions, but then there is also an overall poorer perception of Chinese brands that needs to be overcome.

Nick: What would your advice be for local advertisers or marketers to cope with this trend?

Thomas: I think Chinese brands need to continue to leverage on this good value proposition, but it's critical that they do make improvements on the quality and safety side. In addition to what I mentioned earlier that these improvements need to be actively communicated using PR or advertising, product reviews, endorsements, and so on, the other critical element is word of mouth. The brand experts feel that word of mouth is the biggest influence on brand perceptions. So that is another element that Chinese brands would need to actively manage and use if they want to have fairly rapid improvements in brand perceptions.

Nick: What can Hong Kong's role be in all these? We've already got pretty strong branding and marketing element in Hong Kong. How can we help mainland brands to actually reach the global market?

Thomas: I think Hong Kong has, for many years, been considered the gateway to China. One of the advantages that Hong Kong has is that Hong Kong has been on the international scene for many more years and has a pretty good understanding of how the international economy and brands work. So I think there is certainly something that Chinese companies could learn and leverage from having Hong Kong as a part of China now.

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Nick: Thank you very much Thomas. Just to remind you that the “Chinese Brands Going Global” seminar would be on September 16 in Shanghai for the Shanghai World Expo. Don't miss it!

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