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# **Naming across borders**

A Study on Brand Localization in the Chinese Tech Landscape

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## **Abstract**

In the age of globalization, successful brand expansion into international markets necessitates companies addressing complex cultural, linguistic and economic factors. Among these, linguistic adaptability is critical for shaping consumer perception and assuring a brand's success. Language, which is deeply tied to culture and identity, determines how customers interact with brands, especially in linguistically diverse economies like China. This thesis looks at the interaction of language, culture, and brand strategy, with a focus on the challenges and opportunities of brand naming in China.

The study begins by examining Chinese linguistic elements, such as morphological, phonological, and semantic aspects, and how these relate to brand perception. It then looks at localization techniques such as literal translation, phonetic adaptation, semantic adaptation, and hybrid approaches, citing Basciano 2016's framework. A summary of the evolution of the tech market in China is then given, including information about its digital economy, domestic giants, and regulatory framework.

The core of the thesis comprises case studies of Western companies such as Microsoft, IBM, SAP, Electronic Arts, and Activision Blizzard, with an emphasis on their localization strategy and outcomes. These examples illustrate patterns, problems, and insights into the art of brand adaptation for Chinese customers. The findings highlight the importance of cultural sensitivity, linguistic clarity, and strategic innovation in navigating the complexities of the Chinese market.

This study provides academic insights for worldwide branding by connecting linguistic theory with marketing practice. The lessons learned from China's market demonstrate the transformative power of language in global business strategy and contribute to the broader discussion of globalization, localization, and brand identity.

# 前言

在当今全球化的经济环境中，品牌的跨国发展成为企业拓展业务的重要战略。然而，品牌要想成功进入国际市场，必须克服文化、语言和社会经济背景的差异，其中语言适应性在品牌战略中尤为关键。语言不仅是沟通的工具，更是文化与身份的体现，直接影响消费者对品牌的感知与接受程度。在文化和语言差异显著的中国市场，品牌命名更是尤为重要。一个恰当的品牌名称不仅能增强品牌的吸引力，还能与消费者建立深层次的情感联系，为品牌在竞争激烈的市场中赢得一席之地。

中国作为世界上人口最多的国家，拥有丰富的文化遗产和复杂的语言体系，是跨国企业的重点目标市场。然而，由于汉语的独特性，包括其表意文字系统、语音调性和多样化的方言，品牌命名在中国面临着前所未有的挑战。一个在英语或其他语言中成功的品牌名称，若未经适当的本地化，可能在汉语中失去原有的吸引力，甚至产生负面含义。因此，对品牌进行有效的语言和文化适配，是进入中国市场的关键步骤。

本论文的研究目标是探讨语言、文化与品牌战略之间的复杂关系，重点分析品牌命名在中国市场的应用与挑战。通过对语言学理论、市场营销原则和成功案例的综合分析，本文揭示了品牌命名在中国市场的基本原则和实践方法，并总结了西方公司在华品牌本地化过程中的经验教训。

从语言学的视角来看，汉语独特的语音、形态和语义特性使其在品牌命名方面具备特有的美学价值和文化象征意义。汉字作为一种表意文字，不仅承载了语言信息，还蕴含了深厚的文化底蕴和情感共鸣，这为品牌命名带来了机遇与挑战。汉语的语音系统以其声调特性为显著特点，不同声调可以表达完全不同的意义，这对品牌命名提出了独特的要求。此外，汉字结构复杂多样，每个汉字都包含了丰富的文化内涵和象征意义。这使得品牌名称不仅是一个标识，更是传递品牌故事和文化背景的重要工具。

品牌命名的实践策略中，音译、意译、音意结合以及自由翻译等方法各具特色。音译主要保留品牌名称的发音特征，使消费者在听觉上与原品牌产生联想；意译则注重品牌名称的意义

传递，通过选择具有积极意义的汉字来表现品牌的核心价值；音意结合则尝试在发音和意义之间寻找平衡，兼顾品牌的听觉和视觉效果。这些方法的应用需要企业充分理解目标市场的文化背景和语言特点，以确保品牌名称能够与消费者产生共鸣。

为了更好地了解中国市场，论文还探讨了中国科技产业的快速发展及其对品牌命名的影响。中国的数字经济蓬勃发展，本土科技企业如华为、腾讯、阿里巴巴等在全球范围内崭露头角，这对外国企业进入中国市场提出了新的挑战 and 机遇。与此相应，中国消费者的消费习惯和品牌偏好也在不断变化，对品牌提出了更高的要求。消费者不仅关注产品的功能性，更注重品牌传递的文化内涵和情感共鸣。同时，中国消费者越来越追求独特性和个性化，他们对品牌的认知不再仅仅局限于价格和实用性，还希望通过品牌体现自身的身份和价值观。

除了案例研究，本文还分析了品牌在不同类别产品中的表现，例如食品、时尚、科技产品等领域。以食品行业为例，中国消费者对健康、安全和质量的关注日益增加，因此许多跨国食品品牌在进入中国市场时选择了强调健康或品质的品牌命名策略。例如，“达能”（Danone）这一品牌名称在传递品牌健康形象的同时，也在汉语中保留了原有的发音特性。时尚领域的品牌则更多地利用意译和创新性的组合，如“路易威登”（Louis Vuitton）的中文名成功传递了品牌的奢华感与文化内涵。

在科技行业中，品牌命名需要兼顾技术特性与市场需求。例如，苹果公司（Apple）通过将其品牌中文名称翻译为“苹果”，不仅保留了原品牌的核心特性，还通过简单易记的名称与中国消费者建立了强烈的情感联系。此外，本论文还探讨了音译名称与本地化元素结合的成功案例，例如三星（Samsung）的中文名称“三星”，既表达了品牌的原意，也符合中国文化中对“三”这一数字的积极联想。

通过对理论和实践的结合分析，研究总结出在中国市场进行品牌命名的三大核心要素：文化敏感性、语言精准性和战略创造力。文化敏感性要求企业深入理解中国文化中的价值观、象征意义和社会习俗，从而避免使用可能引发误解或负面联想的名称。语言精准性则体现在对汉字和语音系统的灵活运用上，通过选择易于发音、易于记忆且富有积极意义的汉字来增强

品牌的吸引力。战略创造力则强调在品牌命名过程中注入独特性和创新性，以区别于竞争对手并在消费者心中留下深刻印象。

## **Chapter 1 Linguistic Issues in brand naming: the case of Chinese**

A brand name is the part of a brand that can be spoken or written that distinguishes a company, service, or product from similar ones in a category. A brand name may include words, phrases, signs, symbols, designs, or any combination of these components. For consumers, a brand name is a convenient way to remember preferred product choices. (Pride et al., 2018).

A brand's image is largely shaped by its name. A strong brand name can instantly communicate the inherent worth of the product. A brand name is essential for identifying the product it represents since it helps set it apart from its competitors. In addition, it embodies a complex arrangement of symbols and meanings associated with the product (Levy, 1978). An effective brand name raises awareness, improves perception of quality, and presents a favorable image of the product (Aaker, 1991). Many academics have also recognized the added value that a well-chosen name can bring to a product (Keller, 2011).

Brand names can have distinct linguistic characteristics depending on the language used. For instance, Chinese brand names differ significantly from European ones because to the differences in typology and writing systems. Brand perception is heavily influenced by cultural differences, societal values, beliefs, and attitudes across societies (Schmitt, Pan, 1994).

For these reasons, Western businesses typically localize their brand names to suit the needs of Chinese consumers, as standardized brands generally do not seem suitable in China (Francis, Lam, Walls, 2002).

### **1.1 Some features of the Chinese language**

Before delving into the field of brand naming in China, it is appropriate to offer a general overview of the Chinese language and its main characteristics. The Chinese language radically differs both from the Indo-European languages of Europe from most languages spoken in the rest of the Asian continent. To better understand why brand naming in China is harder than it seems, it is necessary and useful to undertake a brief analysis regarding the characteristics of the Chinese Language.

### 1.1.1 The writing system

The main feature of the Chinese writing system is that, unlike the so-called phonetic writings, it does not use an alphabet. Instead, the Chinese writing system is made of graphic units, called characters which represent both sound and meaning. Almost every character corresponds to a morpheme from the semantic point of view, and to a syllable from the phonological point of view. This is the most distinctive feature of the Chinese writing system: a single character combines three different linguistic levels into one. (DeFrancis, 1984).

The link between character and sound, however, is not fixed. The phonetic realization and its evolution over time is independent from the graphic sign. This means that the same graphic sign conveys the same meaning and can be understood in every dialect spoken in China, but, on the other side, it can be read in a completely different manner in every different dialect (DeFrancis, 1984).

Furthermore, since in the Chinese language there are more characters than syllables, different characters can correspond to identical syllables. This gives rise to many cases of homophony, such as the syllable *shì* and the many meanings associated with different characters (是 *shì* 'to be', 视 *shì* 'to look at', 市 *shì* 'market, city', 事 *shì* 'matter, affair', 室 *shì* 'room') (Basciano, 2016).

Characters are formed by points and lines, which are called strokes, and can be framed within an ideal square. There are simple characters made by a single stroke and more complex ones which may be composed even of sixty. They were traditionally written vertically, from the right to the left of the page, but they are nowadays mostly written horizontally, from the left to the right. Characters are not spaced apart from each other, therefore, there is no indication of word boundaries in this orthography (Abbiati, 2015).

The total number of Chinese characters may amount to more than 100,000 units, but the *List of frequently used characters* of 1988 just lists around 7,000. Of these 7,000 characters, knowledge of at least 2,000 is enough for basic literacy, and knowledge of 2,500-3,000 is enough to read and comprehend a newspaper (Abbiati, 2015).

To give a definition, the Chinese writing system is a morphosyllabic script (De Francis, 1984), that is, a script whose graphic units represent syllables with meaning.

### 1.1.2 Morphological characteristics

The Chinese language is an analytical language. It is a morphologically simple language, as it relies on word order and function words to convey grammatical relationships (Sun, 2009). Chinese words, typically, do not change form to express grammatical meaning as e.g. tense, number, or gender; therefore, it is also an isolating language. There is no use of inflection and a limited use of affixation: this means that all the above information is expressed through contextual elements or through the use of special particles (Sun, 2009).

Chinese words are typically made of monosyllabic morphemes. Each morpheme, the smallest unit of meaning, is usually a syllable and can appear alone as a word or be combined with other morphemes to form compound words. There are free morphemes, which can stand alone as a word (我 *wǒ* 'I', 人 *rén* 'person', 吃 *chī* 'to eat'), and bound morphemes which cannot stand alone and must combine with other morphemes (桌 *zhuō* 'table' as part of 桌布 *zhuōbù* 'tablecloth') (Abbiati, 2015).

A single morpheme can carry a distinct meaning or function and can assume different grammatical classes at the same time. For instance, the character 画 *huà*, can both be used as a noun meaning 'a drawing, a picture' or as a verb indicating the action 'to draw' (Abbiati, 2015).

Complex ideas can be expressed by compounding two or more morphemes to form a word (Ceccagno, Basciano, 2007). For example, the word used for 'mobile phone' is 手机 *shǒujī*, which is compounded by 手 *shǒu* 'hand' and 机 *jī* 'machine'. A mobile phone is indeed a machine held in the hands. Compounds are a major method of word formation in modern Chinese. There are mainly three kinds of compounds:

- Endocentric compounds: One of the constituents acts as the 'head', conveying the main meaning, and the other as a modifier or complement to the head (Ceccagno, Basciano, 2007). For example, the word 火车 *huǒchē* 'fire-vehicle, train', a vehicle (historically) powered by fire, or 飞机 *fēijī* 'wings-machine, airplane', a machine with wings.
- Exocentric compounds: The meaning of the compound is not directly derived from its components (Ceccagno, Basciano, 2007). For example, the word 吃醋 *chī cù* 'to be jealous', which literally means 'to eat vinegar' or the word 开心 *kāi xīn* 'happy', which literally means 'to open the heart'.

- Coordinating compounds: The constituents of the compounds are in a coordination relationship, and both contribute equally to the meaning of the complex words, as e.g. 父母 *fùmǔ* 'father-mother, parents'.

The only kind of affixation that exists in the Chinese language is the use of derivational affixes. These are prefixes or suffixes that alter the meaning or the grammatical class of the word. Prefixes typically modify the meaning of the base word but do not alter its grammatical class. For instance, 非 *fēi* 'non-' in 非正式 *fēizhèngshì* 'non-official' does not alter the base 正式 *zhèngshì* 'official'. On the contrary, suffixes often serve to change the word class. For instance, 化 *huà* in 现代化 *xiàndài-huà* 'modern-SUFF' alters the base 现代 *xiàndài* 'modern' into 'modernization' (Sun, 2009).

Identifying morphemes within the Chinese language is a simple operation. Since they are most often represented by individual characters, it is not hard to separate the single morphemes. Things get more complicated in discerning the units of meaning, since characters can both appear alone or in a compound or with a grammatical function rather than another.

### 1.1.3 Phonological characteristics

Chinese is a tonal language; this means that the variation of the tone with which a syllable is pronounced determines a variation in its meaning (Abbiati, 1998).

Mandarin Chinese presents four main tones (声调 *shēngdiào*), which are signaled in pinyin as four diacritical marks upon the vowel associated with them. There also is a neutral tone (轻声 *qīng shēng*). This tone is pronounced with less emphasis and pitch variation, and often appears in unstressed syllables. An example is the second syllable in the word 妈妈 *māma* 'mother' (Abbiati, 1998).

The four main tones of Chinese are:

- First tone: High and level (妈 *mā* 'mother').
- Second tone: Rising, like asking a question (麻 *má* 'hemp').
- Third tone: Low, then rising (马 *mǎ* 'horse').
- Fourth tone: Sharp, falling (骂 *mà* 'to scold').

Figure 1 (The University of Kansas, 2020) exemplifies the pitches of the four tones in an

intuitive way.

According to Sun (2009), tones are differentiated according to four key criteria: length, intensity, pitch, and the type of voice emission. For instance, the second tone tends to be louder and higher in pitch, whereas the third tone, which drops to a low pitch, creates a nearly “strangled” vocal effect.

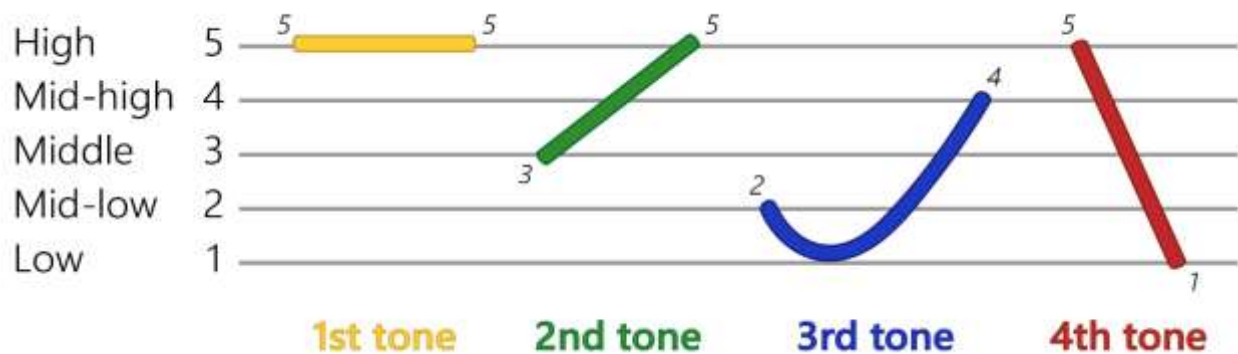


Figure 1

It is necessary to underline the importance of the correct pronunciation of tones, because, as illustrated above, by changing the tone of a syllable, the meaning of it completely changes.

Another essential aspect of Chinese phonology is the existence of tone sandhi. According to Sun (2009), tone sandhi is the phenomenon where the tone of a syllable changes based on its phonetic context, especially when tones interact with each other in connected speech.

The most well-known example of tone sandhi in modern Chinese is the third tone sandhi. In standard Mandarin, when two third tones appear consecutively, the first tone changes into a second tone. For instance, 你好 *nǐhǎo* ‘hello’ is pronounced *níhǎo*. The third tone 你 *nǐ* changes to a second tone because 好 *hǎo* also has a third tone (Sun, 2009; Abbiati, 1998).

Tone sandhi also occurs because Chinese tones are context-sensitive. Tones change in order to maintain a natural flow of speech and help avoid cumbersome articulation when multiple tones of the same type are strung together (Sun, 2009; Abbiati, 1998).

Finally, tone sandhi can also occur at the phrase level: in certain contexts, the tone of a word may change according to the tone of the word following it, reflecting prosodic patterns (Sun, 2009).

Concerning syllable structure, in the Chinese language it typically follows what Sun (2009)

defines as the “CGVX structure”. This consists of an initial consonant (C), a glide (G)<sup>1</sup>, a vowel (V) and a final consonant (X). The C, G, and X parts of the structure are optional, while the V is mandatory. In Chinese, the final consonant X is limited to *n* ([n]) or *ng* ([ŋ]). For instance, a syllable in Mandarin Chinese may consist of:

- A syllable with only a vowel V (啊 *ā*).
- An initial consonant C + a vowel V (妈 *mā*).
- A glide G + a vowel V (椰 *yē*).
- An initial consonant C + a glide G + a vowel V (家 *jiā*).
- A vowel V + a final consonant X (安 *ān*).
- A consonant C, a vowel V + a final consonant X (忙 *máng* ‘busy’).
- A glide G + a vowel V + a final consonant X (翁 *wēng*).
- All components CGVX (强 *qiáng*)

As may be noticed, in Chinese there are no consonant clusters, meaning that consonants do not typically occur together within the same syllable constituent. For instance, there are no combinations like [st] or [kr] in Chinese.

To round it up, Chinese also has a small set of consonants and vowels: there are only 21 consonants including stops (*p, t, k*), fricatives (*s, sh, x*) and nasals (*n, m*), and a simple vowel system that presents a mix of monophthongs and diphthongs (*a, o, ai, ou*).

#### 1.1.4 Some remarks on Chinese dialects

Before discussing further topics, it is necessary to acknowledge that China is home to many regional dialects or topolects, which differ significantly from one another. Standard Mandarin (Putonghua) is the official language of China, but there are at least seven to ten dialect groups which are recognized and spoken around the country (Ramsey, 1987). For instance, Cantonese is spoken in Guangdong, Hong Kong, and other parts of southeast Asia, Wu dialects are spoken around Shanghai and in Zhejiang, and Min dialects are spoken mainly in Fujian and Taiwan (De Francis, 1984).

The different dialects are often mutually unintelligible due to major differences among them.

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<sup>1</sup> A glide is a semivowel that functions like a transition sound between a consonant and a vowel in a syllable. Glides are also sometimes called approximants, and in Chinese phonology, they appear between the initial consonant and the vowel or as part of a diphthong.

For instance, Cantonese has six tones opposed to Mandarin's four, or the mandarin word 书 *shū* for 'book' is pronounced *syū* in Cantonese.

The written form of the language remains uniform across the country. For this reason, Chinese characters are understood across dialects, even though their pronunciation differs. An example is the Mandarin word 妈 'mother', which is pronounced *maa1* in Cantonese (Ramsey, 1987).

For brand naming, Mandarin is usually the target language in China. However, some brands decide to adapt to regional dialects to appeal to the local market.

Summing up, dialects play an essential role in the diversity of spoken Chinese. Although the writing system is uniform, and Mandarin is the most diffused variety, understanding dialects is key for localizing brands in regional markets.

## **1.2 Impact of the Chinese writing system on brand perception**

The unique characteristics of the Chinese language and its writing system make the branding process more complicated, and many factors should be taken into consideration when trying to enter the Chinese market. Developing a good brand perception for the customer is the key to the success of a brand, especially in China.

In this chapter, an overview on brand perception is given, then the characteristics of the Chinese writing system influencing brand naming are explored.

### **1.2.1 What is brand perception?**

Brand perception can be defined as how the consumers view and interpret a brand based on their interactions with it. It is heavily shaped by the experiences customers have with the brand across multiple factors such as a specific brand's intrinsic qualities, container, packaging, price, advertising, promotion, and merchandising. The impressions influence consumer decisions, brand loyalty, and ultimately the profitability of the company (Aiswarya, 2019).

Perception can be both positive and negative: the former leads to greater customer loyalty and preference for the brand, whereas the latter can discourage potential customers and

harm the brand's reputation (Aiswarya, 2019).

Brand perception cannot be controlled by companies, but it is rather an individual feeling the consumer has towards a specific company. Many factors contribute to the creation of this image in the customer's mind: although a company cannot control brand perception, it can influence it with activities like marketing, customer service, and product advertisement. Moreover, indirect factors, like word-of-mouth recommendation or online reviews can also influence the consumer view of a brand (Nielsen, 2021).

According to Aiswarya (2019), when consumers encounter a brand, their experiences interact with one another to form an overall impression. This includes both direct and indirect influences. The goal of the company is to create positive emotional bonds with consumers, to foster brand loyalty, trust, and preference over competitors.

According to Keller (2011), the main key factors contributing to how a brand is perceived are the following:

- a. Sensory information: These are the physical attributes of the brand, such as product design, packaging, and advertisement.
- b. Brand communication: Includes marketing campaigns, brand stories, and customer engagement through which a brand communicates its vision, mission, and culture.
- c. Customer experience: The interactions the consumer has with the brand.
- d. Social influence: Includes family, friends, and public opinion which all heavily influence the way a brand is perceived.

To measure brand perception, companies employ tools like customer satisfaction surveys, net promoter scores, or product satisfaction surveys. The purpose of this measurement for companies is to refine their marketing strategies and the way they reach customers. Through brand perception measuring, a brand can identify their strengths and their weak points, therefore tuning their communication and product offering to better align with consumer expectations. Regular feedback from customers allows companies to track changes in the customers' mood, to identify potential issues and to address them in time (Aiswarya, 2019).

Being an individual feeling of people towards the brand, brand perception is naturally related to psychology, in particular to the topics of sensation. Sensation is defined by Niosi (2021, p. 17) as "the awareness resulting from the stimulation of a sense organ", and it's closely related to perception which is "the organization and interpretation of sensations". This direct link

allows us to perceive the world through our sensory system, and to learn from the environment to make judgments and adjust our behavior.

Through their senses, humans can gather information, analyze their surroundings, and process what they are experiencing. Companies can perform actions and influence perception on all five senses (Niosi, 2021).

For sight, color is the most widely used marketing tool, as it has a powerful psychological impact on consumers' behavior and choices. Colors can stimulate feelings, evoke sensations, and even influence specific parts of the brain to produce excitement. Every color is associated with a feeling and can immediately evoke it at first sight in the minds of consumers. For instance, green is often associated with health and growth, whereas blue is associated with peace and security (Niosi, 2021). In China, red is strongly associated with positive feelings, it is a sign of success and happiness, and it is often used in important cultural rituals and celebrations.

For hearing, music is the most common mean to reach the consumer and connect with them. Brands accurately choose music for their advertisement based on the feelings they want to evoke in the listener (Niosi, 2021). Choosing the right music to complement a commercial can keep the consumer engaged and even make the advertisement stick into their mind.

For taste, sampling is one of the best ways in case of food and beverage (Niosi, 2021). By allowing customers to taste a sample of the product, they can instantly evaluate the product at a deep level and help them develop an idea of the brand and its products.

For smell, connecting with customers' emotional reaction to scents and odors is key. Choosing the right perfume or smell for a particular product can help stimulate the receptors of the consumer. However, it must be noticed that different cultures are accustomed to different smells, so the brand needs to be aware of cultural differences and adapt their offering based on the cultural context of every country (Niosi, 2021).

Finally, for touch, direct interaction with the product is critical to make judgements about a product. It is the most powerful way to influence the brain of the customer, and to convince them of the good quality of the product the brand is offering (Niosi, 2021).

All the perceptions derived from the stimuli the human brain received from the five senses go through what is known as the perceptual process (Niosi, 2021). This process develops the consumer's perception of a brand and positions it in the mind of the consumer compared to

competition.

The process starts with exposure, which is the information gathered through the five senses. The human mind is daily exposed to a great number of stimuli and it's impossible to process them all. Selecting the information the human mind accepts as input is called selective exposure (Niosi, 2021; Keller, 2011).

The second part of the process is attention, in which the customer focuses on a particular source of sensory information. The human brain usually focuses its attention on what appeals the most, and this changes for every individual (Niosi, 2021; Keller, 2011).

Then we have interpretation, that is the assignment of meaning to what the mind is perceiving. This is done using what Niosi (2021, p. 29) defines as "schemata". These are "databases of stored, related information that we use to interpret new experiences".

The final part of the process is sensory adaptation, that is the decreased sensitivity to a stimulus after constant and prolonged exposure. The human brain adapts to a stimulus it has already perceived many times, at the point of completely accustoming to it and resulting in not even perceiving it as a stimulus anymore (Niosi, 2021).

Of course, in the software industry not all senses can be used to influence the customer, for this reason, companies mostly rely on sight and hearing when promoting their software products.

For instance, *Microsoft* makes great use of the color blue to evoke a sense of safety and professionalism in the mind of the customer. Its operating system, *Windows*, is crafted to transmit a sense of power and appeal to grown-up users who need a computer for work or for school. At first glance, the feeling evoked in the user's mind is that of stability and ease of use<sup>2</sup>.

On the other hand, *Apple's* operating system *iOS* is crafted to appeal to a younger audience. Its ease of use and modern style make it perfect for young people who need something fast and always ready to use<sup>3</sup>. *Apple's* commercials often exalt the characteristics such as the powerful camera of the devices or the ease with which apps can be downloaded and used, evoking in the user a feeling of ease of use and reliability.

To conclude, by tapping on the five senses, companies can influence the perception an individual has on themselves and their products. In the Chinese market, the sight level is

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<sup>2</sup> <https://www.microsoft.com/en-us/about>. Accessed 19/11/2024

<sup>3</sup> <https://www.apple.com/>. Accessed 19/11/2024

extremely important for a brand, as the logographic writing is another factor to take into account when trying to stimulate the Chinese consumer's brand perception.

### 1.2.2 Aesthetic and symbolic power of Chinese characters

Chinese characters are a unique form of written language, both for their practical role in communication and for their immense aesthetic and symbolic value (Zhang, 2018). Evolving from ancient pictographs<sup>4</sup>, they gradually transformed into a sophisticated system that combines visual beauty with linguistic meaning, becoming a tool of communication deeply linked with art, design, and cultural expression (Zhang, 2018).

A remarkable aspect of Chinese characters is their visual complexity and the balance of their forms. As said before, Chinese does not have an alphabet, therefore, characters fuse pictorial, ideographic, and phonetic elements. Originally born as pictographs, they developed into logographs, which express both sound and meaning. As a result, each character carries its own aesthetic value, formed by its structure of strokes, proportion, and interplay of lines (Ma, 1985).

The geometric composition of each character is where balance, harmony, and symmetry come into play. With a combination of straight and curved lines, dots, and the spaces between each character, a dynamical visual form is created, which has been cultivated in Chinese calligraphy for a thousand years (Zhang, 2018). According to Ma (1985), the beauty of the Chinese written language includes shape, balance, and proportion between all the elements composing a character (Feng, 2023). Some characters demand symmetrical perfection, while others follow a more cursive aesthetic.

Beyond their aesthetic appeal, Chinese characters also possess a symbolic power that enhances their significance. The connection between form and meaning is central to Chinese writing, as each character carries a history, cultural symbolism, and emotional resonance. Thus, evolving from their original pictographic form, many characters maintained a symbolic connection to the objects or concepts they represent.

Shirakawa (2007) emphasizes that Chinese characters are more than functional symbols, as they are also carriers of beauty and meaning. According to Shirakawa, characters not only

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<sup>4</sup> Stylized representations of objects

convey linguistic information, but also embody the philosophical and cultural values of the Chinese society.

With the advent of the digital age, Chinese characters have undergone significant transformation. While they were traditionally written using brush and ink, a mean that used to incarnate the writer's style, intent and even their emotion, today the situation is different. The rise of computer-assisted writing and mobile technology has shifted the way people engage with characters. The aesthetic principles previously used in calligraphy are now adapted to the new technologies, creating new kinds of aesthetics (Zhang, 2018).

New arts such as typography, font design, and graphic design have incorporated Chinese characters, making them central elements in contemporary design (Mo, 1979). In branding, they have become crucial not only for their linguistic function, but more importantly for their visual impact and cultural resonance. The visual form of Chinese characters is now a key factor in shaping consumer perception (Mo, 1979).

The visual and symbolic qualities of Chinese characters have made them an extremely valuable element of branding. Characters do not just communicate the brand name, but also embody its values, its history, and its cultural significance. A well-chosen character can evoke positive emotions, cultural association, and help recall a brand in a more effective way (Mo, 1979).

For instance, suggestive brand names, in which the characters hint at the product's positive attributes or benefits, tend to be more memorable and resonant with the consumer.

Pomerantz (1981) suggests that when elements of a stimulus set, such as brand names and their characters, complement one another, they are perceived as a unified whole, making the brand more appealing and emotionally engaging.

From traditional calligraphy to contemporary branding and design, Chinese characters remain a potent visual and cultural symbol. Their intricate balance of form and meaning makes them unique among the world's writing systems, allowing them to function not only as tools of communication but also as powerful carriers of aesthetic and cultural values.

For instance, the 中国银行 *Zhōngguó Yínháng* 'Bank of China' logo (Figure 2) uses an artistic and complex font, to underline its history



Figure 2



Figure 3

and its importance in China, whereas the 百度 *Bǎidù* logo (Figure 3) is simple and direct.

### 1.2.3 Phonetic and semantic considerations in brand naming

The phonetic structure of Chinese is complex due to its tonal nature, which significantly impacts the way a brand name is received by native speakers. Both phonetics and semantics play impactful roles in creating good brand names that resonate with consumers. This characteristic is significantly different from languages like English, which do not present tonal variations.

Tones affect the way a brand name sounds and feels to the consumer in Chinese. According to Morgan et al. (1979), the aural appeal of names plays a core role in brand name selection, especially when the phonological structure is the final deciding factor. In Chinese, a key element of the process is sonority, which expresses the richness and fullness of a sound. Chinese speakers generally prefer brand names that are sonorous and pleasant to the ear. The tonal structure of Chinese implies that the level of sonority can be linked to tones.

In its “Tonal Sonority Hierarchy”, Ping (1996) ranks the four tones in Mandarin. The first and second tones are considered the highest tones, therefore the more sonorous ones, and are frequently used in both personal and brand names. Studies by Huang and Fan (1994) in Mandarin and Cantonese confirmed that names with high tones are more pleasant and are more widespread than names with lower tones.

Considering the preference for higher tones, a widespread practice in Chinese brand names is to use a high-toned second syllable. Take the example of 华为 *Huáwéi*, 美团 *Měituán* or 微盟 *Wēiméng* ‘Weimob’<sup>5</sup>. In all these brand names, the second syllable is a high tone to both enhance the auditory appeal and reinforce the positive connotations of the brand name.

Moreover, brand names are not just chosen for their phonetic qualities, but also for their positive meaning. Take the example of 联想 *Liánxiǎng* ‘connect-think, Lenovo’, signifying the association of ideas and innovation, 百度 *Bǎidù* ‘hundred-extent, Baidu’, deriving from a classical Chinese poem and representing “a hundred searches” or “countless times”, or 腾讯 *Téngxùn* ‘move swiftly-news, Tencent’, suggesting the rapid transmission of information and

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<sup>5</sup> A Chinese cloud-based business and marketing solutions provider. It is dedicated to offering decentralized digital-transformation Software as a Service (SaaS) products and full-link growth services, aiming to assist businesses in achieving sustainable growth in operation.

highlighting Tencent's role in facilitating swift communication and digital connectivity.. This trend in choosing brand names relates to the symbolism and cultural significance the names need to have to positively strike the Chinese speaker customer.

Differently to most of the Western ones, Chinese brand names are deeply symbolic. By using a symbolic approach, brands are treated as a semiotic system, a combination of images, signs, and meanings that communicate the brand's essence to the customer. Brands, like symbols, operate in layers and incarnate a mosaic of cultural meanings and associations, such as national or historical connotations, and help positioning the brand within a cultural framework. For example, 华为 'Huawei' uses 华 *huá* to symbolize China and 为 *wéi* to denote 'action, achievement'.

Cultural connotations, in particular, are closely linked to semantics. A well-chosen Chinese brand name can reflect the deep cultural or geographical roots of the language, appealing to the collective memory of consumers. Therefore, brands incorporating significant events, historical landmarks, or national heroes in Chinese culture can immediately establish a sense of identity and trust among consumers.

In the software industry we can consider the example of *Microsoft*, which adapted its name in Chinese as 微软 *Wēiruǎn*, meaning 'micro' and 'soft', maintaining the original meaning.

Another significant example is Adobe, which chose 奥多比 *àoduōbǐ* as its Chinese name. This translation follows the original phonetic structure, while using the characters 奥 *ào* and 比 *bǐ*, which are common transliterations for foreign brand names, and 多 *duō* 'many' which could be interpreted as symbolizing Adobe's comprehensive suite of software.

#### 1.2.4 Cognitive process and brand recall

Lastly, it is interesting to take a brief look at what are the cognitive processes behind recognizing and reading Chinese characters. In contrast to languages possessing alphabetic systems, Chinese naming relies on the complexity and multi-dimensionality of characters. The cognitive approach with characters needs to integrate the orthographic, the phonological, and the semantic aspects.

Chinese characters possess what is known as a "deep orthography". There are few consistent rules linking their visual forms to their sounds, making it hard to rely on phonetic decoding processes. Instead, readers process characters as whole syllables, associating each character

with a specific meaning and sound (Shu and Zhang, 1987; Yang, 2015).

Unlike languages possessing “shallow orthography”, such as Spanish or Italian, Chinese characters require readers to access meaning directly through their structure, rather than relying on phonetics (Wu, 2022).

Because of the previously discussed limited phonetic variety of the Chinese language, phonological activation, the process through which readers distinguish characters, is not extensive. Characters are simply recognized by considering visual patterns and spatial structure rather than phonetics (Wu, 2022).

The spatial structure of characters requires more intensive visual analysis than alphabetic systems because they combine multiple strokes and components. Processing the information engages both the left and right sides of the brain. This bilateral engagement highlights the cognitive effort required to interpret the ideographic elements and intricate structure of each character (Tan et al., 2000; Peng et al., 2004).

Additionally, there is increased activity on in the left medial frontal area of the brain, reflecting that the brain is acting at multiple levels while processing a character.

It has been observed that characters with repeated or consistent stroke patterns are generally easier to recognize. Moreover, the complexity of strokes does not necessarily mean that the character is hard to recall. Characters with more intricate strokes, such as 鱼 *yú* ‘fish’ are processed with similar ease as those with less strokes, such as 十 *shí* ‘ten’, when they follow established patterns (Zhang et al., 2002). This shows that the recognition of Chinese characters is based on observing the character as a whole, rather than focusing on the individual strokes.

Finally, brand names in Chinese use both simple and complex characters to trigger brand recall and cognitive appeal in different ways.

On the one hand, the use of simple characters tends to be immediately recognizable and easy to recall. On the other hand, using more complex characters can convey depth, sophistication, and cultural resonance. While the cognitive process for these characters is longer, they can bolster the emotional connection with consumers and are perceived as culturally richer and highly symbolic (Jia, 1992).

## **Chapter 2 – Brand naming in China**

Brand naming is important for companies to create a product's identity, to increase customer loyalty, and even to establish the company's positioning in the competitive markets (Aaker, 1991). This is especially important in China, as its distinct characteristics, including linguistics, culture and history, need to be considered for foreign businesses willing to venture in this market. A brand name should appeal to Chinese consumers while also taking into account elements like tones, semantic, and symbolism, which characterize in the Chinese language

This chapter investigates the evolution, characteristics and issues of brand naming in China, providing a thorough examination of its historical roots, present practices, and translation methodologies.

### **2.1 The history of branding in China**

China is frequently portrayed as the “last great frontier” for Western brand producers looking to expand their markets, a narrative that is shared in both popular media and scholarly discourse (Croll, 2006). According to this view, Western firms introduced branding in China in the early nineteenth century, coinciding with the country's opening to foreign trade (Wang, 2000).

However, a growing corpus of studies challenges this dominant narrative, pointing to a more nuanced historical relationship between China and branded goods (Gerth, 2003, 2006; Hamilton & Lei, 1989). These studies argue that branding in China did not originate in the West. Instead, branding tactics were already prevalent in late imperial China and were firmly rooted in the nation's commercial and cultural heritage.

Other studies, such as Moore and Reid (2008) and Eckhardt and Bengtsson (2010), argue that branding practices existed even before, tracing back to the Shang dynasty in 2000 BCE.

This chapter briefly explores the origin of brand naming in China and explores its evolution to the present day.

### 2.1.1 Origins and evolution of branding practices

Branding in China has a long and ancient history which started with the earliest dynasties and evolved through time.

During the Shang Dynasty (2000-1500 BCE), kin groups known as *zu* used family crests to indicate the quality and origin of commodities. Despite not being brands in the modern sense, these crests can be considered proto-brands and were an important early source of information on the origin and caliber of products, even allowing for a new type of product differentiation by identifying the location of items' production (Moore & Reid, 2008).

Branding progressed during the Han Dynasty period (206 BCE – 220 CE), when family and location names were imprinted on goods, emphasizing the value of reputation in commerce, and reflecting the growing importance of quality control and brand identity in the marketplace, creating the foundation for contemporary branding (Zuo, 1999).

During the Song Dynasty (960 – 1127) a society more oriented towards consumerism developed, giving rise to the first form of consumer-driven economy. During this period, brands tried to create linkages of quality and distinction by showing connection to the imperial court and respectable family names. One of the first full symbolic brands, which was used to denote the superior quality of sewing needles is *White Rabbit*. (Hamilton & Lai, 1989). In opposition to branding in medieval Europe, where brands largely regulated merchant activity, during this time, Chinese brands helped to enhance marketing, showing the rise of a vibrant consumer culture. (Moore & Reid, 2008).

The peak of this consumer society was reached during the Ming dynasty, when merchants reached higher social statuses by fostering the arts, collecting books, and designing gardens and homes. By the sixteenth century, branding had taken off, supporting upward mobility and allowing artisans and peasants to produce goods for mass consumption. Increased brand awareness and product uniqueness are examples of the unique branding culture resulting from this (Eckhardt & Bengtsson, 2010).

The Qing dynasty (1644–1911) introduced new branding indicators known as *biaoji* and *hao*. The *hao* stood for a long-standing reputation connected to retail outlets, while the *biaoji* served as a company or geographic identification, indicating the producer or seller's origin. 同仁堂 *Tong Ren Tang*, a traditional medicine store, and 便宜坊 *Bian Yi Fang*, a Beijing roast duck restaurant, are two well-known examples of *hao* branding that have maintained their

cultural relevance and historical reputation to this day (Bolu 2002; Li, 2009).

Furthermore, in late imperial China, brand names employed labels indicating the place of origin of goods as a mean of to convey quality and distinction. By enabling consumers to link products to particular locations and local identities, these origin labels enhanced consumer choice because of their impact in building customer loyalty (Cheng & Chan, 2009; Hamilton & Lai, 1989).

Ancient Chinese society used specific classifications to indicate quality before the idea of contemporary brands took hold. For instance, the term 类 *lèi* denoted the grade or quality of goods like tea, rice, and liquor, whereas the term 贡品 *gòngpǐn* identified goods that were seen appropriate as tribute gifts to the emperor (Hamilton and Lai, 1989; Yang, 1987). The latter includes high-end clothes, shoes, and particular cuisines. Rather than being distinct brand identities, these classifications functioned as prestige signals.

In the early 20<sup>th</sup> century, the terms 牌子 *páizi* and 品牌 *pǐnpái* came into use to refer to brands, the former becoming the colloquial term for 'brand', the latter adopted as a formal counterpart to the English term 'brand' (Wang, 2007).

### 2.1.2 Early modern China

With the first Opium War (1840-42)<sup>6</sup> and the signing of the unequal treaties,<sup>7</sup> brand evolution in China was heavily influenced by external pressures. These agreements hampered China's economic independence by opening Chinese ports to international trade and denying China the authority to set import tariffs. As a result, the state had limited ability to safeguard imports and protect domestic industries (Gerth, 2003).

The lack of economic control gave rise to the National Products Movement, an initiative to encourage the consumption of domestic goods as a patriotic responsibility. This trend grew with China's industrialization and emphasized the fact that purchasing locally made goods was "patriotic", whereas purchasing foreign goods was seen as "treasonous" (Gerth, 2008).

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<sup>6</sup> The first Opium War (1839–42) was a conflict between China and Britain which arose from China's attempts to suppress the illegal opium trade of Britain. Opium was causing serious social and economic disruption in China due to widespread addiction. (Pletcher, K., 2024, September 8. *Opium Wars. Encyclopedia Britannica*)

<sup>7</sup> In Chinese history, any of a series of treaties and agreements in which China was forced to concede many of its territorial and sovereignty rights. They were negotiated during the 19th and early 20th centuries between China and foreign imperialist powers, especially Great Britain, France, Germany, the United States, Russia, and Japan. (Britannica, T. Editors of *Encyclopaedia*, 2019, September 16. *unequal treaty. Encyclopedia Britannica.*)

Due to the worries about trade deficits, foreign competition, and national sovereignty, politicians, manufacturers, and intellectuals all contributed substantially to the National Products Movement in an effort to reduce the influence of imported goods (Gerth, 2003).

The 1930s Japanese invasion of China intensified the anti-foreign sentiment, especially towards Japanese goods. Brands such as *Diyang* wool, which meaning is “resist foreign” and *918* cigarettes, which allude to the Japanese invasion on September 18, 1931, are examples of the resistance against foreign influence. Chinese brands also began to use celebrity endorsement around this time. An example is Kuomintang General Zhang Xueliang supporting the *918* brand (Zuo, 1999).

Despite the anti-foreign sentiment, global brands such as Kodak, GE, and Quacker Oats made their way into China in the early 20<sup>th</sup> century. They were introduced in China primarily through trade hubs, like Shanghai, and were often labeled as 洋 *yáng* ‘foreign’. Foreign brands frequently adopted culturally relevant marketing strategies to gain acceptance in the Chinese market: products were advertised through radio, neon signs, posters, and department store displays, using imagery resonant with Chinese culture to increase their appeal (Zhao and Belk, 2008).

Meanwhile, the National Product Movement persisted in promoting the consumption of domestic goods through advertising campaigns, exhibitions, and national rallies. After regaining tariff sovereignty in the late 1920s, China introduced national product certifications to further support the local industry (Gerth, 2003).

In 1949, with the Communist Revolution Chinese consumer culture experienced a significant transformation (Gerth, 2003). Most industries were nationalized, while the focus of production was on meeting the quotas defined by the state. This shift that did not consider consumer demand grew to the point of excluding luxury and foreign products from the market. State-owned corporations were also prioritized over private businesses (Gerth, 2003; Croll, 2006).

During the Cultural Revolution (1966-1976), the government took control of most industries, limiting the consumer market and banning brands that included foreign symbolism or discrimination against social classes (Stearns, 2001; Zuo, 1999). Nonetheless, certain historical brands, such as 茅台 *Moutai* liquor were preserved and celebrated as symbols of

national pride.<sup>8</sup>

Under socialism, the practice of identifying the place of origin of goods remained important to distinguish Chinese products from foreign ones, highlighting a continuity with China's consumerism. Gerth (2003) argues on the fact that consumerism is a Western phenomenon, putting forward the hypothesis that consumer choices were a key part of Chinese identity even before Western influence. Hamilton and Lai's (1989) study aligns with this vision, showing the deep rooted consumerism which extends to the entire history of China.

### 2.1.3 *gǎigé kāifàng* and the rise of modern consumerism in China

With the implementation of Deng Xiaoping's 改革开放 *gǎigé kāifàng* 'Reform and opening-up'<sup>9</sup> policy, China's economic system underwent dramatic changes. During Mao Zedong's era, the economy was centrally planned, with state-owned enterprises responsible for about three-quarters of all the production, and an emphasis on reaching quotas rather than responding to consumer demand. Workers in these firms benefited from the "iron rice bowl"<sup>10</sup> system, which provided lifetime employment, pensions, housing, healthcare and other social services (Croll, 2006). In contrast, *gǎigé kāifàng* liberalized international trade and investment in China, decreasing state economic control and encouraging the growth of a consumer culture.

Due to growing wages of employees in private companies and foreign joint ventures, the Chinese society started to place more emphasis on consumption during this time of economic reform (Croll, 2006). During this shift, consumer goods, especially those from Western companies, began to significantly influence China's modernization.

Following *gǎigé kāifàng*, China's consumption habits changed in three waves, each with its own set of consumer preferences, income levels, and government initiatives to influence brand perceptions (Croll, 2006). These waves show how Western products have influenced Chinese consumer culture and how the government has made consumption a top priority in

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<sup>8</sup> U.S. President Richard Nixon's 1972 visit to the People's Republic of China was an important step in the normalization of relations between the United States and the People's Republic of China. It was the first visit of an American president to China.

<sup>9</sup> The Chinese economic reform refers to a variety of economic reforms in China which led to significant economic growth within the successive decades. The reforms eventually started the economic boom and modernization of China, greatly decreased poverty and shifted international geopolitical interest towards China.

<sup>10</sup> "Iron rice bowl" is a Chinese term for an occupation with guaranteed job security. Traditionally, people considered to have such positions include military personnel, members of the civil service, as well as employees of various state-owned enterprises.

the country.

The first wave occurred in the 1980s, when economic reforms sparked a period of fervent consumerism by increasing the demand for Western goods. Foreign investment was drawn to China by its abundant and affordable workforce, while rising wages led to the increase of purchasing power. The average Chinese consumer was now able to purchase previously restricted goods, such as refrigerators, washing machines, bicycles, and color televisions. Because of the popularity of similar brands in Hong Kong, Singapore, and Taiwan, international brands began to enter China during this time (Croll, 2006).

At the same time, the government's modernization objectives actively pushed China's view of the West, changing the perception of it from an exploitative force to a model of prosperity and progress (Croll, 2006). However, this surge of consumerism was not universally embraced, and a number of initiatives, including the "anti-spiritual pollution" movement of 1983-1984 and the "anti-bourgeois" movement of 1986-1987, aimed to reduce the excessive display of Western goods. Concerns over whether the reforms would last or return to the socialist austerity of the Cultural revolution were fueled by these campaigns, which had criticized consumerism and foreign products (Croll, 2006).

The second wave of consumption followed Deng Xiaoping's 1992 Southern Tour<sup>11</sup>, which highlighted the advantages of wealth accumulation for economic growth. Between 1992 and 1995, as urban households purchased consumer goods such as air conditioners, telephones, and mobile phones, rising incomes and disposable wealth reached their peak. Furthermore, Western giants like Walmart, Carrefour, and B&Q started opening stores throughout China. These shops provided a modern, international experience that influenced the changing consumer's culture in China (Croll, 2006).

However, interest in Western goods started to decline by the mid-1990s as high-quality, reasonably priced Chinese companies such as *Legend* computers (today's Lenovo), *Forever* bikes, and *Qingdao* beer appeared. The increased availability of Chinese alternatives, and the lack of social settings where to display high-cost goods led to the gradual decline in ostentatious purchasing and a preference for locally made goods (Croll, 2006).

The third wave of consumption, beginning in the late 1990s and continuing today, placed a

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<sup>11</sup> Deng Xiaoping's 1992 Southern Tour was important to resume and reinforce the implementations of *gǎigé kāifàng* Mainland China, which had come to a halt after the military crackdown on 1989 Tiananmen Square protests ordered by Deng himself.

strong emphasis on growing domestic consumer demand as a countermeasure to China's export-dependent economy. Following the 1990s Southeast Asia financial crises, China's government was forced to encourage domestic consumption as a means of stabilizing the economy due to declining export growth rates. At the same time, policymakers negotiated favorable terms for the membership into the World Trade Organization (WTO) by using China's expanding consumer market (Croll, 2006; Tian & Dong, 2011).

During this time, a significant emphasis on nationalism and the desire to see Chinese companies prosper internationally replaced rigorous socialist ideology, and Chinese pride in consumerism became an integral component of national identity. Chinese consumer lifestyles have come to be associated with national pride, which has raised hopes for China's own international brand success (Zhao & Belk, 2008).

## **2.2 Brand naming characteristics and techniques**

A brand's image is largely shaped by its name. A strong brand name can instantly communicate the inherent worth of the product, even though brand image can be developed over time through various forms of advertisement. A brand name is essential for identifying the product it represents, since it helps set it apart from its competitors. In addition, it embodies a complex arrangement of symbols and meanings associated with the product (Levy, 1978). An effective brand name raises awareness, improves perception of quality, and presents a favorable image of the product (Aaker, 1991). Many academics have also recognized the added value that a well-chosen name can bring to a product (Keller, 2011).

In this chapter, we delve deeper into brand names' characteristics, and we explore the challenges of translating a brand name for the Chinese market. Then, we analyze the most used translation techniques and finally we focus on brand translation in China to understand the mechanisms of its specific market.

### **2.2.1 Characteristics of brand names**

A brand name has the function of being a distinctive "meaning code" for products, incarnating their key attributes and advantages, and, at the same time, presenting a symbolic association to set them apart from competitors (Keller, 1993). The differentiation is important in highly competitive markets: on the one hand the brand identifies the product, on the other hand it

also conveys the company's entire image and reputation. The importance of choosing a name is highly influential in allowing a product to be successful or a failure (Keller, 1993). Companies should analyze the linguistic and symbolic components of names, also including the psychological effects they generate on consumers in order to fully exploit the potential of a brand name.

A registered name, which is protected by trademark laws, gives the owner the legal authority to prevent others from using similar names. This reinforces the name's function in assisting customers in quickly identifying and choosing products in a crowded market. By enabling businesses to leave a lasting impression on customers, this legal protection not only preserves intellectual property but also increases brand recognition and loyalty (Keller, 1993).

Naming is a crucial component of a business's positioning strategy and is both an art and a science. Establishing a strong market presence and attracting the correct customer base depend heavily on the process of coming up with an engaging and memorable name (Keller, 1993). The primary aim of naming is to form a positive association in the minds of consumers, aligning the brand with specific attributes and values that resonate with its target audience. A well-chosen name is a crucial part of branding and may have a big impact on how people view a business, influencing its reputation and customer perception over time (Keller et al. 2010).

In light of the pivotal role that brand names play in a company's branding strategy, it is not surprising that organizations frequently invest considerable resources in the creation and testing of new names (Keller et al. 2010). According to Phil Davis, in its article "Cost for Naming a Company" for Tungsten Branding, companies typically devote between \$10,000 and \$75,000 to company naming alone, thereby underscoring the value of the name as a marketing asset.

A strong brand name builds a favorable brand image, increases consumer awareness, and improves the product's perceived quality. Keller (2011) argues that a strong name enhances value and aids in the development of strong emotional connections between businesses and customers. Brand naming experts Ries and Trout (2000) state that a brand name is the most important element within the branding mix and should not change as other marketing tactics do. As a consequence of their widespread influence and impact, some brand names, such as *aspirin* or *cellophane*, have become so deeply integrated in popular culture that they are used as general terms for similar products (Cohen, 1986).

According to the psychological method used in the creation of the brand name, naming strategies can be divided in the following classes:

- **Manufacturer names:** Manufacturer names are frequently associated with authenticity, workmanship, and tradition. Such names suggest quality and heritage, as seen in luxury brands like *Armani* or *Ferrari*, where consumers feel a direct connection to the creator's artistry (Aaker and Joachimsthaler, 1997).
- **Fictitious character names:** Brand names that are based on fictional characters, such as *Betty Crocker* or *Mr. Clean*, personify specific attributes and help consumers relate to and easily identify with the brand. The characters help customers relate to the goods on an emotional level by serving as symbols for attributes like familiarity and dependability.
- **Descriptor names:** These names provide information about the product's composition, function, or geographical origin. Examples include *Go-Gurt* yogurt and *Air Fresh* conditioners, which instantly communicate product function to the consumers. The product's geographic linkage can also be indicated by descriptive names, like *Bank of America* or *Western Union*, which associate the brand with a particular region and strengthen brand identification through place-based associations (Keller et al., 1998).
- **Suggestive names:** These names evoke lifestyles, aspirations, or emotions. For instance, *Acura* makes subtle references to the idea of "accuracy", associating the brand with ideas of accuracy and high-quality engineering. As seen with *Apple's* name, which communicates originality, simplicity, and innovation, suggestive names create a conceptual connection between the product and desirable customer traits (Keller, 2011).
- **Symbolic names:** These names use letters, numbers, or acronyms to create an identity that appeals to tech-savvy or digital consumers. The modern cultural connotations of letters or characters, such as "X", which stands for youth and adventure, are reflected in names like *Xbox* or *SpaceX*. (Danesi, 2011).

The combination of letters, numbers, and symbols is important for brand names to appeal to the visual and auditory memory of consumers. In languages that use an alphabet, like English or Italian, letters are associated with specific sounds, making recall simple. Logographic scripts, like Chinese characters, on the other hand, provide more immediate cognitive links and visually communicate meaning.

*Apple's* name and logo, for example, combine visual and textual cues to reinforce its brand

identity, making it instantly identifiable and memorable in global markets (Nishina, 1990).

Additionally, phonetic simplicity and ease of pronunciation are also key, since a brand name should be recognizable and accessible to all consumers, preventing any confusion or negative associations that may result from foreign-sounding names (Keller, 1993).

The name of a brand is closely linked to its visual components, such as packaging, colors, and logos. The *IBM* logo exemplifies this, as it combines a square-serif font with color alternation to evoke technological precision and reliability. *IBM's* worldwide identity is enhanced by its visual design, which helps the company convey its ideals and brand attributes across linguistic boundaries (Cabat, 1989). Each design element promotes the brand's identity and provides meaning at a glance.

Frequently, the brand's visual composition reinforces its identity, extending its impact beyond the linguistic field. For instance, *Suzi Wan* logo's use of bamboo, a Chinese lantern, and the red rising sun evoke connotations with Asian customs and culture, giving the product a genuine feel. Therefore, visual branding is more than just aesthetics; it gives customers a mental experience and strengthens bonds through symbolic associations.



Figure 4 Suzi Wan logo

To be effective, brand names should have certain desirable attributes, such as distinctiveness, memorability and ease of pronunciation. According to marketing research, a powerful brand name should ideally convey pertinent product information, either directly or indirectly (Robertson, 1989). In competitive markets, distinctive brand names help with brand differentiation and customer recall (Keller et al. 1998). However, in the case of descriptive brand names, because they are less unique and more difficult to legally defend, incorporating them in a name may limit trademark protection (Cohen, 1986).

In conclusion, a brand name is not merely a label; it is a strategic instrument with the capacity to shape consumer perception, cultivate brand loyalty and foster emotional connections. An effective brand name integrates linguistic, visual, and symbolic elements that resonate deeply with consumers, thereby reinforcing brand loyalty and supporting product differentiation.

### 2.2.2 The creation of Chinese brand names

In languages with a phonographic writing system, such as English, brand names can be formed through a variety of strategies using the flexibility of sound and letter combinations. Basciano (2016) identifies the following strategies:

- Phonological strings: Names created for their appealing sound, such as *Kodak* and *Bref*.
- Acronyms: Forming names from the initial letters of key words, such as in *IKEA* (Ingvar Kamprad Elmtaryd Agunnaryd, the initials of the founder's name and the village where he was born).
- Compounding: Combining words to form a new one, such as *Red Bull*.
- Word borrowing: Making use of well-known lexical items, such as *Skipper*.
- Blending: The process of combining elements of two words to form a single one, such as *Exencial* (executive + financial).
- Clipping: Shortening long words, such as *Cat* for *Caterpillar*.

The logographic writing system of the Chinese language, on the other hand, incorporates distinct methods that take into account the linguistic features and cultural factors of the language (Basciano, 2016).

Chan, Huang, and Wu (2009) identify the three main tactics of borrowing, abbreviation, and compounding.

Chinese brand names frequently originate by borrowing pre-existing terms, such as those with geographical associations, cultural significance, or positive meaning. By establishing the brand in well-known historical and cultural contexts, this tactic appeals to customers through resonance and recognition (Chan, Huang, Wu, 2009; Basciano, 2016). Examples include 解放 *jiěfàng*, 'liberation' used for trucks and 双喜 *shuāngxǐ*, 'double happiness'. Geographical examples include 珠江 *Zhūjiāng*, 'Pearl River', or 哈尔滨 *Hā'ěrbīn*, 'Harbin', which are both beer brands linked respectively to the prestige of the Pearl River Delta, and Harbin's history and brewing tradition.

Abbreviation is an effective approach to generate concise and memorable brand names, while maintaining a direct connection to a company's original name or geographical origin (Chan, Huang, Wu, 2009). Examples include 中国一汽 *Zhōngguó yī qì*, abbreviated from 中国第一汽车集团公司 *Zhōngguó dì yī qìchē jítuán gōngsī*, 'China First Automobile Works' or 津一 *Jīnyī*, derived from 天津第一机床总厂 *Tiānjīn dì yī jīchuáng zǒngchǎng* 'First Machine

Tool Plant of Tianjin’.

Compounding is the most productive and popular way for creating Chinese brand names. This technique is consistent with the language’s morphological structure, which encourages combining lexical morphemes to generate complex words. According to studies (Chan, Huang, Wu, 2009), the most common structure is modifier-head compounds, in which one character affects the meaning of another. Examples include 白猫 *bái-māo*, ‘white cat’, a detergent brand, 金威 *jīn-wēi*, ‘gold power’, a beer brand, or 五粮液 *wǔ-liáng-yè*, ‘five-grain liquid’, a liquor brand.

The types of names illustrated above are just a part of the range of possibilities. Other compounding strategies include derivation (cfr. Chapter 1 p. 5), such as in 思想者 *sīxiǎng-zhě* ‘thought-SUFF, thinker’, reduplication, such as in 大大 *dà-dà* ‘big-big’ (doors), a combination of the two and more (Basciano, 2016).

Disyllabic names are particularly popular because they represent the simplest prosodic term in modern Chinese, making them easy to remember and recall (Lü, 2005; Basciano, 2016). While longer names such as 浪漫一生 *làngmàn yīshēng*, ‘romantic life’ occur, monosyllabic names are rare and sometimes paired with 牌 *pái*, ‘brand’ to generate a disyllabic structure, as in 红牌 *hóngpái*, ‘red brand’ (Lü, 2005).

Basciano (2016) also identifies the use of modified 成语 *chéngyǔ*<sup>12</sup> as brand names. A strategy involves the usage of modified versions of the original *chéngyǔ* to create puns. It is a widespread advertising practice and consists in replacing one or more characters of the *chengyu* with one or more homophonous characters (Cao, Gao, 2009). An example from brand naming is 食全食美 *shíquánshíměi*, ‘eat perfectly’, obtained by substituting 食 *shí* ‘eat’ to 十 *shí* ‘ten’ in the idiom 十全十美 *shíquánshíměi*, ‘perfect in every way’ to emphasize food quality. Another example is 一步到胃 *yībùdàowèi*, ‘one step to the stomach’, which is a pun on 一步到位 *yībùdàowèi* ‘complete in one step’, substituting 位 *wèi* ‘place’ with 胃 *wèi* ‘stomach’ for a digestive product (Basciano, 2016).

Another strategy identified by Basciano (2016) is the use of foreign-sounding names. Tian and

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<sup>12</sup> A type of traditional Chinese idiomatic expressions, most of which consist of four Chinese characters. They are considered the collected wisdom of the Chinese culture, and contain the experiences, moral concepts, and admonishments from previous generations of Chinese speakers. Chengyu still play an important role in Chinese conversation and education.

Dong (2011) suggest that, in China, there are numerous domestic goods which are branded to sound more like Western brands and capitalize on the positive associations that come with it. The strategy seeks to draw in younger, more global audiences and invoke international prestige. Examples include 爱丽丝 *Àilísī*, 'Alice', a jewelry brand symbolizing elegance and sophistication, or 纳爱斯 *Nà'aisī*, 'Nice', a cleaning product brand which uses phonetic similarity to an English word to position itself globally.

The creation process of these brand names involves the selection of a foreign or foreign-sounding name by businesses, then the search for characters that match in order to create a Chinese name that appears to be a translation of a foreign name (Basciano, 2016). The characters chosen are often neutral and not related to the kind of product or the company.

Basciano (2015; 2016) also identifies two more strategies: the use of acronyms or initialisms, and the use of alphanumeric brand names.

### 2.2.3 Linguistic and cultural challenges in international brand naming

Simple to spell, say, and recall brand names which also recall and evoke favorable connotations are extremely valuable and effective in their home market (Perrault & McCarthy, 1996). However, these favorable characteristics frequently do not translate across borders with the same effectiveness, as brand naming is typically rooted in a source language and culture. The sound, spelling, and meaning that make a brand appealing in one language may fail to resonate or even produce negative effects in another. This challenge is particularly evident when developing international brands from scratch or introducing domestic brand names to overseas markets.

Businesses can save significant resources by choosing a successful brand name for a global audience. According to Stern (1983, p.53), a well-chosen name “can save millions of dollars over the product’s life”, since it naturally communicates the advantages of the product and creates a distinctive identity that distinguishes it from rivals. Global brand name standardization also reduces advertising costs and simplifies identification for international consumers (Onkvist & Shaw, 1989). Despite these advantages, brand names’ linguistic nuances are usually overlooked, particularly when they are strongly associated with founder names.

From a linguistic perspective, a global brand name needs to be carefully crafted. Customers in

the target countries should be able to accurately pronounce it when they see it in print, such as on product packaging, pictures, or billboards, and spell it when they hear it. The writing system must also feel familiar. This can be challenging in regions such as China, where the Roman alphabet is less common, or such as Japan where it is used but associated with non-Japanese branding (Sherry and Camargo, 1987).

One of the major challenges arises from the phonological constraints in different languages. Certain phonemes or sound combinations common in one language may be unfamiliar or unpronounceable in another. For instance, the Swedish company name *SKF* (from *Svenska Kullager Fabrik*) uses consonant clusters, such as [sv] and [nsk] that are difficult to pronounce in many languages. Similarly, languages like French feature nasalized diphthongs<sup>13</sup>, such as [kwɛ̃] in *coin* 'corner', which may be confusing for non-native speakers.. For languages like Chinese and Japanese, which lack such consonant clusters, these features make pronunciation challenging, making simpler names more universally effective (Usunier & Shaner, 2002).

In some situations, if the brand's identity is connected to certain images or cultural connotations, simplicity and meaning should be tied. For instance, when necessary, Japanese speakers adjust foreign pronunciations, such as coffee which becomes *kohi* in Japanese. However, because it projects a very foreign, high-end image, they retain the Western pronunciation for brands such as *Nescaffè* (Usunier and Shaner, 2002).

The way that brand names translate between languages is also influenced by spelling rules, or orthography. Differences in spelling and pronunciation between languages, as well as the existence of silent letters and special characters can result in confusion. For example, the French car brand Peugeot contains a silent [t] and the [ge] is pronounced like an English [j]. Non-French speakers who are unfamiliar with French phonetics may become confused by such complexities. In general, it is advised to avoid complicated spelling conventions unless intentional, as seen in the American brand *Häagen-Dazs* which uses the unusual [å] to evoke a North European appeal (Usunier & Shaner, 2002).

Target market consumers may change brand names to conform to local phonetic conventions. For instance, in Japan, *Marlboro* is often pronounced [malboro], due to the difficulty in pronouncing the [rlb] cluster. By modifying brand names to fit recognizable speech patterns and sounds, consumers are able to "own" the name. The appeal of the brand is frequently

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<sup>13</sup> A triphthong is a vowel sound in which the tongue changes position to produce the sound of two vowels.

unaffected by such phonetic changes, which are often culturally acceptable (Walle, 1997).

Cross-linguistic brand transfers can lead to unintentional, usually funny implications, especially if the brand name sounds like a bad or undesirable word in the target language. Commonly referenced examples include *Kellogg's Bran Buds* in Sweden, which meant 'grilled farmer' in Swedish. In another case, the German hairspray brand *Caby-Net* had negative connotations in French, where 'cabinet' means 'toilet'. Other well-known examples include *Nescafé* in Portuguese, which could be read as 'it's not coffee', and *Chevrolet Nova* in Spanish, which meant 'doesn't work' (Ricks, 1983; Collins, 1977).

However, unintentional implications can also enhance the attraction of a brand. *Wanadoo*, a French Internet server provider, was designed to sound like the English term 'want to do', which would make little sense in French but would work well in an American context (Usunier & Shaner, 2002).

In order to ensure success, a brand name intended for international markets should meet a number of linguistic criteria (Usunier & Shaner, 2002):

1. Spelling familiarity: The name should be easy to pronounce and follow recognizable spelling across languages, so that customers can remember and replicate it with little effort.
2. Consistent pronunciation: The brand name should be the same in all languages, ideally avoiding complex clusters or unfamiliar phonemes.
3. Positive connotation: The brand name should ideally complement the brand's positioning in a variety of cultural contexts by evoking a positive meaning consistent with its intended qualities and advantages. (Yang, 2008)

#### 2.2.4 Adaptation and Structure of Brand Names in the Chinese Market

As we previously discussed, the translation of a brand name across different linguistic and cultural context is not an easy process. One of the primary challenges is finding a balance between the transposition of sound and meaning, two elements which frequently conflict in multilingual situations. (cfr. Chapter 2.2.3). In particular, the Chinese market further complicates this challenge due to its distinct logographic structure and deep cultural connotations.

This section explores the primary strategies and concerns in Chinese brand naming,

emphasizing the need for linguistic precision, cultural resonance, and effective communication.

The conflict to balance the transposition of both sound and meaning requires careful planning to ensure both cultural relevance and brand recognition (Usunier & Shaner, 2002). Zhang and Schmitt (2001) identified three basic approaches to overcoming this challenge: phonetic transposition, semantic transposition and phonosemantic transposition, each with its own unique advantages and limitations.

Phonetic transposition focuses on reproducing the sound of the original brand name in the target language. This strategy ensures a degree of continuity in aural brand recognition, which is crucial for international branding. For instance, 亚马逊 *Yàmǎxùn* 'Amazon' replicates the original pronunciation. This approach keeps the brand's acoustic identity but leaves the original meaning of the noun untranslated (Zhang, Schmitt, 2001).

Semantic transposition, on the other hand, focuses on translating the meaning of the brand name into the target language. This strategy focuses on the communication aspect of branding, ensuring that the sense and meaning of the name effectively connects with the new audience. *Microsoft's* Chinese name, 微软 *Wēiruǎn*, translates to 'micro-soft', effectively maintain the brand's identity, while also having an identifiable image in the new market (Zhang, Schmitt, 2001; Usunier, Shaner, 2002).

The most complex technique is phono-semantic transposition, which aims to harmonize both sound and meaning. This dual focus enables the brand to maintain its original acoustic character while also incorporating culturally meaningful and appealing connotations. *BMW's* Chinese name, 宝马 *Bǎomǎ*, literally translates as 'precious horse'. This translation retains the phonetic similarities of the original while including Chinese cultural metaphors that associate horses with speed, reliability, and luxury. As such, it aligns with the values BMW strives to convey in its global branding (Zhang, Schmitt, 2001; Usunier, Shaner, 2002).

Due to its ability to balance linguistic accuracy and cultural resonance, phonosemantic transposition is often considered the gold standard in brand name adaptation (Zhang, Schmitt, 2001). However, its implementation is not straightforward. Choosing the right characters in languages like Chinese, where homophones are common and individual characters may have complex meanings, requires a great awareness of the linguistic and cultural context (Zhang, Schmitt, 2001).

Czinkota and Ronkainen (1990) provide three different techniques which align with those of Zhang and Schmitt: translation, transliteration, and transparency.

Translation is the process of directly translating the name into the target language. Although this approach seems simple, it frequently runs the danger of cultural misunderstanding. Words with certain meanings in one language may evoke entirely different associations in another. For instance, the detergent brand *Tide*, if translated as *Marée* in French, may evoke unpleasant odors or dirt rather than cleanliness and strength. (Czinkota, Ronkainen, 1990; Usunier, Shaner, 2002).

Literal translation is only occasionally employed in Chinese, especially when the original name has a desirable and obvious meaning that is consistent with cultural norms. A prominent example is 红牛 *Hóngniú*, which means 'red bull', which preserves the original symbolic strength and vitality.

Transliteration aligns with Zhang and Schmitt's phonetic transposition technique focuses on mimicking the original name's sound in the target language. An example is Pepsi-Cola, 百事可乐 *Bǎishì Kělè* in Chinese, which combines phonetic similarity with the positive semantic meaning of 'a hundred happy things'.

A transparent or "blank" name is one that has no intrinsic meaning, allowing it to gain meaning through user experience and branding. An example is *Sony*, which lacks intrinsic meaning but gained identity through marketing efforts. Transparency offers flexibility across linguistic contexts, since the name interpretation is associated with the product rather than the language (Usunier, Shaner, 2002; Czinkota, Ronkainen, 1990).

Because significant characters are valued in the Chinese culture, transparent names are less frequent there. However, when used, they usually take the shape of instantly identifiable initials or acronyms. Instead of using language associations, these names, like *3M* and *IBM*, are recognized by their visual symbols or logo (Schmitt and Pan, 1994).

The terminology that will be used for the research in this thesis will be the one provided by Basciano (2016). The author identifies three translation techniques which align with the already discussed ones:

- Literal translation: Aligns with Zhang and Schmitt's semantic adaptation and Czinkota and Ronkainen's Translation technique.

- Phonetic adaptation: Aligns with Zhang and Schmitt's phonetic transposition and Czinkota and Ronkainen's Transliteration technique.
- Phono-semantic adaptation: Aligns with Zhang and Schmitt's phono-semantic adaptation technique.

Other strategies identified by Basciano (2016) include graphic loans and the creation of original names.

The graphic loan technique is the process of translating brand names from one language script to another using similar or identical Chinese characters. This strategy leverages the shared use of Chinese characters (*kanji* in Japanese, *hanja* in Korean, and simplified/traditional characters in China) across Sinospheric languages. The main aspect of graphic loans is that the brand name retains its original form in terms of meaning or phonetic representation while using Chinese characters that are visually similar or have common roots in their respective languages (Basciano, 2016; Masini 1993).

Graphic loans are particularly common for Japanese brand names when they are translated into Chinese. Examples include 本田 *Běntián* 'Honda' and 任天堂 *Rèntiāntáng* 'Nintendo'. The former is a surname in Japanese, and the characters 本田 *honda* are directly used in Chinese maintaining the original form and just altering the pronunciation. The latter does the same, just altering pronunciation: the characters 任天堂 *nintendo* are directly used in Chinese (Basciano, 2016).

In some cases, firms choose original names over adaptations, developing names that express the product's characteristics, benefits, or purpose. These names frequently include characters with positive connotations. Typically, they follow the rules of Chinese brand naming, with a preference for disyllabic names.

Examples include *Bref*, a cleaning product which uses 妙力 *miàolì* 'wonderful-power' to emphasize effectiveness, *Sprite*, which uses 雪碧 *xuěbì* 'snow-jade green', suggesting refreshing qualities, or *Ariel*, which uses 碧浪 *bìlàng* 'jade green, wave', evoking freshness and cleanliness (Basciano, 2016).

Finally, Basciano (2016) also identifies hybrid naming strategies, which combine several techniques to provide brand names that appeal to local customers while maintaining their global character. In the Chinese market, where linguistic, cultural, and aesthetic factors must coincide, this subtle strategy works especially well (Basciano, 2016).

Hybrid strategies leverage culturally significant meanings with sound adaptability by utilizing both phonetic and semantic components. A significant example is 星巴克 *Xīngbākè* 'Starbucks': 星 *Xīng* translates to 'star', which translates to the first part of the name, while 巴克 *bākè* is a phonetic adaptation of 'bucks', preserving the auditory connection to the brand's global identity (Basciano, 2016). Because the word 'star' evokes positive images in the Chinese culture, while preserving phonetic continuity, this combination guarantees both recognizability and cultural significance.

Another example is 玉兰油 *Yùlán yóu* 'Oil of Olay', which also reflects a blend of phonetics and meaning. 玉兰 *Yùlán* is a phonetic adaptation of 'Olay' and also means 'magnolia', a flower that, in the Chinese culture, represents elegance and purity. 油 *yóu* translates to 'oil', accurately capturing the purpose of the product (Basciano, 2016). This hybrid strategy ensures linguistic and cultural coherence while also enhancing the brand's appeal.

The examples provided explain how powerful the hybrid naming strategy can be as it not only allows brands to maintain their international identity, but also allow them to boost cultural resonance and enhance memorability.

#### 2.2.5 A comparative analysis of brand naming translation studies

To further enhance what has been discussed until now, in this section the study from Francis et al. (2002) is analyzed, discussed and compared with that of Basciano (2016).

In the Francis et al. study of 2022, the authors investigate the tactics used by Fortune 500 consumer goods companies in Mainland China and Hong Kong to standardize or adapt their brand names. They examine the distinctions between the English and Chinese brand names from a variety of perspectives and classify them according to the translation technique used.

The study covers 49 Fortune 500 consumer products businesses and examines 209 brand names from a variety of sources, including company websites, industry reports, Chinese media, and in-person supermarket observations. This breadth offers a comprehensive understanding of branding practices in many areas.

Their analytical framework evaluates brand names on the following fundamental dimensions: degree of standardization or localization, phonetic similarity, semantic meaning, cultural relevance and linguistic devices.

The study divides branding strategies into four major approaches: maintaining English name entirely, adapting the name phonetically (transliteration), translating the name's meaning in Chinese, and creating wholly new names for the market. Bilingual coders thoroughly analyzed brand names, ensuring reliability through cross-verification and resolution of inconsistencies by a third coder.

The findings (Figure 5) highlight the overwhelming preference for localization with 90% of the analyzed brand names tailored specifically for the Chinese market.

	n	Percentage of Total
Transliteration	92	44%
Translation	46	22
Creation	43	21
Use of English brand name	21	10
Transliteration and translation	3	1
Other	4	2
Total	209	100
Chi square = 161.91	Degrees of freedom = 4	Significance: $p = .000$

Figure 5 Francis et. al (2002), p. 108. Brand strategy of Chinese brand names compared with English brand names.

Among the localized names, the most used approach was transliteration accounting for 44% of the cases. This technique allows businesses to keep the phonetic component to their original brand names while adapting them to the tonal and syllabic constraints of Chinese.

Translation is the second most popular technique (22%). This emphasizes the semantic value of the name, aligning it with culturally relevant meanings or product benefits.

The creation of wholly new Chinese names, which accounts for 21%, demonstrates the willingness to a localized identity that may differ from the original brand name but is more relevant to the target audience, allowing better penetration in the Chinese market.

Because of the phonological differences between English and Chinese, the phonetic similarity between names in the two languages proved difficult. In particular, it is evident that translations into Cantonese were more aligned phonetically. This is probably due to Hong Kong's role as an intermediary for Western brands entering China.

Cultural preferences for names incarnating positivity and auspiciousness, together with

product-specific quality are those with greater semantic richness. In particular, 84,6% of the names localized in Chinese had an intrinsic meaning, while just 61,1% of the English names did the same.

27% of localized name had some characteristics associated with Chinese culture and traditions. Examples include references to good fortune, health and symbolic wealth. Tonal harmony, compounding, and alliteration were also used to create names that are both significant and phonetically appealing to the Chinese audience. All these elements together are key to improve the names' visual appeal and their memorability, while, at the same time, highlighting the linguistic challenges needed to compete in the Chinese market.

Conciseness emerged as one characteristic of effective Chinese brand names. The majority of names had two or three characters, which made them easy to recall, especially in packaging or advertising contexts. It is significant to notice that Chinese names had a higher average positivity score of 3,97 out of 5, which is greater than the English names' 3,32 (Figure 6). This discrepancy illustrates the conscious attempt to match company names with deeply rooted positive cultural values.

	Mean <sup>a</sup>	Significance (p-Value)	Percentage Rates Above Neutral
English	3.32	.000	21.9
Chinese	3.97		52.5

<sup>a</sup>Scale: 1 = negative, 3 = neutral, 5 = positive.

Figure 6 | Francis et. al (2002), p. 110. Connotation Ratings of Brand names.

The study also underscores the importance of strategic flexibility. Companies should proactively understand if they're names are relevant on a global scale, and consider which characteristics of its brand they want to maintain while transitioning to the Chinese market. This is especially important for the Asian region due to its regional linguistic and cultural differences.

The study from Basciano (2016) focuses on the top 100 international brands ranked in Interbrand's 2014 chart. The author focuses on the Chinese translation of the names with the objective of analyzing the linguistic strategies used to adapt the names for the Chinese market.

The research method involves a deep analysis of phonological and semantic characteristics, also integrating cultural factors to understand how brand names are created and received from Chinese customers.

Various industries are included in this study, so that it highlights sector-specific differences

and greater patterns in the adaptation. Literal translation, phonetic adaptation, phonetic-semantic adaptation, graphic loans, original creation, and hybrid forms are the main categories into which Basciano divides translation techniques. Every approach shows a different effort to strike a balance between local appeal and global identity.

The main conclusion of the study is that, due to Chinese language and cultural uniqueness, adaptability is heavily relied upon rather than standardization. Since it often does not meet the phonetic, semantic, and symbolic standards of Chinese customers, direct adoption of foreign names is uncommon.

Figure 8 highlights the results of Basciano's study.

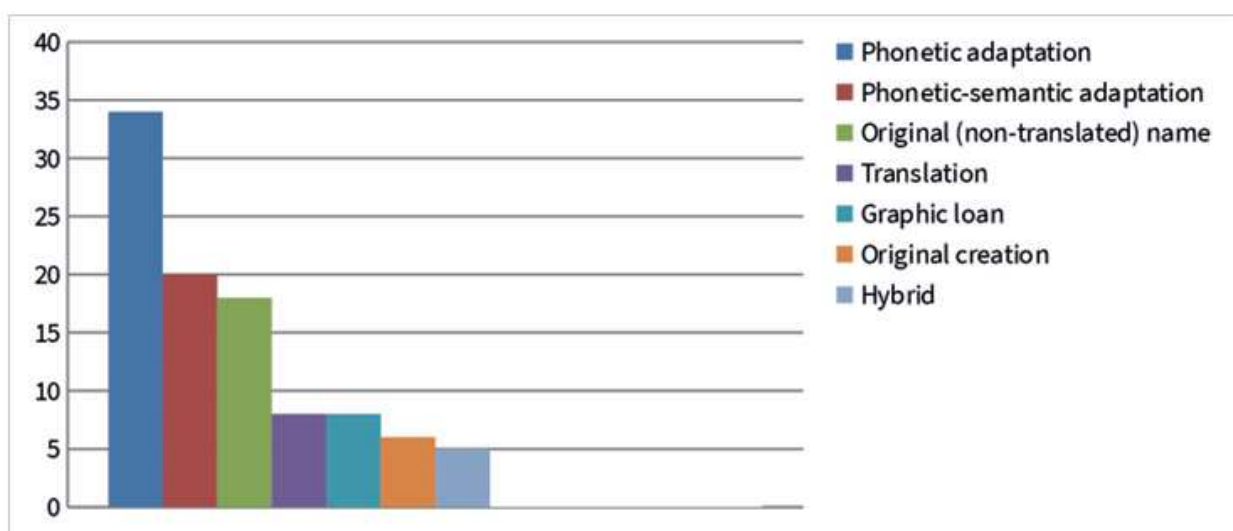


Figure 7 Basciano (2016), p. 279. Translation tendencies of the top 100 global brands listed in the Interbrand best global brands 2014 classification in Chinese.

The results show a striking prevalence of phonetic adaptations, with 34 brands using this technique to enter the Chinese market. Only 20 names were translated using the phonetic-semantic strategy and 18 used original names. All the 8 Japanese and Korean names make use of graphic loans, while just 5 brand names use hybrid loans.

Cultural factors still represent one of the most important elements to consider in brand names, according to Basciano, because Chinese customers are used to connect company names to the characteristics we discussed earlier. Rising tones are used extensively because they have the power of evoking feelings of optimism and positivity.

Brands in the consumer goods sector frequently use literal translation or transliteration. This contrasts with brands in the luxury and technology sectors, which are more likely to use hybrid or phonetic-semantic strategies to give a better sense of sophistication and refinement.

The two studies both provide useful insights to understand the adaptation of foreign brand names for the Chinese market. The authors offer two distinct but interconnected perspectives on this process.

One of the key takeaways is that cultural sensitivity is central for brand adaptation. The study from Francis et al. emphasizes the importance of cultural specificities, and the possible danger of using names with negative connotations, while the study from Basciano follows more a tonal preference perspective.

The two studies converge on the idea that successful brand naming in China is a mix of awareness of linguistic and cultural contexts.

The findings of the authors give insight into the differences in the prevalence of adaptation strategies. Francis et al. identify transliteration as the most used strategy with 44% of the cases, while Basciano presents a lower number of 34%.

This difference could be due to the methodology. Francis et al.'s sample includes a broader range which includes regional differences and a larger range of consumer goods businesses, while Basciano focuses on the top 100 global brands, which also include the luxury and technology industries, among others, which value creative strategies. Moreover, the temporal context may play a role: between 2002 and 2014, consumer preferences and brand naming strategies in China changed, reflecting the evolution of the market.

Finally, Francis et al.'s emphasis on cultural localization, as well as Basciano's emphasis on the value of tones, imply that adaptation strategies are shaped not only by context, but also by companies' ability to understand and respond to the complexities of the Chinese market.

## **Chapter 3 - The market for technology in China**

China has become one of the world's largest digital markets, becoming a technological powerhouse and transforming the global technology environment. Its advancements in fields such as internet infrastructure, mobile technologies, and cloud computing gave rise to an innovative ecosystem which also further enhances growth. This chapter examines the evolution of China's technology market, focusing on key milestones that have defined its progress.

The chapter analyzes the technological and societal factors that are at the base of transformation. We explore the rise of China's digital infrastructure and the focus of the country on mobile economy. Moreover, cloud computing and digital payments are taken into consideration along with the expansion of e-commerce. Furthermore, there is a focus on China's "Made in China 2025" policy to explain how it impacts China's digital transition.

This chapter seeks to provide a comprehensive understatement of how technology impacts China's economy and global influence by examining these developments and their interactions with Chinese consumer dynamics.

### **3.1 Evolution of the technology market in China**

In recent years, China has emerged as a global leader in technology, driven by significant advancements in its digital infrastructure, a mobile-first economy, the rapid growth of e-commerce and the widespread adoption of digital payments, China paved its way to becoming one of the modern giants of technology (Jiang, Murmann, 2022).

The integration of digital technologies and industrial policies is the main example of China's involvement in Industry 4.0, the fourth industrial revolution. Companies now leverage innovative technology, which includes automation, artificial intelligence (AI), the Industrial Internet of Things (IIoT)<sup>14</sup>, big data, and cloud computing, which are used to create smart factories and result in an optimization of production, enhanced flexibility and even a reduction of waste. Industry 4.0 also emphasizes cyber-physical systems, where machines and software interact seamlessly, enabling predictive maintenance, customized production, and

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<sup>14</sup> The Industrial Internet of Things (IIoT) refers to the use of internet-connected devices and sensors in industries like manufacturing, energy, and transportation. These devices collect and share data to improve efficiency, automation, and decision-making. For example, sensors on machines can predict maintenance needs or optimize production processes.

improved efficiency. The goal is to revolutionize traditional industries, making them more resilient, efficient, and adaptable to changing market demands (Bu et al., 2017).

This section explores the evolution of the technology market in China, explores the shift of the country towards a mobile first economy, the development of e-commerce, online platforms and cloud computing. Finally, the chapter explores the Made in China 2025 plan and its implications for the country's economy.

### 3.1.1 The expansion of internet and digital infrastructure

According to the data collected in 2019 by CNNIC, the International Telecommunication Union, OECD, CAICT, and Newzoo<sup>15</sup>, internet penetration increased from just 1.78% in 2001 to an impressive 64.54% in 2019, reflecting a remarkable growth of 62.76% (Figure 8).

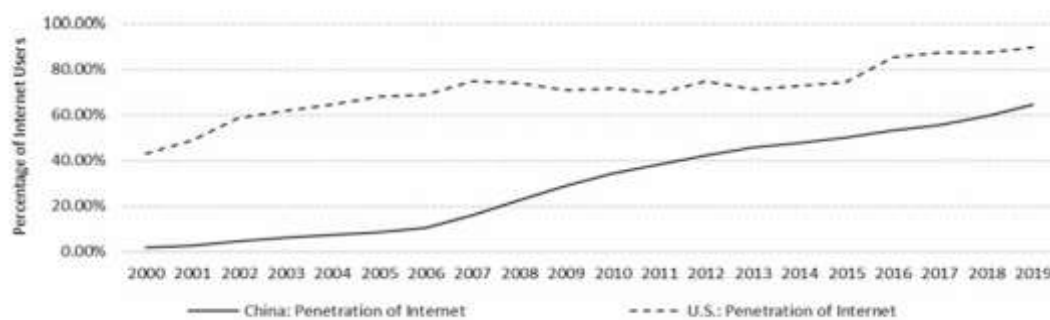


Figure 8 Penetration rate of internet as the percentage of general population in China and the United States. Data source: Jiang & Murmann 2022, p. 792.

A key factor behind this surge is China's leadership in high-speed fiber broadband availability. In 2012, optical fiber connections accounted for only 11.60% of total fixed broadband access, but this figure skyrocketed to 92.90% in 2019 (Figure 9), placing China at the forefront globally (Jiang, Murmann, 2022).

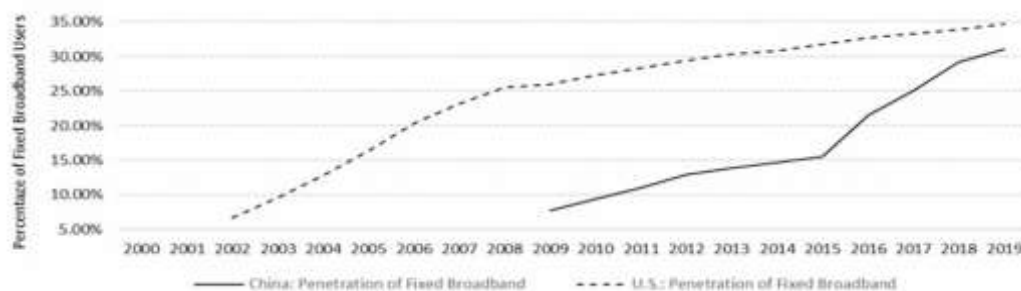


Figure 9 Penetration rate of fixed broadband as the percentage of general population in China and the United States. Data source: Jiang & Murmann 2022, p. 792.

<sup>15</sup> Data Source(s): <https://www.oecd.org/en/topics/broadband-statistics.html>

Additionally, mobile devices play a central role in Chinese society. By 2019, 98.6% of internet users use their mobile phones to access the internet, compared to just 44.2% who used fixed broadband (Figure 10). The shift towards a mobile-first society represents a key point for China's digital transition (Jiang, Murmann, 2022).

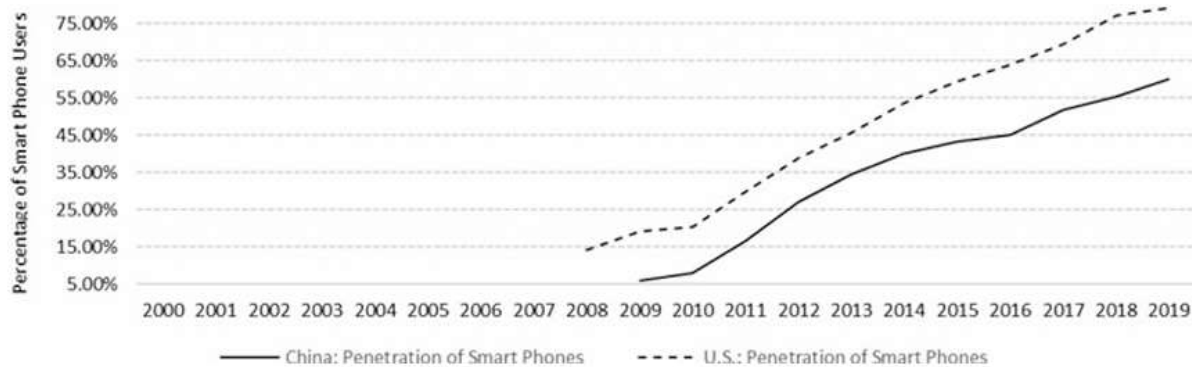


Figure 10 Penetration rate of smartphones as the percentage of general population in China and the United States. Data source: Jiang & Murmann 2022, p. 792.

The advancements in telecommunications and the growth of the digital sector were allowed by China's rapid progress in telecommunication technologies, particularly in 5G. China is significantly ahead than the rest of the world in this field, with Huawei leading the global market for 5G devices (Jiang, Murmann, 2022).

This leadership gives China a competitive edge in the conventional integrated technological trajectory, a model adopted by other telecom equipment leaders. As a result, telecom equipment vendors in China integrate self-developed hardware and software into end-to-end devices,<sup>16</sup> which are then provided to telecom operators as "black boxes", ensuring a seamless and proprietary technological solution (Jiang, Murmann, 2022).

Another critical aspect for China's success in the digital market is its emphasis on digital inclusion, even in remote and marginalized areas. In 2020, both 4G and optical fiber networks were available in over 98% of Chinese villages<sup>17</sup>. Moreover, internet access in China is notably affordable. In 2018, telecommunication operators charged approximately CNY 49.8 (€6.86) per month for 100 Mbps broadband, representing 1.06% of Chinese gross national income (GNI) (Jiang, Murmann, 2022).

China's advancements in technology have driven remarkable innovation and the rapid

<sup>16</sup> Any gadget or piece of equipment that is directly used by a person or system to send, receive, or interact with data over a network. It's called "end-to-end" because it's one of the two endpoints in a communication flow

<sup>17</sup> Data Source: [caict.ac.cn/kxyj/qwfb/bps/201910/P020191031512605025697.pdf](http://caict.ac.cn/kxyj/qwfb/bps/201910/P020191031512605025697.pdf)

commercialization of internet based B2C and C2C<sup>18</sup> services, establishing the country as a pioneer in digital consumer business. The penetration rate of online shopping among its population increased significantly from 12.04% in 2012 to 55.69% to 2021 (CNICC, 2022)<sup>19</sup>, showcasing the success of Chinese e-businesses (Jiang, Murmann, 2022).

The introduction of Alipay and WeChat Pay revolutionized the country's payment system, propelling China towards becoming a cashless society. The percentage of population using mobile payments surged from 1.91% in 2010 to 85.3% in 2019, and continues to grow, now reaching 88.1% (CNNIC, 2021).

China is now a global force in e-commerce, social media, digital finance, cloud computing, and other internet-based platform services. By 2018, 25% of the digital platforms valued more than \$1 billion were based in China (Dutch Transformation Forum, 2018).

China's internet user base is large, even larger than that of the US and EU combined. A great portion of these users are digital natives, people who have grown up with computers, smartphones, and the internet and who are accustomed to exploring new technologies and apps, contributing to China's leading role in the digital economy (Bu et al. 2021).

The software industry in China is also among the fastest growing in the world and it is mainly oriented to the domestic market. According to government statistics, revenues for the Chinese software industry reached ¥9.5 trillion (approximately \$1.45 trillion) in 2021. Total employment in the software services and products industry was around 6.6 million people in 2021, while the number of software firms accounted for around 40,000.<sup>20</sup>

Governmental policies implementation influenced the diversity in firm size and the consequent industry heterogeneity (Gregory et al., 2019).

From 1994 to 2004, the Chinese software industry grew at a Compound Annual Growth Rate (CAGR) of 38% (Dataquest, 2005; NASSCOM, 2005). 1994 marks the start of this growth calculation due to China changing its exchange rate system (Gregory et al., 2019). In terms of employment, from 2002 to 2005, the job growth average was around 30% per year, slightly lower than the industry's revenue growth; the number of software firms in China more than doubled, increasing by 2.2 times, while industry revenue tripled (Chen & Hu, 2002). The

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<sup>18</sup> Business-to-Consumer and Consumer-to-Consumer

<sup>19</sup> Data source: <https://www.cnnic.com.cn/IDR/ReportDownloads/202104/P020210420557302172744.pdf>

<sup>20</sup> Data Sources:

[https://english.www.gov.cn/archive/statistics/202302/07/content\\_WS63e1908ac6d0a757729e670d.html](https://english.www.gov.cn/archive/statistics/202302/07/content_WS63e1908ac6d0a757729e670d.html)

<https://www.statista.com/statistics/276633/companies-in-the-software-industry-in-china/>

average size of firms grew by 37%, aligning with the industry's revenue growth (Chen & Hu, 2002). This suggests that the expansion of the Chinese software sector was driven equally by new companies entering the market and the expansion of existing ones. Globally, software industry revenues grew by 15% annually between 1997 and 2004 (Chen & Hu, 2002), but China's software sector grew at two to three times that rate.

Chinese software products primarily consist of systems and supporting software, such as databases, communication tools, languages, and antivirus programs. Although much of the industry's output involves entry-level, less-skilled work, strong domestic demand has driven a notable increase in systems integration projects that require higher expertise (Gregory et al., 2019).

Currently, Chinese software firms control around 33% of the domestic market, but government policy aims to increase this to 60% within a decade (Li, 2018). As in the past, the government strongly supports science and technology, leading to many software and IT firms emerging from state-run or state-backed sectors (Gregory et al., 2019).

Although China is more widely recognized for its hardware manufacturing, software has become a central focus in its national industrial development strategy. Nonetheless, the industry is still perceived as being composed largely of small firms with limited capabilities, partly due to widespread software piracy and high employee turnover, which are seen as barriers to further growth (Gregory et al. 2019; Jiang, Murmann, 2022).

### 3.1.2 The shift to a mobile-first economy

As previously introduced, mobile devices are more and more embedded in the daily usage of Chinese netizens. We saw earlier that most of Chinese netizens prefer accessing the internet through their mobile phones rather than using a PC or a tablet. This has been made possible thanks to the flexibility a mobile device offers, and to the governmental policies driving the transition of China towards a mobile-first economy (Jiang, Murmann, 2022).

The years 2014 and 2015 were the most important turning point in the history of internet for China (Ma, 2017). Ma (2017, p.11) states that the Chinese population officially entered in what is defined as "the age of mobile internet and multi-screens". This period of change introduced incredible innovations, giving rise to a dynamic tech sector, to the spreading of social networks, and to the largest online web population. All of this was made possible

thanks to mobile internet (Ma, 2017).

One of the most important events of this period was the integration of e-commerce with offline retailing, giving birth at what is known as the *Internet Plus*<sup>21</sup> strategy promoted by President Xi Jinping and China's central government (Ma, 2017). During his 13<sup>th</sup> Five Years Plan<sup>22</sup> speeches, President Xi stated that innovation, economic restructuring and consumption should be among the top priorities in China, to allow the growth of the country (Ma, 2017). The action plan's objective is to bolster economic growth by integrating internet technologies, business, and manufacturing.

Because China has the largest smartphone user population in the world, Chinese customers migrated to the mobile internet with greater speed than the rest of the world (Ma, 2017). Because the broadband infrastructure has not yet fully covered the country, many people in China, especially in rural areas, first access the web for the first time through mobile. Since 2014, the percentage of people in China who access the internet via mobile devices has exceeded the number of people accessing through a computer, elevating smartphones as the primary device of access for Chinese internet users (Ma, 2017; Jiang, Murmann, 2022).

In other words, the Chinese population was the first to transition into a "mobile-first mobile-only era". The development of low price and high-performance devices by Chinese brands such as Xiaomi, Huawei or Lenovo gave Chinese people a desire to own a smartphone and to access the internet (Ma, 2017).

The spread of low-cost mobile phones quickly reached all parts of this China. Chinese users prefer large screens, which are better for live streaming and gaming, and also makes them great platforms for various types of transactions (Ma, 2017). The lack of a developed credit card system in China means that mobile payments through WeChat or Alipay are the first choice when making a purchase. Also, social networks are embedded in the everyday life of Chinese people in an indissoluble way (Ma, 2017; Bu et al. 2021). For them, the smartphone has become an extension of their identity and an indispensable device for everyday life.

Moreover, mobile devices changed the way Chinese consumers engage with entertainment.

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<sup>21</sup> The Internet Plus strategy, introduced by Chinese President Xi Jinping in 2015, is a national initiative aimed at integrating internet technologies with traditional industries to drive economic innovation and growth. By leveraging advancements in mobile internet, cloud computing, big data, and IoT, the strategy seeks to modernize sectors such as manufacturing, agriculture, healthcare, and finance, fostering a digital economy and enhancing China's global competitiveness.

<sup>22</sup> 十三五规划 shísānwǔ guīhuá: It was a set of economic goals designed to strengthen the Chinese economy between 2016 and 2020.

Streaming services, like 优酷土豆 *Yōukù Tǔdòu* and 腾讯视频 *Téngxùn Shìpín* ‘Tencent Video’, have become widely popular, allowing users to consume media such as movies, TV shows, and live events directly from their smartphones (Ma, 2017). Tech companies such as Alibaba capitalized on this trend, diving into the media and entertainment industry and integrating mobile platforms with content production and distribution (Jiang, Murmann, 2022).

Social media platforms like 微信 *Wēixìn* ‘WeChat’ and 微博 *Wēibó* ‘Weibo’ are core parts of the daily lives of Chinese people. WeChat, in particular, has evolved from a messaging app to an omni-comprehensive platform where users can not only communicate, but also share content, book flights, hotels, trains and even conduct business (Bu et al., 2021). The integration of social media, messaging, and retail functions within a single app has made the distance among communication and commerce thinner and thinner, and has enabled users to maintain social connections, follow influencers and online content, and engage with brands, all through their mobile phones (Ma, 2017).

Finally, the rise of mobile internet has also transformed the retail industry in China. Mobile apps from platforms such as 淘宝 *Táobao* and JD.com have made it possible for consumers to search, shop, and purchase directly from their smartphones (Bu et al. 2021). The integration of mobile shopping apps and social media has created what is seen by Bu et al. (2021) as an omni-channel shopping experience. In fact, users can discover new products through social media, get other customers’ feedback, and purchase all in one session.

In summary, China’s mobile infrastructure has developed with incredible speed. The rapid penetration of internet access, coupled with the widespread adoption of smartphones, has reshaped not only the digital landscape but also the daily life of Chinese netizens. This unprecedented transition has elevated China as a global leader in mobile innovation, setting new benchmarks for digital economies around the world.

### 3.1.3 The Growth of E-commerce and Digital Payments

The creation of a widespread digital infrastructure and the transition to a mobile-first economy were the drives for the explosive growth of China’s e-commerce market over the past decade (Jiang, Murmann, 2022). The commercial success and great innovation of Chinese e-businesses on the internet-based B2B and C2C services is evident in the booming online transactions and digital payments. As can be evinced from Figure 11, in 2019, retail sales in

China reached \$1.54 trillion, surpassing the US and positioning China as a global leader in retail e-commerce (Jiang, Murmann, 2022).

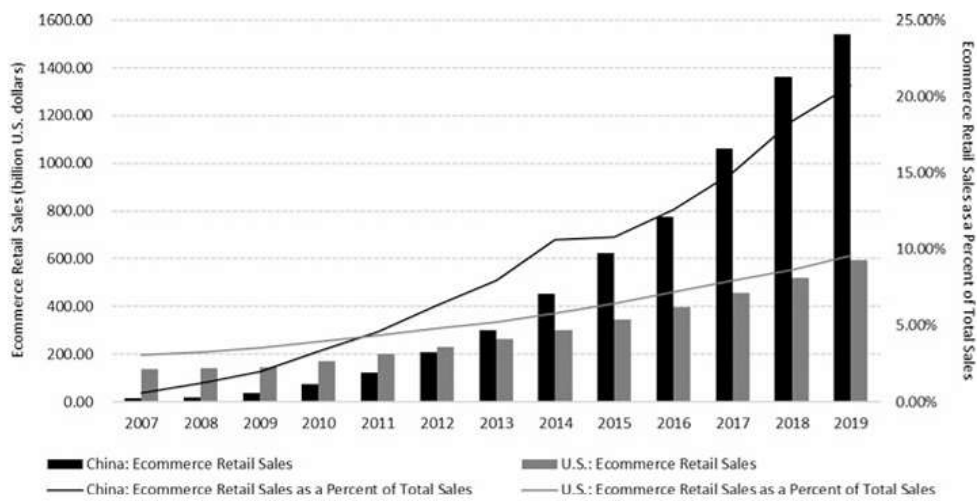


Figure 11 E-commerce retail sales and the share of e-commerce sales of total sales by country.

Data Source: Jiang & Murmann, 2022, p. 791.

The rapid growth of e-commerce has been made possible by local platform innovations such as 淘宝 *Táobǎo*, which managed to completely shut off the expansion of eBay in the Chinese C2C market (Jiang et al., 2015). 阿里巴巴 *Ālībābā*'s launch of Alipay in 2003, not only provided a payment solution for *Táobǎo*, but also provided escrow services to protect customers from fraud (Ma, 2017). This service represents a turning point for Chinese e-commerce, laying the foundation for secure online transactions. Over time, Alipay further evolved into an independent third-party payment platform, continuously developing its protection system, and implementing features such as full compensation for buyer losses. Alipay's influence was fundamental to boost consumer's confidence towards online shopping (Jiang, Murmann, 2022).

As mobile payments are the primary non-cash option in China, Alipay and WeChat Pay have become indispensable in China (Ma, 2017). Figure 10 exemplifies the share of China's Mobile payments with \$414 billion in mobile only transactions that year, more than six times that of the United States (CNICC, 2019). The full integration of these payment systems with smartphones and mobile devices has been the key to their rapid adoption.

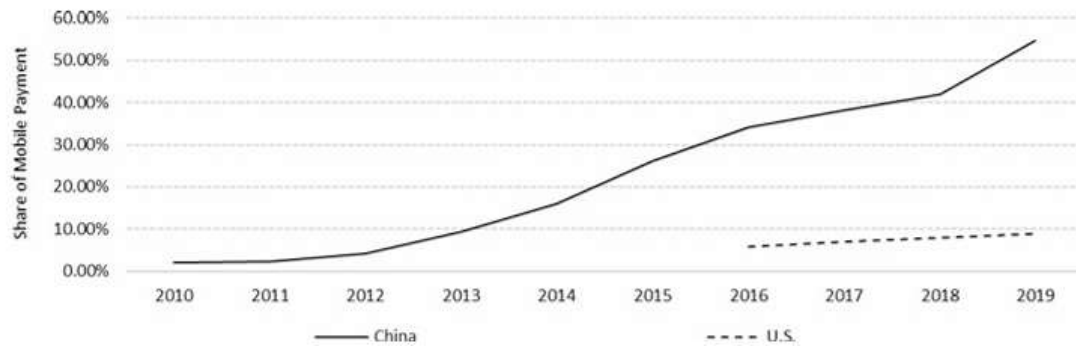


Figure 12 Mobile payment penetration as the percentage of general population by country.

Data Source: CNICC and Statista.

Beyond payments, mobile technology has also allowed e-commerce platforms to expand into new areas of consumer engagement, such as media streaming, social e-commerce, and omnichannel retailing (Bu et al., 2021).

Evidence of the shift towards mobile e-commerce is Alibaba's Singles' Day<sup>23</sup> (Ma, 2017). In 2014, it has been reported that 43% of all transactions on Singles' Day were made by using mobile devices. In 2015, this figure skyrocketed to 68,7% and the total Gross merchandise Volume (GMV) reached \$9,8 billion (Alibaba, 2015) marking a 158% increase from the previous year and giving proof that mobile devices transformed the shopping experience completely. (Ma, 2017).

The previously discussed *Internet Plus* strategy, promoted by President Xi Jinping, has played a central role in driving the integration of internet technologies with traditional industries (Ma, 2017). Chinese consumers now expect an omni-channel shopping experience, where they can discover new products through social media, access customer reviews, and complete purchases all in one session (Bu et al., 2022). Platforms like JD.com and Taobao are leading this shift, ensuring that all products and services can reach consumers through a variety of digital and physical channels.

Social e-commerce has also taken off, with platforms like 抖音 *Dǒuyīn* 'TikTok',

<sup>23</sup> The Alibaba Singles' Day (光棍节 *Guānggùn Jié*, 'Singles' Festival') is an annual shopping event held on November 11th, originally created in the 1990s as a day for celebrating single people in China. In 2009, Alibaba transformed it into a major online sales event on platforms like Taobao and Tmall, offering extensive discounts and promotions. It has since become the world's largest shopping festival, surpassing Black Friday and Cyber Monday combined in sales. The event is not only a consumer frenzy but also a cultural phenomenon, featuring celebrity performances, live-streaming events, and interactive marketing campaigns, drawing attention from global brands and shoppers alike.

拼多多 *Pīnduōduō*<sup>24</sup>, and 快手 *Kuàishǒu*<sup>25</sup> leading the way. These platforms leverage the popularity of short videos and live streaming to integrate e-commerce into the entertainment experience. By tapping into consumer behavior trends, these platforms have expanded into location-based lifestyle services, further embedding mobile e-commerce into everyday life (Ma, 2017; Bu et al., 2021).

In addition, omnichannel fulfillment has deeply changed logistics and customer service. Retailers now offer in-store pickups, home deliveries, and seamless returns, giving consumers flexibility and control over their shopping experience (Bu et al., 2021). This trend accelerated during the COVID-19 pandemic, with more than 15% of groceries ordered online and delivered within a day, especially in lower-tier cities. The rise of e-grocery stores, like Alibaba's 盒马 *Hémǎ*, 'Freshippo' and the expansion of traditional retailers online express offerings are indicative of this growing demand for efficient, mobile-driven fulfillment (Bu et al., 2021).

To sum up, China's e-commerce and digital payments landscape has evolved rapidly, driven by mobile technology, innovative platforms, and government support. The country remains a global leader in the digital economy, setting the standard for how e-commerce and payments will evolve worldwide.

### 3.1.4 The rise of Digital Industrialization and Cloud Computing

China has become a top player in industrial digitalization on a global scale, thanks to its quick embrace of cloud computing,<sup>26</sup> Industrial Internet of Things (IIoT), and the utilization of local tech giants to capitalize on new technological opportunities (Li, 2018). These advancements opened up new avenues for both B2C and B2B sectors, offering fresh possibilities for efficiency and innovations in areas such as manufacturing, supply chain management, and the

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<sup>24</sup> 拼多多 *Pīnduōduō* is a Chinese e-commerce platform known for its social shopping model, where users team up to purchase products at discounted prices. Launched in 2015, it integrates group buying with gamified shopping and social media interactions, making it popular among price-conscious consumers. It is now one of China's largest online shopping platforms.

<sup>25</sup> 快手 *Kuàishǒu* is a Chinese short-video platform that allows users to create, share, and watch short videos. Launched in 2011, it focuses on community engagement and showcases everyday life content, making it particularly popular in smaller cities and rural areas. It is one of China's leading video-sharing platforms, competing with TikTok

<sup>26</sup> Cloud computing is a way to access and store data, applications, and services over the internet instead of on a computer or local server. It allows users to use powerful resources like storage, processing, and software from anywhere, without needing their own hardware. Examples include services like Google Drive, Dropbox, or streaming platforms.

emerging trend of smart cities (Li, 2018).

The utilization of IIoT in China's industrial digital transformation has revitalized manufacturing and supply chain processes (Li, 2018). Companies can enhance efficiency and build more adaptable production lines by incorporating IIoT-enabled systems. An example would be 美的 *Měidì* 'Midea', a top Chinese producer of household appliances, which has implemented sensor-driven automation in its production lines, enabling accurate and flexible modifications depending on product needs (Bu et al. 2021). Utilizing this technology allows for consolidating various machine models on one automated line, improving flexibility and precision in production.

Likewise, SAIC Motors, a top automaker in China, utilized digital manufacturing to develop an innovative customer-to-business (C2B) model. Clients have the option to personalize vehicles through 3D virtual simulations before making a purchase (Bu et al., 2021).

Cloud computing has also become a key foundation for industrial digitalization and enabled local tech giants to dominate (Li, 2018).

In the early 2010s, Microsoft brought cloud technologies to Chinese industries and government agencies, leveraging its presence to educate them on the advantages of cloud-based solutions. In 2013, *Microsoft* collaborated with domestic partners to introduce its *Azure cloud* platform in China, boosting the expansion of Internet as a Service (IaaS) and Software as Service (SaaS) solutions in sectors like finance and manufacturing (Li, 2018).

In the same way, *Amazon* joined the Chinese cloud industry in 2012 by partnering with *21Vianet* (now *VNET*) to provide *Amazon Web Services* (AWS) to companies in need of dependable cloud infrastructure. AWS has become an essential tool for Chinese firms looking to integrate cloud solutions in various industries like e-commerce and healthcare (Li, 2018).

Despite *Microsoft* and *Amazon* paving the way for cloud computing, *Alibaba*, *Tencent*, and *Huawei* have emerged as major players in the industry (Li, 2018). *Alibaba Cloud*, also known as 阿里云 *Ālǐyún*, which was introduced in 2009, has expanded to become the biggest provider of cloud services in China. It provides a variety of cloud-based services, such as elastic computing, database solutions, and analytics powered by AI. Alibaba Cloud caters to a diverse clientele, including small businesses and big corporations, leveraging its extensive infrastructure and government support (Li, 2018; Bu et al., 2021).

The main reason which led to China as a global cloud computing leader is the influence of

government policies, which focused on the development of ICT infrastructure and the creation of digital ecosystems. (Li, 2018). The Nationwide Pilot Demonstration Program for Cloud Computing was developed and started by the Ministry of Industry and Information Technology (MIIT) and the National Development and Reform Commission (NDRC). This program's objective was to integrate cloud services with the healthcare and education sectors and created a benchmark for the incorporation of cloud computing into daily activities. The development of this program gave rise to intense rivalry between local governments and companies which core business is cloud infrastructure and internet data centers (IDCs) (Bu et al., 2021).

In 2013, thanks to the strong demand in the e-commerce and education areas, the public cloud services market of China rose to 73% from the previous year. Companies such as Alibaba Cloud, 腾讯云计算 *Téngxùn Yúnjìsuàn*, 'Tencent Cloud', and 优刻得 *Yōukèdè*, 'UCloud' further improved their services, becoming the leaders of China's digital economy. The rise of the "pay-as-you-go" model of cloud services gave a great boost to cloud computing among small and medium enterprises (SMEs), allowing companies to invest on their IT infrastructure as needed (Bu et al., 2021).

Data security and intricate regulatory compliance still pose challenges to the cloud industry. Moreover, privacy and ownership concerns have slowed down the adoption in certain industries do to the storage of sensitive data by cloud providers. These issues were tackled by the Chinese government by enforcing strict rules about cloud security, specifically for government agencies and public-sector organizations (Li, 2018).

Recent technology giants such as 字节跳动 *Zìjié Tiàodòng*, 'Bytedance' (known for TikTok), 美团 *Měituán*, and 滴滴出行 *Dīdī Chūxíng* have utilized real-time, location-based services and AI to excel in emerging industries. These companies are leading the new generation of digital champions in China, reshaping the country's digital landscape and reinforcing its global leadership in cloud computing and industrial digitalization (Li, 2018).

### 3.1.5 Made-in-China 2025

In 2015, China's government elaborated a 10-year national plan named "Made-in-China 2025". The objective of this strategic plan is to upgrade the country's industrial base, move up the value chain, and transform China from a global manufacturing hub into a world-class

industrial power. The plan is a response to global reindustrialization trends, like Germany's adherence to Industry 4.0, and it seeks both to address domestic challenges and drive innovation and technological advancement in the country (Li, 2018; Jiang et al., 2015).

After 30 years of economic development, China successfully lifted hundreds of millions of people out of poverty. However, the present-day challenges involve subjects such as resource constraints, environmental issues, and rising labor costs. The "Made-in-China 2025" plan was crafted to confront these issues, by promoting knowledge-intensive manufacturing and moving beyond traditional labor-intensive production (Li, 2018).

This first phase, from 2015 to 2025, aims to position China as one of the major players in the global manufacturing sector. To achieve this, the plan addresses improving technology, enhancing domestic innovation, and reducing dependency on foreign technologies (Jiang et al., 2015).

In the second phase (2026-2035), China plans to rise to a medium level in the world's manufacturing power ranks. The last phase (2036-2049) aims to elevate China to the top of the hierarchy, making it a leader in industrial power and innovation (Jiang et al., 2015).

The "Made-in-China 2025" agenda focuses on ten key industries which are considered vital to China's future as an industrial power. These are: Information technology, numerical control machinery and automation, aerospace equipment, maritime engineering equipment, rail equipment, energy-saving vehicles, electrical equipment, new materials, biomedicine, and agricultural equipment (Gregory et al., 2019).

These sectors are targeted for technological upgrades, with a focus on product quality improvement, advanced materials, and the production of key components. China aims at moving from "Made in China" to "Designed in China", elevating its status and the perception the world currently has of it (Jiang et al., 2015).

This plan also focuses on the integration of emerging technologies, exploiting everything the software industry has to offer. Software technologies such as the Internet of Things, Big Data, AI, and robotics have also become one of the main focuses of the strategy, along with the development of digital platforms that can enhance productivity and reduce costs across industries (Jiang et al., 2015; Li, 2018).

Despite China's efforts to move up the industrial value chain, the most challenging issues for the country are the lack of semiconductors materials and the lack of self-developed software.

In terms of software development, China has created some homegrown technologies, but these still lag behind global leaders (Gregory et al., 2019).

The Chinese software industry is heavily influenced by the government. The IT sector has consistently been supported by government policies with the aim of fostering innovation and national security. State-owned enterprises and state-backed companies have played a central role in the software sector's development (Gregory et al., 2019; Jiang et al., 2015).

To conclude, the "Made-in-China 2025" plan represents a bold vision for China's future as a global industrial power, with the software industry playing a crucial role in this transformation. Although China has significantly improved its manufacturing and technological innovation, the software sector still faces notable challenges which have not been solved yet. This is the reason why software by companies such as Microsoft, Adobe, Oracle or Apple among the others are still key players in the Chinese tech market.

### **3.2 Analysis of the Chinese consumer**

Over the last two decades, China has enjoyed remarkable economic progress, resulting in higher living standards and a thriving consumer market. Currently, consumption is the key driver of China's economic growth.

#### **3.2.1 Demographics and market dynamics in China**

China's consumer market, influenced by geographic, cultural, and socioeconomical variables, is an extremely diversified one. The following segmentation provides hints to understand individual preferences and behaviors of different demographic groups.

China's urban areas are hubs for modern consumption patterns, while rural areas frequently lag behind due to inequalities in income, infrastructure, and access to commodities (McKinsey, 2022). In 2024, for example, urban households had 2.4 times the average income as rural households (National Bureau of Statistics of China, 2024).

Rural consumers, while less commonly targeted due to infrastructure challenges, still present development prospects as digital and e-commerce platforms enter these markets. Suburban populations, those who live near metropolitan centers but are classified as rural, have distinct consumption habits impacted by their proximity to cities (Schmitt, 1997).

China's growing middle class is a major factor in the country's consumer market. In 2021, urban families earning more than RMB 160,000 (\$21,800) accounted for 39% of urban household consumption and were rising at a CAGR of 18% (McKinsey, 2022). This trend is predicted to continue, with millions more households entering the high-income bracket by 2025.

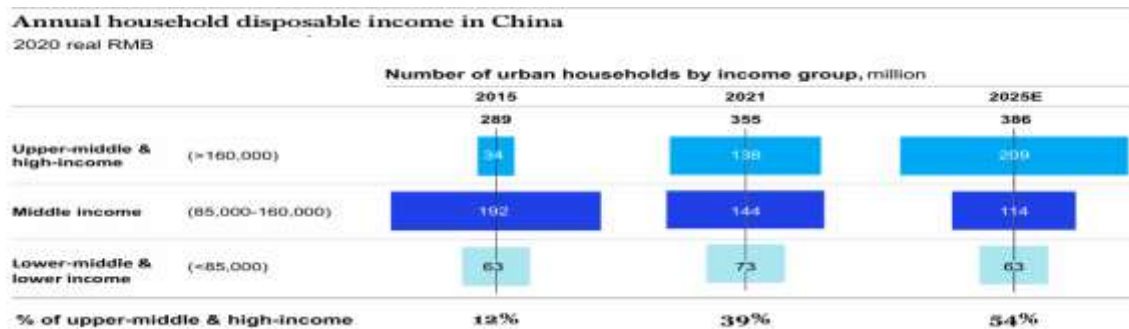


Figure 43 | Annual household disposable income in China.

Data source: MGI Insights China macro model.

This expanding middle class prioritizes lifestyle upgrades, seeking for products that combine quality and cost (McKinsey, 2022). Their consumption is defined by pragmatism and sophistication rather than excessive luxury, and brands such as Zara, H&M, and IKEA have tailored their goods to fit this desire. Furthermore, rising household incomes and a shift from extended to nuclear family structures have resulted in a renewed emphasis on housing and the acquisition of durable goods (McKinsey, 2022). The growth of retail spaces like IKEA and OBI highlights this trend.

In recent years, health awareness has increased, particularly among middle-class consumers. This transition is seen in the increased popularity of organic foods and wellness goods. The Chinese diet has also shifted from home-cooked meals to dining out, with fast food restaurants such as McDonalds and KFC leading the way. Economic changes, urbanization, and time constraints among working professionals all contribute to this transformation (Stewart, 2004).

Despite rising incomes, Chinese consumers still have a strong inclination to save money (Deloitte, 2023). As can be seen in Figure 14, per capita savings rate<sup>27</sup> has risen significantly from 29,9% in 2019 to 35,5% in the first nine months of 2022 (Deloitte, 2023). The desire to maintain living standards beyond retirement and the privatization of healthcare are two factors contributing to this saving culture. Although this frugality influences consumer behavior, it also highlights a market with unexplored potential, especially for premium and aspirational goods (Deloitte, 2023).

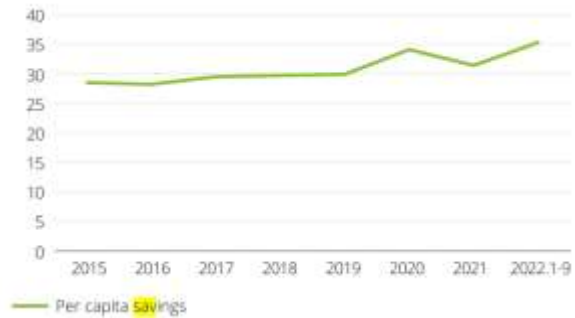


Figure 14 Per capita savings rate in China from 2015 to 2022.  
Data source: National Bureau of Statistics of China, Deloitte Research.

The demographic picture of China is changing dramatically. The income gap between urban and rural populations is narrowing as a result of the high rates of urbanization. By 2021, the growth in per capita income in rural areas was 9,7% year over year, while that of urban families was 7,1% (Deloitte, 2023).

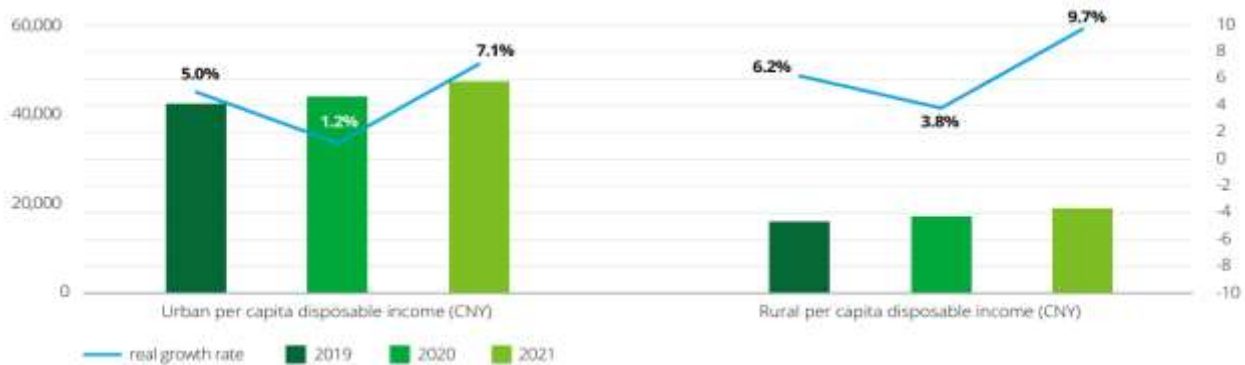


Figure 15 Changes in urban and rural per capital disposable income in 2019, 2020, and 2021.  
Data Source: National Bureau of Statistics of China, Deloitte Research.

Figure 15 illustrates this pattern which demonstrates how rural customers' purchasing power is rising.

<sup>27</sup> Per capita savings rate = (Per capita disposable income – per capita consumption expenditure) / Per capita disposable income

### 3.2.2 Cultural values and consumer behavior in China

According to McGregor (2000), cultural values play an important influence in affecting consumer behavior, particularly in shaping consumer attitudes and preferences. Peter and Olson (1987) emphasize the importance of understanding societal value transitions in predicting current and future behaviors. Traditional Confucian principles, as well as the tension between collectivism and individualism, provide a unique perspective on consumption patterns in China.

Hofstede's cultural dimensions<sup>28</sup> (1991) provide a framework for analyzing the individualism-collectivism spectrum. Collectivism is deeply rooted in Chinese culture and emphasizes social cohesion and interdependence. Purchases are usually driven by social recognition and group norms rather than personal desires (Saran & Guo, 2005). However, modernization and economic progress have brought elements of individualism, particularly among younger urban consumers (McKinsey, 2022). These shifts reflect broader lifestyle changes, such as psychographic and market preferences.

In the Chinese traditional culture, among others, three core cultural constructs can be identified:

The 关系 *guānxi* 'relationship' represents the complex social ties built on trust and shared obligations (Yau et al., 1999). It has tremendous impact on economic and social interactions, as people build networks through reciprocity and, for example, gift giving (Yau et al., 1999). Foreign brands frequently play a part in *guanxi*, with expensive gifts representing respect and strengthening ties. This paradigm emphasizes the significance of relational trust in both business and personal consumption settings.

面子 *miànzi*, 'face' refers to the perception of social status (Yau et al. 1999). Maintaining *miànzi* frequently motivates the purchase of high-value or branded products in order to portray a positive image congruent with one's social standing. In China's hierarchical society, this includes making purchases that correspond to one's perceived status and avoiding activities that could undermine social status (Yau et al., 1999).

报 *bào* 'reciprocity' in Chinese culture is based on deferred repayment, with debts met at a

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<sup>28</sup> Hofstede's cultural dimensions theory is a framework developed by Geert Hofstede in 1991 to analyze and compare cultural differences across nations and their impact on societal behaviors, workplace dynamics, and consumer preferences. The model is based on six primary dimensions that capture key cultural values and characteristics.

mutually advantageous moment. This process distinguishes Chinese reciprocity from immediate exchanges frequent in Western contexts (Yau et al. 1999).

However, China's increasing modernization and global integration have brought materialism and exposure to worldwide market trends, resulting in hybrid patterns that combine traditional values with modern desires (Ropp, 2010; McKinsey, 2022). While honoring elders remains important, gifting traditions now frequently include luxury or branded goods, mixing respect with a display of status and modernity. Similarly, traditional family-centric purchases, such as household appliances, are being influenced by technological advancements and global branding strategies, indicating a desire for both modern convenience and traditional functionality (Deloitte, 2023; PwC, 2023).

This dichotomy of traditional and modern influences also shapes major life decisions, such as purchasing a home or investing in children's education, reflecting both Confucian values of family stability and a growing emphasis on individual growth and global competition (Ropp, 2010; PwC, 2023).

Finally, economic modernization has brought significant changes in consumer preferences. These include the ongoing decline of collectivism, indicated by younger customers' growing preference for branded luxury and personal fulfillment, blended values, as urban consumers uphold Confucian principles of harmony and family while embracing global trends, and trust as a purchase determinant, as wealthy urbanities rely on official sources and expert testing, and trust in brands and networks has a significant impact on consumer decisions (PwC, 2023; Deloitte, 2023).

### 3.2.3 Brand loyalty and consumer expectation

China's consumer market has become a battleground for global brands due to its large and diverse customer base, distinguished by rising spending power and the preference for high quality goods (Kim, Zhao, 2014). These characteristics have resulted in a consumer base that values strong and distinctive brand identities.

Fostering brand loyalty in such a competitive and dynamic market requires a thorough understanding of Chinese consumer behavior. The concept of brand personality is crucial to this effort, as it plays an important role in developing a strong link between consumers and brands.

Brand personality refers to the set of human characteristics connected with a brand (Aaker, 1997). It is an effective differentiator in competitive marketplaces, providing symbolic value that extends beyond functional features.

In the Chinese market, brand personality serves as a link between global brands and the cultural and psychological needs of local consumers. Kim and Zhao (2014) discovered that Chinese brand personality structures combine parts of Western modernity with Chinese traditionalism, resulting in a unique hybrid that appeals to local sensibilities.

Kim and Zhao's study identifies that brand loyalty in China is primarily determined by two factors: brand trust and brand affect.

Brand trust refers to the fact that Chinese consumers value reliability and honesty, especially in products that demand long-term investment, such as electronics or automobiles. Trust is especially important in a market where a brand's reputation can quickly influence purchasing decisions (Kim, Zhao, 2014).

Brand affect refers to the emotional connection the consumer receives from the brand image, focusing more on loyalty than trust. Positive feelings regarding a brand can lead to a commitment to repeat purchases. This is seen in the success of companies like Apple and Samsung, which use aspirational imagery and consistent product quality to build emotional connections (Kim, Zhao, 2014).

#### 3.2.4 Chinese customer segmentation

Because of the complexity and dynamism of China's consumer market, businesses seeking to navigate this wide landscape must use segmentation as a vital strategy. With a \$5 trillion consumption growth opportunity expected over the next decade (McKinsey, 2022), China's changing demographics, rising incomes, and shifting consumer behaviors necessitate nuanced approaches to market segmentation. This subchapter delves into significant consumer groups and trends driving the Chinese market.

China's rapid economic expansion has greatly increased household income. In 2021, urban households earning more than \$22,000 per year accounted for about 40% of urban consumption, a figure that is likely to grow further as more households enter the high-income category by 2025 (McKinsey, 2022). This economic transition has resulted in dramatic shifts in consumer priorities.

Chinese consumers are becoming increasingly sophisticated and individualistic in their tastes (McKinsey, 2022). Following China's market liberalization, they were exposed to a diverse range of foreign brands, which prompted this transition. Previously, limited product alternatives meant that price and usability were the most important issues. Consumers now evaluate products based on quality, design, and post-purchase services (Stewart, 2004).

Chinese customers are increasingly reliant on digital platforms to influence their shopping decisions, making it critical for brands to maintain a strong online presence (McKinsey, 2021). IWOM demonstrates growing complexity of Chinese consumers, who actively seek thorough product information before making purchasing decisions.

Based upon demographic and social change, and the penetration of digital technologies in recent years, McKinsey (2021) identified seven consumer segments which are graphically depicted in Figure 16<sup>29</sup>:



Figure 16 China seven consumer segments.  
Data source: McKinsey

*Online seniors:* China's elderly population, by 2030, is estimated to account for 25% of the country's population, or an increasing market. Between now and this time, consumption by old people is estimated to have increased by 150%, surpassing overall consumption. Seventy-seven percent of older individuals are expected to be internet users by the year 2030, with use fueled by platforms specifically developed for their needs (McKinsey, 2021).

Senior-friendly app versions have been released by e-commerce platforms with an emphasis on support and accessibility. Health products, housing options (such as assisted-living facilities), and recreational activities are among the most popular consumption categories among seniors. However, because of the wide economic gap in this segment, businesses must design their products to appeal both to wealthy and to low-income senior (McKinsey, 2021).

*Single households:* China's consuming habits have been significantly altered by the increase in single-person households. More than 15% of households consist of single individuals, which is more than twice as many as it was in 1999. A "singles" economy with niche markets including pet ownership, solo fitness options, and AI companionship has emerged as a result of the 240

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<sup>29</sup> Data Source: <https://www.mckinsey.com/cn/our-insights/our-insights/seven-segments-shaping-chinas-consumption-landscape>

million adults who are single (McKinsey, 2021).

Businesses are focusing more on this segment with services and goods designed for single lifestyles, like small karaoke booths and one-person gym modules. This market's expansion, which prioritizes convenience, customization, and self-care, is a reflection of changing demographics and cultural norms (McKinsey, 2021).

*Digital natives:* This segment comprises Millennials and Generation Z, which are changing the way people in China consume. These tech-savvy consumers, who were born between 1980 and 2012, make up for more than one-third of Asia's consumption. They use mobile platforms to interact with brands and spend a lot of time watching videos (McKinsey, 2011; 2021).

They are a crucial market for e-commerce and fintech solutions since their propensity to borrow money for consumption is motivated by their trust in their financial futures. Brands targeting this segment frequently use interactive campaigns, influencer marketing, and gamification<sup>30</sup> (McKinsey, 2011; 2021).

*Eco-shoppers:* China's consumers are becoming more environmentally conscious and are embracing sustainable activities and products. In a 2019 Ipsos survey<sup>31</sup>, more than 85% of participants said they had changed their purchases because of climate concerns. Demand for eco-friendly goods has increased as a result of this change, with local Chinese brands leading the charge (McKinsey, 2021).

Nowadays, sustainability is a major factor in industries like organic products, eco-friendly packaging, and electric cars. Green consumption is becoming more accessible because of creative solutions, such as low cost electric vehicles, which close the gap between affordability and willingness to pay (McKinsey, 2021; 2022).

*Sharing consumers:* China's sharing economy has grown as a result of economic pressures and changing consumer attitudes. In place of traditional ownership, customers are exploring alternatives such as ride-sharing and secondhand goods. Apps that provide subscription services and resale marketplaces have become very popular, especially in cities (McKinsey, 2021; 2022).

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<sup>30</sup> Gamification refers to the use of game-like elements in non-game environments, such as marketing campaigns, to engage and attract customers. For brands, this might involve creating interactive challenges, reward systems, or competitions that encourage participation and build a sense of fun.

<sup>31</sup> Data source: <https://www.ipsos.com/sites/default/files/ct/news/documents/2020-01/global-advisor-climate-change-consumer-behavior.pdf>

This market niche is indicative of a larger movement towards sustainability and flexibility, as consumers place a higher value on access than ownership. The potential of this expanding segment is demonstrated by the fact that China's pre-owned products market, in 2020, has doubled to \$145 billion since 2016 (McKinsey, 2021; 2022).

*Clustered consumers:* China's consumer growth is still being driven by urbanization. Middle tier cities are expanding more quickly than Tier 1 cities like Shanghai, which are at the forefront of the expansion of high-income households. Urban clusters connected by cutting-edge infrastructure present chances for customized approaches, allowing businesses to successfully deal with regional differences (McKinsey, 2021).

*Domestic tourists:* Spending on leisure and travel has also increased as earnings have grown. With May 2021's Labor Day surpassing pre-outbreak levels, domestic travel is still booming after the pandemic. Regional initiatives, like Hainan's duty-free shopping, show how resilient and promising this segment is. To tap into latent demand, travel and leisure companies are using digital platforms and customer incentives (McKinsey, 2021).

### 3.2.5 Segmenting China's digital consumers

China's digital consumer landscape is as diverse and varied as the nation itself. Due to varying degrees of digital adoption and demographic diversity, the country's internet users have a wide range of tastes and habits (McKinsey, 2011).

The 2011 survey by McKinsey, which analyzed over 5,000 consumers in 20 Chinese cities revealed two important aspects of their digital behavior: the *digital wallet*, which looks at spending trends on digital devices and content, and the *digital clock*, which shows the amount of time spent on different devices and apps.

Seven different consumer segments were identified by McKinsey (2011) by these factors, each of which represented various views and behaviors about digital media and technology:

The heavy users, who are distinguished by their extensive engagement with digital information, are at the forefront of digital interaction.

Within this group, *digital junkies* are the most avid users of internet media. Digital junkies favor online videos, music, and games, spending an average of 34,1 hours per week on digital platforms, which is more than twice the national average (McKinsey, 2011). Additionally, they

are early adopters of cutting-edge technology, often replacing their mobile devices every 17 months.

These users are mostly young and live in Tier 1 cities, where high-speed internet and the latest devices are easily accessible. With a current population of 25,2 million, this category is expected to grow rapidly as internet penetration increases. This presents marketers with enormous potential to target tech-savvy demographics with innovative products and services (McKinsey, 2011; 2021).

*Gamers*, the second group of heavy users, spend much of their time playing online games but are also equally immersed in digital information. This segment devotes up to 30% of their overall digital engagement to gaming, spending more than eight hours per week on gaming platforms, more than three times the national average (McKinsey, 2011).

Although they mostly use PCs for gaming, developers and IT companies find them to be a desirable segment due to their youth and passion for immersive experiences. In 2015, this segment grew to 67,5 million gamers, up from 37,8 million in 2011, creating opportunities for companies that provide gaming hardware, software and related services (McKinsey 2011; 2011).

The next tier of digital consumers includes moderate users, whose digital habits are shaped by specific preferences and use cases.

One significant subgroup of this segment is *info-centrics*, who are mostly interested in useful online activities such as email correspondence and information searches. A large number of these people are managers or business professionals who value productivity tools that increase their efficiency at work. Info-centrics tend to be older than other segments and prefer using PCs to access the internet instead of mobile devices. This group is a profitable market for professional-grade technological solutions and productivity applications due to their comparatively high income levels (McKinsey, 2011).

In contrast, *mobile mavens* are distinguished by their reliance on mobile devices. They are leading the way in the use of mobile technology, spending about 40% of their digital time on smartphones. This segment adopts the latest mobile technology with enthusiasm and frequently upgrades their devices quickly. In 2015, there were 33,6 million mobile mavens, and in recent years, that figure rose up to 60 million, indicating enormous opportunity for companies that provide mobile-first experiences and cutting-edge portable devices

(McKinsey, 2011; 2021; 2023).

At the other end of the spectrum are light users, with relatively little interaction with digital platforms.

Among these, *traditionalists* are the least likely to embrace new technologies, often preferring television over digital devices. Due to their lower levels and education and exposure to technology, traditionalists, who are typically older and live in Tier 4 cities, represent a sizeable but difficult market segment. However, there might be chances to reach this market with affordable, straightforward digital solutions as infrastructure advances and digital accessibility grows (McKinsey, 2011;2021).

*Online traders*, another subgroup of light users, spend a large amount of their digital time trading stocks and managing their finances. Their emphasis on financial applications suggests a distinct and profitable market niche for companies in the financial technology and investment industries, despite the fact they spend less time on digital platforms overall. Due to their established lifestyles and steady income, these consumers are primarily urban and older (McKinsey, 2011; 2021).

Lastly, the *basic users* segment includes high-school students and blue-collar workers with limited disposable income. These consumers give price and usefulness top priority when selecting technology, and they spend the least amount of time on digital content. Basic users show a readiness to spend money on devices with simple entertainment functions, like MP3 playback, despite their limited funds, indicating a rising need for reasonably priced yet useful technology (McKinsey, 2011; 2021).

Together, these segments reveal the complexity of China's digital consumer base. Each group offers distinct opportunities and challenges for businesses. In order to thrive in China's ever changing digital market, marketers must create plans that address the particular requirements and inclinations of these various groups, utilizing their distinctive qualities to increase engagement and loyalty.

## Chapter 4 - Western Software Giants in China: Localization Strategies and Market Experiences

This section introduces the methodology used for analyzing each of the following case studies. It explains how companies were selected and gives an overview of their market entry strategies in China. Finally, there is an analysis of the translation techniques employed for their respective software products.

The companies selected for this study include Western software companies operating in China. The selected companies, Microsoft, IBM, SAP, Electronic Arts, and Activision Blizzard represent industry giants with a strong presence in China.

The analysis includes:

- **Company overview:** A brief introduction of the company's worldwide significance and market position.
- **Entry strategies:** An examination of how each firm approached the Chinese market, including alliances, product localization, and regulatory compliance.
- **Translation techniques:** A comparison of the original and Chinese names of key software products, categorized by translation method.

The case studies rely on news available on each company's website, corporate reports, and reliable online sources to provide a comprehensive understanding of the techniques used.

For each company, some of their product names have been selected from their most famous ones. Each product name was analyzed and compared to its Chinese localization. Then, a discussion about the translation technique is given, and a report on each company is given.

The taxonomy for this study will be based on the framework provided by Basciano (2016), which includes:

- **Untranslated:** The brand decides to keep the original name to keep its global identity.
- **Literal translation:** Word-for-word translation of the brand/product name, such as in Red Bull: 红牛 *hóng-niú* 'red-bull'.
- **Phonetic adaptation:** The foreign name is divided into syllables and then the closest Chinese syllables are chosen. The result is a name which is phonologically close to the original one, such as in Ferrari: 法拉利 *fǎ-lā-lì* 'law-pull-benefit'.

- Phonetic-semantic adaptation: Phonetic adaptation of the foreign name, but characters chosen are either auspicious characters or characters suggesting the characteristics, qualities or function of the product, such as in Avon: 雅芳 *yǎ-fāng* 'elegant-fragrant'.
- Graphic loans: Used for Japanese companies/products, the Chinese translation keeps the original name (in characters), however following Chinese pronunciation, such as in Honda: 本田 (a surname): 本田 *běn-tián*.
- Creation of original names: Ad hoc creations describing the characteristics/qualities/benefits of the product, its function, its category or, in any case, containing characters with a positive connotation, such as in Bref: 妙力 *miào-lì* 'wonderful-power'.
- Hybrid forms: Different strategies combined, creating hybrid forms.

Finally, a comprehensive report on the results is given.

## **4.1 Bridging Borders: Microsoft's Localization Blueprint in China**

### 4.1.1 Company overview

Established in 1975 by Bill Gates and Paul Allen, Microsoft Corporation is a leading international technology company headquartered in Redmond, Washington. (Cusumano, 2001).

The creation of the Windows operating system is one of Microsoft's most significant contributions to the technology industry (Campbell-Kelly, 2003). The Microsoft Office suite of productivity applications has also seen widespread adoption across the business and education industries and is the de facto office software standard. The company has expanded its offerings to include cloud enterprise services with Microsoft Azure and collaboration software in the form of Microsoft Teams (Parker, 2022). Microsoft has also invested heavily in the gaming division, particularly its Xbox division, and in business networking through the purchase of LinkedIn (Parker, 2022).

Microsoft has undergone a strategic transformation over the last two decades, transitioning from a traditional software licensing model to a service-based revenue structure focused on cloud computing and subscription-based software (Cusumano, 2013). This change has had a substantial impact on its financial growth, with cloud services becoming one of its most

profitable sectors (Deloitte, 2022).

The company also participated in broader concerns about corporate responsibility, notably environmental sustainability and ethical AI development. Microsoft has vowed to become carbon-negative by 2030, although independent analysts point to obstacles in reaching such targets given the magnitude of its global activities (Greenpeace, 2023).

Microsoft's acquisitions have strengthened its competitive position across multiple industries. For example, the acquisition of GitHub increased its presence among software developers, whereas the acquisition of Activision Blizzard indicated an effort to expand further into the gaming sector, a move that has also drawn criticism from regulatory bodies concerned with market competition (FTC, 2023).

Microsoft key product lines include<sup>32</sup>:

- The Windows operating system. This has become one of the most successful software products in the PC market since its release in 1985. Today, Windows 10 and 11 are still the most popular desktop operating systems globally.
- The Microsoft Office word processing, spreadsheet, presentation, and email program productivity suite of Word, Excel, PowerPoint, and Outlook among numerous other programs is a standard in business, home, and educational establishments. The suite went subscription-based in the guise of Microsoft 365, which is its cloud-based version, to boost collaboration with embedment into Microsoft Teams and cloud storage.
- Microsoft Azure is one of the leading cloud computing platforms with a huge list of services from Platform-as-a-Service (PaaS) to Infrastructure-as-a-Service (IaaS). The global infrastructure of Microsoft Azure helps organizations tap into the power of AI, expand their applications, and manage big-scale data. Microsoft Azure is the second-largest global market leader after Amazon Web Services (AWS) in the current global cloud market and plays a vital role in digital transformation practices across various industries.
- The Xbox and gaming division, one of the major names in the gaming industry. Through consoles like the Xbox Series X and S and services such as the Xbox Game Pass, Microsoft managed to elevate gaming experience through the integration of

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<sup>32</sup> <https://support.microsoft.com/it-it/all-products>. Accessed 10 Jan. 2025.

hardware and software. Another step to its success was the addition of powerful cloud gaming infrastructure.

#### 4.1.2 Strategies for the Chinese Market

In 1992, Microsoft established its first office in Beijing. This marked the first entering of the company in the Chinese market. The rapid expansion of the country's technology sector, along with the popularity of personal computing were the two main drivers for this decision (Blanchard, 2006).

Microsoft made a big effort in localizing its product and business operations to establish a presence in the Chinese market. Actions taken include creating software specifically for Chinese users and collaborating with local businesses. All of this was to make sure that national regulations were followed. One notable collaboration was with China Electronics Technological Group Corporation (CETC), a state-owned company, to develop a version of Windows that was specifically tailored for government usage (Blanchard, 2006). Microsoft Research Asia, established in Beijing in 1998, became a major hub for technological development in the area, with a focus on artificial intelligence and software engineering (Microsoft Research Asia, 2022).

The prevalence of software piracy in China has been one of Microsoft's biggest problems. In response, the corporation offered discounted versions of Office and Windows, adopted market-specific strategies, and worked with Chinese authorities to enforce intellectual property rules (Blanchard, 2006). But piracy rates are still high, and research indicates that widespread use of illegal software is still facilitated by cost-conscious consumers and weak regulation enforcement (Lu and Weber, 2009).

The extensive use of pirate software in China was one of Microsoft's biggest obstacles. The business responded to it by introducing market-specific pricing tactics, such as providing Windows and Office at a discount. Microsoft also launched awareness efforts emphasizing the importance authentic software and collaborated closely with Chinese authorities to defend intellectual property rights (Blanchard, 2006).

Moreover, Microsoft also had to comply with China's strict cybersecurity regulation, especially data localization laws. In order to satisfy these requirements, the business collaborated with 21Vianet, a local data services provider, to run Office 365 and Azure inside China's

boundaries. This agreement allowed Microsoft to comply with government regulations on data access and storage while still providing its flagship services<sup>33</sup>.

Microsoft's presence in China was further increased by the acquisition of LinkedIn, although the platform was subject to growing regulatory pressure because of content moderation regulations. Citing a difficult operating environment, Microsoft shut down LinkedIn in China in 2021 and replaced it with InJobs, a limited job-seeking site that also went down (Forbes, 2022). The closure is indicative of larger challenges encountered by international tech firms doing business in China under more stringent internet laws (Brandom, 2024; The Economic Times, 2023).

Small and medium-sized businesses, technical experts, and businesses have been the main targets of Microsoft's business strategy in China. Key products like Dynamics 365, Azure, and Microsoft 365 serve business users looking for cloud-based solutions and productivity tools. Because localized naming schemes prioritize functionality and clarity to satisfy professional users' tastes, government organizations and businesses have been among the main adopters of Microsoft's products<sup>34</sup>.

Despite market competition, cybersecurity regulations and regulatory scrutiny, Microsoft has continued to be one of the major players in China. Even though some of its consumer-facing businesses have struggled, the demand for enterprise products, cloud computing and productivity software in particular, are still in high demand (The Economic Times, 2023).

#### 4.1.3 Software names translation

Microsoft's approach to software product naming in China strikes a purposeful balance between maintaining a global brand identity and adapting to regional linguistic and cultural norms. Semantic translation, phonetic adaptation, hybrid approaches, and untranslated names are the most prominent strategies used in this process. Below is an analysis of the translation strategies for key Microsoft software products.

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<sup>33</sup> <https://news.microsoft.com/about-microsofts-presence-in-china/>. Accessed 10 Jan. 2025.

<sup>34</sup> <https://news.microsoft.com/about-microsofts-presence-in-china/>. Accessed 10 Jan. 2025.

Original Name	Chinese Name	Translation Technique
Windows	视窗 <i>Shìchuāng</i>	Literal Translation
Office	<i>Office</i>	Untranslated
Excel	Excel	Untranslated
PowerPoint	PowerPoint	Untranslated
Edge	Edge 浏览器 Edge <i>Liúǎnqì</i>	Hybrid translation (Untranslated + Creation of Original Name)
Teams	团队 <i>Tuánduì</i>	Literal Translation
Azure	Azure 微软云 Azure <i>Wēiruǎn Yún</i>	Hybrid translation (Untranslated + Creation of Original Name)
OneDrive	微软云存储 <i>Wēiruǎn Yún Cúnchǔ</i>	Creation of Original Name
Dynamics 365	动态 365 <i>Dòngtài 365</i>	Hybrid translation (Literal Translation + Untranslated)
Visual Studio	Visual Studio	Untranslated
Cortana	小娜 <i>Xiǎonà</i>	Phonetic Adaptation
Bing	必应 <i>Bìyīng</i>	Phonetic Adaptation

For Microsoft products, the translation techniques used demonstrate a strategy for balancing brand familiarity with functional clarity in China. Literal translation is used in 2 of the cases: “Windows” is translated as 视窗 *Shìchuāng*, which directly conveys the concept of a ‘window’. Similarly, “Teams” as 团队 *Tuánduì*, meaning ‘team’. These straightforward translations are ideal since they convey the essence of the product while still meeting local expectations.

The translation of 3 products involves the use of hybrid translation, of which 2 use the untranslated + creation of original name formula while 1 uses literal translation + untranslated. This strategy is effective when the translation must go beyond a direct linguistic equivalent in order to capture the product’s basic functionality. “Azure” is translated to 微软云存储 *Wēiruǎn Yún*, which means ‘Microsoft Cloud’. The use of the descriptive element in these cases demonstrates the necessity of giving a descriptive context for the product, allowing Chinese consumers to immediately understand its purpose.

Only 1 entry uses a plain creation of original name, and that is 微软云存储 *Wēiruǎn Yún*

*Cúnchǔ*, which means ‘Microsoft Cloud Storage’ and is used for OneDrive to explain the functionality of the product and be immediately recognizable by the customer.

Untranslated names appear in 4 cases for products such as Microsoft Excel and Visual Studio. This strategy takes advantage of the global recognition of these products. These names have remained unchanged because they are already well known among the target audience, which is likely to include experts and tech-savvy consumers who link the original names with specific, high-quality software solutions.

Lastly, 2 of the translations make use of phonetic adaptation. This method is used to change the product’s name pronunciation while selecting Chinese characters that are either neutral or positive. As an example, “Cortana” is translated as 小娜 *Xiǎonà*, where 小 means ‘small’ and 娜 is a typical Chinese name character.

## **4.2 Innovating Across Cultures: IBM's Approach to Chinese Localization**

### 4.2.1 Company Overview

IBM was established in 1911 in Endicott, New York. It was created as the Computing-Tabulating-Recording Company (CTR) and had begun with the production of mechanical tabulators and punch-card machines that were being used extensively in government, business, and scientific data processing.

During the twentieth century, IBM played a major role in shaping the modern computer industry. IBM dominated the development of mainframe computer technology, which reached its apex with the release of the IBM System 360 in 1964.

This was a groundbreaking innovation that brought standardized, scalable enterprise computing into vogue. Besides revolutionizing business practices globally, System/360 established the basis of contemporary IT infrastructure (Campbell-Kelly, 2003).

With the 1981 release of the IBM Personal Computer (IBM PC 5150), IBM also significantly contributed to the growth of personal computing. As a result of this progress, IBM-compatible PCs proliferated, and Microsoft’s MS-DOS became the dominant operating system. But by the 1990s, IBM was gradually exiting the consumer PC market due to growing competition from companies like Compaq, Dell, and HP. In 2005, the company sold its PC division to Lenovo

(Chandler, 2001; Dedrick & Kraemer, 2002).

IBM has also contributed to database and software administration technology. The relational data model, from whence modern SQL-based databases are based, was developed in the 1970s by IBM. Db2 database technology was launched in 1983 and is widely used in business applications today (McKinsey, 2023).

With an emphasis on AI, cloud computing, data analytics, cybersecurity, quantum computing, and corporate IT solutions, IBM is currently a world leader in enterprise technology.

Some of the most well-known software from IBM includes the Watson AI platform launched in 2011, which positioned the company as the leader in AI research. The software gained a lot of popularity thanks to the Jeopardy! game show, where it successfully beat human rivals. Watson is currently used to offer machine learning, automation, and natural language processing (NLP) solutions in healthcare, legal, and customer support (Forbes, 2024).

IBM Watson Health offers AI-powered diagnostics, drug discovery, and patient management solutions used by hospitals and pharmaceutical companies in the healthcare sector. In the finance sector, companies such as JPMorgan and Citibank utilize Watson for automating financial analysis, assessing risks, and fraud detection. Finally are business automation industry solutions where chatbots, document analysis, and process automation powered by AI increase productivity in all levels of business.

IBM has established itself as a leader in the hybrid cloud infrastructures field, allowing companies to easily integrate on-premises data centers with cloud services, in contrast to Amazon Web Services (AWS) and Microsoft Azure, which control the public cloud market (McKinsey, 2023).

In 2019, IBM acquired Red Hat for \$34 billion. This acquisition marked a turning point in this strategy by bolstering its open-source computing and hybrid cloud capabilities (CNBC, 2018). Red Hat's OpenShift platform allowed companies to deploy cloud apps across various environments, giving IBM competitive edge in the enterprise cloud management field.

One of the company's main software products in the enterprise data solutions market is the Db2 database platform. Furthermore, the SPSS statistical software is widely used in corporate data analysis, government policymaking, and scholarly research. IBM is a major supplier of data-driven decision-making solutions for businesses due to its proficiency in predictive analytics and AI-driven business intelligence (Forbes, 2024).

Quantum computing research, the field that will have a major impact on encryption, materials science, and high-end simulations, is another area where IBM leads the pack. Its IBM Quantum System One, released in 2019, is among the first commercially released quantum computing systems, with Daimler and ExxonMobil experimenting with its applications (Financial Times, 2023).

As part of its corporate sustainability efforts, IBM has made the commitment to reach net-zero greenhouse gas emissions by 2030. To reduce its carbon footprint, the company is investing in environmentally friendly semiconductor materials and integrating AI-driven energy efficiency solutions throughout its data centers (IBM Impact Report, 2023).

IBM fiercely competes with other companies in this market, such as Microsoft, Amazon, Google, and Oracle (McKinsey, 2023).

#### 4.2.2 Strategies for the Chinese Market

IBM's history in China dates back to 1934, when it supplied its first tabulating machines to a major hospital in Beijing. However, geopolitical conflicts and regulatory challenges forced the company to withdraw from China in the middle of the 20<sup>th</sup> Century.<sup>35</sup>

After China's economic reforms in the late 1970s, IBM returned to the market in 1984, adapting its business to match the nation's rising technology industry. IBM rapidly established itself as a leading provider of enterprise software, business IT solutions, and mainframe computers to Chinese banks, government agencies, and state-owned businesses (CNN, 2024).

IBM established its position in China's competitive and heavily regulated industry by implementing a strategy of local alliances and R&D investments. IBM opened the China Research Laboratory in Beijing in 1995 which had the main purpose of studying large data analytics, NLP, and AI. The implementation of Mandarin voice recognition systems, which was very important to AI-driven automation, was one of its major accomplishments (CNN, 2024).

IBM further adjusted its strategy in the early 2000s to focus on software and enterprise services rather than just hardware. Its worldwide shift towards AI-assisted analytics and hybrid cloud computing was reflected in this change (Strategy+Business, 2010).

By opening its first cloud data center in Beijing in 2014, IBM made a significant investment in

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<sup>35</sup> <https://www.ibm.com/history/ctr-and-ibm>. Accessed 12 Jan. 2025.

China's cloud industry. The company was able to provide hybrid cloud solutions designed for Chinese businesses who were looking to combine conventional IT systems with contemporary cloud architectures. This was also in line with China's national drive toward cloud computing and digital transformation and the company's efforts were recognized by China (Xinhua, 2019).

To promote local AI development, IBM and Shanghai Zhangjiang Group established China's first Watson AI Innovation Center in 2019, a program which promoted IBM's efforts to help Chinese businesses in implementing automation, advanced analytics, and business intelligence powered by AI. (Xinhua, 2019).

Despite its efforts, IBM must manage complicated compliance criteria in order to operate in China's strictly regulated tech sector. As the country's cybersecurity and data localization regulations became more restrictive, the company adapted by making sure vital data stayed inside China's boundaries. Although this compliance restricted the reach of some of IBM's worldwide cloud and AI services, it also allowed the company to preserve its connections with state-owned businesses and government organizations (CNN, 2024).

Despite the company's positive attitude towards the country, there were still plenty of obstacles to overcome because of the increasing rivalry from Chinese IT companies like Tencent Cloud, Huawei, and Alibaba Cloud.

In 2024, IBM announced the closure of its research and development (R&D) operations in China, affecting over 1,000 employees in Beijing and Shanghai (Wall Street Journal, 2024). In the face of growing geopolitical tensions between the United States and China and more competition from domestic companies, this decision was a part of a larger worldwide restructuring drive.

The downsizing indicates a change in IBM's priorities, even if the company still maintains a presence in China through cloud and enterprise services. In order to serve enterprise clients in industries like finance, government IT, and healthcare, analysts indicate that IBM is reducing its direct investments in China while preserving critical commercial alliances (WSJ, 2024).

#### 4.2.3 Software names translation

IBM uses various localization techniques for its software products, often using hybrid translations to keep its global identity and recognizability. A list of some of IBM's most important software products and their localized Chinese names can be found below, along with the translation methods employed.

Original Name	Chinese Name	Translation Technique
Watson	沃森 Wòsēn	Phonetic adaptation
SPSS Statistics	SPSS统计软件 SPSS tǒngjì ruǎnjiàn	Hybrid translation (Untranslated + Creation of Original Name)
Db2	Db2数据库 Db2 shùjùkù	Hybrid translation (Untranslated + Creation of Original name)
Maximo	Maximo资产管理 Maximo zīchǎn guǎnlǐ	Hybrid translation (Untranslated + Creation of Original name)
WebSphere	WebSphere应用服务器 WebSphere yìngyòng fúwùqì)	Hybrid translation (Untranslated + Creation of Original name)
Tivoli	Tivoli	Untranslated
Blueworks	Blueworks Live流程管理 Blueworks Live liú chéng guǎn lǐ	Hybrid translation (Untranslated + Creation of Original name)
Cognos	Cognos	Untranslated
Lotus	协作软件 xié zuò ruǎn jiàn	Creation of Original name
Cloud Pak	云平台 IBM yún píngtái	Literal translation
Information Management System (IMS)	信息管理系统 Xìnxī guǎnlǐ xìtǒng	Literal translation
Informix	Informix 数据库	Hybrid translation

	IBM Informix Shùjùkù	(Untranslated + Creation of Original name)
QRadar	QRadar 安全信息和事件管理平台 QRadar ānquán xìnxī héshìjiàn guǎnlǐ píngtái	Hybrid translation (Untranslated + Creation of Original name)

IBM’s strategy for translating product names into Chinese demonstrates the use of a variety of techniques.

7 out of 13 of IBM’s selected products use hybrid translation techniques. This method combines the creation of an original name that explains the purpose of the product with the preservation of the original name. For example, the translation of “SPSS Statistics” is SPSS统计软件SPSS *tǒngjì ruǎnjiàn*, where 统计软件 means ‘statistical software’, which clearly explains the product’s function while preserving the familiar “SPSS” name. The translation of “Maximo” is also Maximo资产管理*zīchǎn guǎnlǐ*, where 资产管理 means ‘asset management’. While the original brand name retains its worldwide identification, this hybrid translation technique guarantees that Chinese buyers are promptly aware of the product’s primary function.

2 of IBM’s product names are translated literally. When the purpose of the product is self-explanatory and the name can be translated straightforwardly without losing its meaning, this method works well. For instance, “Cloud Pak” is translated as云平台*yún píngtái*, which means ‘cloud platform’ and Information Management System is translated as 信息管理系统*Xìnxī guǎnlǐ xìtǒng*. Because of these precise and unambiguous translations, IBM’s Chinese customers can quickly grasp the main purpose of the product.

It’s interesting to note that phonetic adaptation is used for a few selected products, most notably “Watson”, which is translated as 沃森 *Wòsēn*. The phonetic sound of the original name is preserved in this translation, guaranteeing brand recognition, especially for a well-known and established product.

One entry is translated by using a plain creation of original name.

## 4.3 Streamlining Success: SAP's Semantic Path to Chinese Enterprises

### 4.3.1 Company Overview

SAP (Systems, Applications and Products in Data Processing), also known as 思爱普 Sī ài pǔ in Chinese, is a global enterprise software firm headquartered in Walldorf, Germany. SAP was founded in 1972 by five former IBM developers Dietmar Hopp, Hasso Plattner, Klaus Tschira, Claus Wellenreuther, and Hans-Werner Hector. SAP has grown to become a worldwide market leader in business process management software solutions. The general mission of the company is to enable organizations to perform more efficiently and maintain pace with changing market conditions through delivering innovative enterprise resource planning (ERP) and information management solutions.<sup>36 37</sup>

Business resource management expanded in 1973 when SAP introduced its very first ERP System, SAP R/1, as a single computer program that included most of the activities that were being performed. SAP continued to evolve with the introduction of R/2 in 1979 to handle lots of money and lots of languages for handling global markets.

Perhaps the most notable landmark in the firm's history is the launch of SAP S/4HANA. Next-generation ERP is designed on the concept of in-memory computing and deep analytics to provide real-time intelligence and support data-driven decision-making. Some of the most noteworthy characteristics of SAP S4/HANA are<sup>38</sup>:

- Improved performance: Real-time analysis and processing capabilities allow rapid, efficient decisions and process streamlining.
- Simplified architecture: By simplicity, a more straightforward data model increases productivity and simplifies the management of systems.
- Advanced analytics: By turning data into practical insights, embedded analytics allows organizations to predict trends, optimize processes, and tailor client experiences.
- User experience: With a user-friendly, role-based experience on devices, SAP Fiori user interface increases user satisfaction and productivity.

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<sup>36</sup> Enterprise Resource Planning (ERP) systems integrate core business processes into a unified software. They streamline operations like finance, supply chain, and HR. This improves efficiency, data accuracy, and decision-making across the organization.

<sup>37</sup> <https://www.sap.com/about/company/history.html>. Accessed 18 Jan. 2025

<sup>38</sup> <https://www.redwood.com/resource/sap-s-4hana-capabilities-guide/>. Accessed 01 Feb. 2025.

- Flexibility of deployment: To meet diverse business requirements, SAP S4/HANA offers different models of deployment, such as cloud, on-premise, and hybrid models.

SAP's solutions extend across several industries, including manufacturing, retail, healthcare, finance and logistics. Beyond ERP, SAP provides a wide range of software solutions, including:

- SAP SuccessFactor, which is a prominent Human Capital Management (HCM) platform used for workforce planning, talent management, and HR analytics.
- SAP Ariba, a supply chain and procurement collaboration system.
- SAP Customer Experience (CX), whose applications are designed to enhance customer engagement and drive personalized interactions.
- SAP Concur, which is a system for travel, cost, and invoice management.

SAP has placed a strong emphasis on experience management and cloud computing in recent years. The introduction of the SAP Cloud Platform and the acquisition of Qualtrics have positioned the company to offer experience management solutions and advanced data analytics. This transition is consistent with the global trend towards cloud-based software solutions, allowing businesses with flexible subscription structures<sup>39</sup>.

The company serves 440,000 clients globally, ranging from small and medium-sized enterprises (SMEs) to major multinational corporations in more than 180 countries. Its customer base includes industry leaders like Coca-Cola, Nestlé, and BMW. As of 2023, SAP employs over 100,000 people worldwide.<sup>40</sup>

SAP's commitment to innovation continues with its emphasis on future technologies such as AI, machine learning, IoT, and blockchain. SAP's Research & Innovation Center continues to push the frontiers of corporate software, ensuring its solutions stay at the cutting edge of technology.<sup>41</sup>

SAP became the third most valuable corporation in Europe in 2024 when its market capitalization surpassed €268 billion. Significant expenditures in AI and cloud computing contributed to this accomplishment, as they have greatly increased the company's revenue. SAP announced a 13% increase in net earnings and a 9% increase in revenue for the third

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<sup>39</sup> <https://erp.today/fifty-years-and-counting/>. Accessed 18 Jan. 2025.

<sup>40</sup> <https://erp.today/fifty-years-and-counting/>. Accessed 18 Jan. 2025.

<sup>41</sup> <https://www.sap.com/about/company/history.html>. Accessed 18 Jan. 2025

quarter of 2025 (El Pais, 2024).

#### 4.3.2 Strategies for the Chinese Market

The entry of SAP in China was set to suit the nation's individualistic technological, cultural, and economic environment. SAP entered the Chinese market in the mid 1990s after seeing the potential of the country as an up-and-coming world superpower. The company has been increasing its scope while responding to local market demand, legal requirements and competitive pressure ever since (Neusoft, 2005).

SAP's direct engagement with Chinese companies began in 1995 with the establishment of its first office in Beijing. The backdrop for this was China's accelerated industrialization and the growing need for corporate software solutions to back its developing manufacturing sector. In order to remain in close proximity to major customers and government officials, SAP gradually developed its physical presence in major economic hubs such as Shanghai, Guangzhou, and Chengdu.

SAP made localization a top priority because of China's unique business environment and linguistic variety. The business integrated local business practices, legal needs, and cultural nuances into the development of completely localized Chinese-language versions of its software. By making its ERP systems more widely available to Chinese companies of all sizes, this dedication to localization improved SAP's market position.<sup>42</sup>

SAP understood that extending its presence in the Chinese market required alliances with local companies. Through partnerships with domestic IT firms and system integrators, SAP was able to leverage local knowledge and acquire important insights about the business environment in China. Among the important collaborations are:

- Neusoft (2005): SAP collaborated with China's biggest software and IT services provider to jointly create locally tailored enterprise solutions and improve SAP's understanding of regional market needs.
- Huawei (2019 – Present): Huawei and SAP have worked together to integrate SAP's enterprise cloud apps with Huawei's cloud architecture, enhancing data security and business analytics powered by artificial intelligence (Huawei, 2020).

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<sup>42</sup> <https://www.sap.com/about/company/history.html>. Accessed 18 Jan. 2025

- Alibaba Cloud (2018 – Present): Alibaba Cloud, the biggest cloud computer provider in China, collaborated with SAP to bring SAP S4/HANA Cloud and SAP Cloud Platform on a cloud architecture that has been certified by the government. Through this partnership, SAP was able to both offer its cloud-based ERP solutions to businesses in China and to adhere to the country's stringent cybersecurity regulations (Alibaba Cloud, 2018).

In addition to increasing its market share, SAP's partnership strategy helped the business navigating China's changing regulatory environment. The partnerships the company established were fundamental in order to maintain technological leadership in the country's software market while also complying with China's data localization regulations.<sup>43</sup>

A part of SAP's success in China can be attributed to its alignment with the government efforts of promoting economic reform and technological advancements. The company actively supports China's Made in China 2025 policy and, as a result it gained a favorable reputation among Chinese authorities and businesses (Li, 2018).

For this reason, SAP also takes part in government events, forums, and exhibitions. One of these is the China International Import Expo (CIIE), a fair organized to showcase its technological capabilities and contributions to China's digital economy. Through this Expo, the company was able to communicate with stakeholders from government, from the academy and from the industry, establishing its position as a valuable partner for China's modernization (Li, 2018).

The company has supplemented its China organic growth with regionally significant innovations and strategic acquisitions such as its acquisition of SuccessFactors and Ariba in 2012 that allowed SAP to strengthen its procurement and human resource management portfolio, both of particular significance to Chinese firms in digital transformation. SAP has supplemented its value proposition to customers by incorporating these capabilities into its Chinese-language platforms (Li, 2018).

Despite its success, SAP had a difficult time with the Chinese market. Continuous innovation and differentiation have become necessary due to competition from local enterprise software providers such as Kingdee and UFIDA, which offer lower-priced options. SAP also had to adapt its infrastructure and operations due to the above-mentioned cybersecurity regulations and

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<sup>43</sup> <https://www.sap.com/about/company/history.html>. Accessed 18 Jan. 2025

data localization requirements.

Integrated system managers and large-scale enterprises are SAP's main target market in China. The company's supply chain management and ERP solutions are designed for businesses that oversee intricate business operations. SAP's localization approach frequently employs semantic loans, demonstrating a focus on communicating the integrative and functional components of its solutions to decision-makers in sectors including logistics, retail, and manufacturing.

Beyond only offering software solutions, SAP's approach in China aims to promote an innovative and collaborative ecosystem. Launched in China, the SAP University Alliances program trains instructors and students to use SAP technology, preparing the workforce of the future to spearhead digital transformation. Furthermore, SAP's partnerships with Chinese academic institutions and research centers have facilitated co-innovation and knowledge sharing (Li, 2018).

#### 4.2.3 Software names translation

In order to improve understanding, resonance, and acceptance, SAP has localized the names of its products for the Chinese market. A table of SAP's most important software products and their Chinese translations, along with the translation methods employed, may be found below:

Original Name	Chinese Name	Translation Technique
SAP ERP	企业资源计划 <i>qǐ yè zī yuán jì huá</i>	Literal translation
SAP S4/HANA	SAP S/4HANA	Untranslated
SAP Business One	商业一体化 <i>shāng yè yī tǐ huà</i>	Creation of Original Name
SAP Business ByDesign	商业云设计 <i>hāng yè yún shè jì</i>	Creation of Original Name
SAP Customer Experience	客户体验 <i>kè hù tǐ yàn</i>	Literal translation
SAP Supply Chain Management	供应链管理 <i>gōng yīng liàn guǎn lǐ</i>	Literal translation
SAP SuccessFactor	成功因素 <i>chéng gōng yīn sù</i>	Literal translation
SAP Ariba	Ariba	Untranslated

SAP Concur	Concur	Untranslated
SAP Fieldglass	Fieldglass	Untranslated
SAP Integrated Business Planning	集成业务规划 <i>jí chéng yè wù guī huá</i>	Literal translation
SAP Leonardo	Leonardo	Untranslated
SAP Analytics Cloud	分析云 <i>fēn xī yún</i>	Literal translation
SAP Data Intelligence	数据智能 <i>shù jù zhì néng</i>	Literal translation
SAP Internet of Things	物联网 <i>wù lián wǎng</i>	Literal translation
SAP Master Data Governance	主数据治理 <i>zhǔ shù jù zhì lǐ</i>	Literal translation
SAP Manufacturing Execution	制造执行 <i>zhì zào zhí xíng</i>	Literal translation
SAP Extended Warehouse Management	扩展仓库管理 <i>kuò zhǎn cāng kù guǎn lǐ</i>	Literal translation
SAP Environment, Health, and Safety	环境、健康与安全 <i>huán jìng 、 jiàn kāng yǔ ān quán</i>	Literal translation
SAP Governance, Risk, and Compliance	治理、风险与合规 <i>zhì lǐ 、 fēng xiǎn yǔ hé guī</i>	Literal translation

SAP's strategy to localizing product names for the Chinese market shows a significant preference for literal translations, with just a small number of names keeping their original form.

13 out of 20 of the products analyzed make use of literal translation. This method takes the international name and translates it literally word for word into Chinese. SAP企业资源计划 *qǐyè zīyuán jìhuá* translates to 'enterprise resource planning', the full version of "ERP". SAP Governance, Risk, and Compliance is translated as 治理、风险与合规 *zhì lǐ 、 fēng xiǎn yǔ hé guī* and SAP Manufacturing Execution is translated as 制造执行 *zhì zào zhí xíng*.

Untranslated names account for 5 out of 20 products analyzed. This method is frequently used with globally recognizable products such as SAP S4/HANA, SAP Ariba, SAP Concur, and SAP Leonardo. Retaining the original names helps to maintain consistency across markets by utilizing these companies' established reputation. Such an approach is especially vital for products like SAP Ariba and SAP Concur, which are highly specialized and well-known by

their original names, as well as for newer, innovative offerings like SAP Leonardo, where branding is an integral element of the product's identity.

Finally, 2 entries use the creation of original names: “SAP Business One” is translated as SAP 商业一体化 *shāngyè yītìhuà*, or ‘business integration’, while SAP SuccessFactor is renamed SAP 成功因素 *Chénggōng Yīnsù*, or ‘success factors’.

#### **4.4 Gaming the Market: EA’s Creative Localization for Chinese Gamers**

##### **4.4.1 Company Overview**

Electronic Arts Inc. (EA), founded in May 1982 by former Apple employee Trip Hawkins, is one of the leading companies in the interactive entertainment software sector. With headquarters in Redwood City, California, EA develops, promotes, publishes and distributes digital video games for a variety of platforms, including game consoles like the Xbox and PlayStation, personal computers, and mobile devices.<sup>44</sup>

The portfolio of EA includes a varied number of well-known franchises. The EA Sports division is famous for games like Madden NFL, NBA Live, UFC, and EA Sports FC (previously FIFA). In addition to sports, the company has created video game franchises that have become known and acclaimed by players, such as Battlefield, Need for Speed, The Sims, Dragon Age, Mass Effect, and Apex Legends<sup>45</sup>.

Beyond organic growth, EA has established itself with a great brand through appropriate acquisition that has also greatly enhanced the scope of business. For expansion into other forms of gaming, the organization has used a ferocious strategy in acquisitions. It acquired BioWare in 2007 among its first blockbuster buys, enhancing its portfolio through renowned games such as Dragon Age and Mass Effect. The purchase of Swedish game developer DICE in 2006 was yet another strategic one, with which EA acquired the Battlefield franchise and the Frostbite engine, the former of which is a first-person shooter franchise that competes with Activision's Call of Duty, while the latter is a powerful game development engine that since then has been implemented in some of EA's titles, including its FIFA and Madden NFL

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<sup>44</sup> <https://www.globaldata.com/company-profile/electronic-arts-inc/>. Accessed 22 Jan. 2025.

<sup>45</sup> <https://www.ea.com/it-it/games/library>. Accessed 29 Jan. 2025.

games.<sup>46</sup>

With the acquisition of PopCap Games in 2011, the manufacturer of Bejeweled and Plant vs. Zombies, EA ventured into the casual and mobile games segment and benefited from increasing demand from the market (Forbes, 2011). Its dominance in the competitive multiplayer and action-adventure market was also solidified in 2017 when it acquired Respawn Entertainment, gaining rights to properties like games Titanfall, Apex Legends, and Star Wars Jedi: Fallen Order (Harding-Rolls, 2024). With these acquisitions, EA has been able to have a diversified product suite, striking a balance between competitive multiplayer games, story-driven adventures, and live-service models that encourage user retention.

Although EA continues to dominate the gaming industry, it is facing growing competition from rival publishers like Activision Blizzard, Take-Two Interactive, and Ubisoft. As the industry continues to consolidate, EA is under pressure to remain independent or think about strategic alliances in order to maintain its market position. The company has also faced scrutiny over its use of microtransactions, particularly in FIFA Ultimate Team and Star Wars Battlefront II, where the inclusion of loot boxes led to consumer backlash and regulatory investigations (Financial Times, 2023). In response to shifting player preferences, EA has had to adapt to the rise of free-to-play games, indie titles, and cross-platform gaming, which require new monetization strategies and a more flexible approach to game development (GamesIndustry.biz, 2024).

#### 4.4.2 Strategies for the Chinese Market

To make a name for itself in China's enormous and ever-changing gaming market, Electronic Arts has adopted a multifaceted strategy that incorporates localization, cultural adaptation, strategic alliances and regulatory compliance. Understanding that the greatest gaming audience in the world resides in China, EA has worked to balance local consumer preferences with its worldwide knowledge while negotiating a challenging regulatory environment (Daxue Consulting, 2013).

EA's first entry into China was mostly dependent on strategic alliances with local businesses, which is a typical strategy used by international gaming companies trying to adhere to China's stringent distribution and content regulations. Together with the Gamewave Group, EA created a web-based version of the real-time strategy game "Red Alert" in 2013 (Daxue

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<sup>46</sup> <https://www.reuters.com/article/business/ea-buys-two-game-studios-idUSWEN1629/>. Accessed 01 Feb. 2025.

Consulting, 2013).

Tencent's expertise in marketing, game distribution, and regulatory compliance allowed EA to effectively negotiate China's stringent content restriction regulations, guaranteeing that Apex Legends complied with the National Press and Publication Administration's (NPPA) standards. EA was able to reach millions of potential customers through Tencent's digital ecosystem, which greatly increased Apex Legend's exposure and player engagement in China (Huang, 2019).

EA's success in China has also been partially due to player and marketing efforts. In contrast to Western nations, where Western platforms such as YouTube and Twitter (rebranded as X) dominate the market, EA has needed to adjust promotion efforts to Chinese digital markets and use WeChat, Weibo, and Douyin to build communities and promote. EA has also taken on interactive campaigns to establish a relationship with Chinese gamers, such as influencer partnerships and live-streamed tournaments, which have significantly increased brand awareness (Huang, 2019).

In order to further build its relationship with the Chinese market, EA set up a local studio in Shanghai, which had as its principal assignment the development of games with the specific purpose of satisfying the needs of Chinese gamers and having a solid talent pool locally. EA makes sure that its products live up to the standards and preferences of the Chinese market by cultivating local engineers, designers, and artists. Also, EA's local presence allows it to react quickly to feedback and market trends, thus being stronger in the competitive game marketplace.

To further solidify its position in China, EA opened a local development lab in Shanghai. This allowed the company to produce content tailored to the region and strengthen its relationships with Chinese designers and developers. This action not only improves EA's capacity to accommodate local gaming tastes but also fortifies its adherence to laws, which frequently give priority to businesses who support the local game production industry (Daxue Consulting, 2013).

China's gaming market is also strongly influenced by state control over game approvals, limits on play time, and data security requirements. It is increasingly challenging for overseas developers to access the Chinese market without local publishing partners like Tencent after strict licensing regimes were imposed. To comply with policy, EA has modified game content, adapted monetization models, and collaborated extensively with Chinese regulators to

provide data localization.<sup>47</sup>

In addition to developing videogames, EA has made large investments in China's e-sports market, which is a quickly expanding market with millions of players and viewers. EA sponsors significant gaming tournaments and online events, positioning games like FIFA Online and Apex Legends as competitive e-sports in China. EA has positioned itself as a major player in the competitive gaming industry, improved player engagement and enhanced brand loyalty by taking part in China's e-sports ecosystem.<sup>48</sup>

Increasing its footprint in the cloud gaming industry, fortifying its localization efforts, and growing its alliances continue to be the major pillars of EA's long-term growth plan in China. Notwithstanding the previously discussed difficulties, EA has proven to be incredibly adaptable and resilient, which enables it to successfully compete against both domestic and foreign gaming companies<sup>49</sup>

#### 4.2.3 Software names translation

Electronic Arts (EA) has effectively localized its game titles for the Chinese market, employing various translation techniques as outlined in Basciano's 2016 framework. Below is a table summarizing the original English names, their Chinese localizations, and the translation techniques used:

Original name	Chinese localization	Translation technique
Apex Legends	Apex 英雄 Apex Yīngxióng	Hybrid (Untranslated + Literal translation)
Battlefield 2042	战地风云 2042 Zhàndì Fēngyún 2042	Creation of original name
FIFA	FIFA	Untranslated
Need for Speed	极品飞车 Jí pǐn Fēichē	Creation of original name
The Sims	模拟人生 Mónǐ Rénshēng	Creation of original name
SimCity	模拟城市 Mónǐ Chéngshì	Creation of original name

<sup>47</sup> <https://www.reuters.com/business/chinese-gaming-stocks-tumble-after-regulators-summon-firms-2021-09-09/>. Accessed 26 Jan. 2025.

<sup>48</sup> <https://www.ea.com/it-it/news/tour-the-ea-china-studio>. Accessed 22 Jan. 2025.

<sup>49</sup> <https://www.reuters.com/business/chinese-gaming-stocks-tumble-after-regulators-summon-firms-2021-09-09/>. Accessed 26 Jan. 2025.

Madden NFL	麦登橄榄球 Màidēng Gǎnlǎnqiú	Hybrid translation (Phonetic + Creation of original name)
NBA Live	NBA Live	Untranslated
NHL Hockey	冰上曲棍球 Bīngshàng Qūgùnqiú	Creation of Original name
Command & Conquer	命令与征服 Mìnglíng yǔ Zhēngfú	Literal Translation
Medal of Honor	荣誉勋章 Róngyù Xūnzhāng	Literal Translation
Dragon Age	龙腾世纪 Lóngténg Shìjì	Literal Translation
Mass Effect	质量效应 Zhìliáng Xiàoyīng	Literal Translation
Dead Space	死亡空间 Sǐwáng Kōngjiān	Literal Translation
Star Wars: Battlefront	星球大战：前线 Xīngqiú Dàzhàn : Qiánxiàn	Literal Translation
Plants vs. Zombies	植物大战僵尸 Zhíwù Dàzhàn Jiāngshī	Literal Translation

Out of the 16 titles examined, 7 rely on literal translations. The remaining titles are translated via hybrid translation, with the creation of an original name, or left untranslated.

Literal translation, the dominant approach, ensures that the essence of the game's theme or story is captured in the Chinese localization. For instance, "Dead Space" becomes死亡空间 *Sǐwáng Kōngjiān*, meaning 'Death space', which captures the game's space setting and horror characteristics. Similarly, "Dragon Age" is translated as龙腾世纪 *Lóngténg Shìjì*, 'Age of the Rising Dragon', evoking imagery that aligns with both the game's fantasy setting and Chinese cultural associations with dragons, or "Mass Effect" localized as 质量效应 *Zhìliáng Xiàoyīng*,

Internationally recognized franchises such as "FIFA" and "NBA Live" remain untranslated, leaving their worldwide branding and established reputation intact. In many circumstances, sticking with the original name ensures continuity and familiarity for Chinese gamers who are already fans of the series. Similarly, "Apex Legends" is partly translated as Apex 英雄 *Apex Yīngxióng*, 'Apex Heroes', combining the original name with an extra description to highlight the game's focus on heroic characters while preserving its familiar branding.

Titles that use well-known character names or phrases essential to the game's identity are translated with phonetic translation blended with the creation of a descriptive name.

"Madden NFL" is, for example, localized as 躡登橄欖球 *Màidēng Gǎnlǎnqiú* 'Madden Football', maintaining the phonetic term "Madden" while incorporating a descriptive element that makes clear the game's emphasis on American football.

Some titles such as 极品飞车 *Jí pǐn fēi chē*, 'Best racing cars', had their titles created from scratch to better appeal the tastes of Chinese gamers.

## 4.5 Legends Reimagined: Activision Blizzard's Journey into the Chinese Gaming World

### 4.5.1 Company Overview

Activision Blizzard is a global leader in video game development, publishing, and interactive entertainment, recognized for creating some of the most profitable and culturally influential titles in the industry. The company was formed in 2008 by the merging of Activision, founded in 1979, and Blizzard Entertainment, founded in 1991. Before their merger, Blizzard Entertainment gained recognition for games such as StarCraft, Diablo and Warcraft, while Activision had established itself with popular titles like Call of Duty, Crash Bandicoot, and Tony Hawk's Pro Skater, and Blizzard Entertainment being well-known for titles such as Warcraft, Diablo, and StarCraft. These two trailblazing companies came together to form a diverse entertainment behemoth that has gradually increased its influence throughout the world.<sup>50</sup>

Activision Blizzard now releases multiple categories of game genres such as digital collectible card games, role-playing games (RPGs), first-person shooters, and real-time strategy games (Bloomberg, 2024). It has some of the most famous brands which are:

- Call of Duty: It is a globally well-known first-person shooter video game.
- World of Warcraft: World of Warcraft: An MMORPG that is now a global cultural phenomenon since it was first introduced in 2004.
- Hearthstone: An online collectible card game that has captured millions of players with its depth of strategy and easy-to-use interface.
- Overwatch: A first-person team-based shooter that has had a tremendous impact on both competitive gaming and esports.

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<sup>50</sup> <https://www.activisionblizzard.com/>. Accessed 18 Jan. 2025.

Aside from game development, Activision Blizzard also runs Battle.net, an online gaming platform that provides multiplayer capabilities, social networking features, and digital distribution for PC games. The company's pioneering move into the world of e-sports, as it launched the Overwatch League and the Call of Duty League, has been a key element in shaping the world of gaming globally (Tharakan, 2016).

In addition, the firm has ventured into the mobile gaming market. The acquisition of King Digital Entertainment, which makes Candy Crush Saga, was an important strategic investment (Bloomberg, 2015).

Activision Blizzard's finances remain solid, and the company makes a considerable amount of money from in-game purchases, sales of games, subscription-based services (e.g., World of Warcraft), and partnerships. The company's stable market performance and valuation serve to underscore how its unified game development, marketing, and digital distribution model has positioned it as a critical player in the transforming entertainment industry over the past several years (Bloomberg, 2024).

Activision Blizzard continues to be relevant in the global gaming society by virtue of its exploitation of the robust portfolio of intellectual property and pioneering digital strategies (Dang et al., 2022).

#### 4.5.2 Strategies for the Chinese market

Activision Blizzard's strategy for entering the Chinese gaming market demonstrates the company's awareness of the distinctive gaming environment in the area as well as the different commercial, cultural, and regulatory elements that influence it. The company has adopted a multidimensional strategy that prioritizes partnerships, content adaptation, and rigorous adherence to regulatory requirements, acknowledging the enormous potential of China's gaming sector, which boasts the largest player base globally.<sup>51</sup>

Forming strategic alliances with local businesses has been a key component of EA's strategy in China. Since the regulatory system requires international businesses content to distribute their content through local enterprises, the collaboration with NetEase was essential to gaining the required authorizations from Chinese authorities (Niko Partners, 2022). Thanks to the partnership with NetEase, the corporation was able to remove or modify content deemed politically or culturally sensitive in order to comply with local censorship regulations. As a

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<sup>51</sup> <https://www.activisionblizzard.com/>. Accessed 18 Jan. 2025.

result, games like World of Warcraft, Overwatch, and Diablo were able to enter the market in China while remaining in compliance with local law.

Other than NetEase, the other key partnership is that with Tencent to facilitate the distribution of some of the most crucial titles. The partnership with Tencent gave Activision Blizzard access to strong marketing channels and distribution platforms such as Tencent Games, WeChat, and QQ, all of which are vital in accessing a large number of individuals in a market that is very competitive. Besides enabling regulatory compliance, this partnership also offered great intelligence on local customer preferences (Activision Investor Relation, 2012).

Activision Blizzard's approach still heavily relies on localization. The business has made large investments in adapting its games to satisfy the distinct visual and cultural tastes of Chinese players. This is beyond translation; this is meticulous adaptation of game narratives, character visuals, and gameplay mechanics. Mei, for example, was deliberately crafted as a Chinese hero in Overwatch, and the release of a map like Lijiang shows an effort to introduce elements of Chinese cultural heritage into the game. Similar localization has been done for World of Warcraft, with traditional Chinese culture being utilized as the inspiration for the creation of the "Pandaren", an in-game playable race.<sup>52</sup>

The second critical component of Activision Blizzard's China strategy is digital transformation. Activision Blizzard has modified its digital engagement and distribution platforms to better suit Chinese consumers' tastes (Patnaik and Tharakan, 2015).

Activision Blizzard's expansion into mobile gaming has further reinforced its market presence. The acquisition of King Digital Entertainment, the developer behind Candy Crush Saga, has enabled the company to access China's massive mobile gaming audience. By adapting King's popular titles for the Chinese market and leveraging local distribution networks such as WeChat and QQ, Activision Blizzard has successfully reached both casual mobile players and hardcore gaming enthusiasts (Patnaik and Tharakan, 2015).

Despite its achievements, the company still faces challenges in China. The regulatory environment is complex and constantly evolving, especially when it comes to playtime limitations for minors or their allowance to access certain types of content. The business must constantly update its games to stay compliant, which necessitates a large expenditure in localization and regulatory control (Valentine, 2019).

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<sup>52</sup> <https://www.activisionblizzard.com/>. Accessed 18 Jan. 2025.

In conclusion, Activision Blizzard's strategy in China is distinguished by its dedication to content localization, strategic alliances with well-known Chinese companies, and regulatory compliance. The business has been able to forge a strong presence in one of the most difficult gaming industries in the world by balancing its worldwide experience with local market demands and making investments in e-sports and digital transformation.

#### 4.2.3 Software names translation

Activision Blizzard used different translation techniques, which are classified in the following table according to our framework.

Original Name	Chinese Localization	Translation Technique
Call of Duty	使命召唤 Shǐmìng Zhàohuàn	Literal Translation
Crash Bandicoot	古惑狼 Gǔhuòláng	Creation of original name
Spyro	小龙斯派罗 Xiǎo lóng sīpàilúo	Phonetic-semantic Adaptation
Sekiro: Shadows Die Twice	只狼：影逝二度 Zhī láng : yǐng shì èr dù	Creation of original name
Candy Crush Saga	糖果传奇 Táng guǒ chuán qí	Creation of original name
Diablo	暗黑破坏神 àn hēi pò huài shén	Creation of original name
Tony Hawk's Pro Skater	托尼·霍克职业滑板 Tuōní · Huòkè zhí yè huá bǎn	Hybrid (Phonetic Adaptation + Literal Translation)
World of Warcraft	魔兽世界 Mó shòu shìjiè	Creation of Original name
Overwatch	守望先锋 Shǒuwàng Xiānfēng	Literal Translation
StarCraft	星际争霸 Xīngjì Zhēngbà	Creation of Original name

Hearthstone	炉石传说 Lúshí Chuánshuō	Literal Translation
Heroes of the Storm	风暴英雄 Fēngbào Yīngxióng	Literal Translation
Guitar Hero	吉他英雄 Jítā yīngxióng	Literal Translation
Warcraft III	魔兽争霸III Mó shòu zhēngbà III	Creation of Original name
Destiny	命运 Mìngyùn	Literal Translation
Prototype	原型 Yuánxíng	Literal Translation
Tenchu	天诛 Tiānzhū	Graphic Loan
Geometry Wars	几何战争 Jìhé Zhànzhēng	Literal Translation
King's Quest	国王密使 Guówáng mìshǐ	Literal Translation
Gabriel Knight	加布里埃尔骑士 Jiābùlǐāiěr qíshì	Hybrid (Phonetic adaptation + Literal translation)

In order to preserve clarity and thematic relevance, Activision Blizzard uses a variety of translation techniques when localizing its game titles for the Chinese market, with a particular emphasis on literal translation and the creation of original names. 9 of the 20 titles that were examined were translated literally, while 7 used new original names. The 2 remaining names were either translated using hybrid forms, a phonetic-semantic adaptation and a graphic loan.

Titles like "Call of Duty" 使命召唤, *Shǐmìng Zhàohuàn*, 'Mission Call', "Destiny" 命运, *Mìngyùn*, and "Hearthstone" 炉石传说, *Lúshí Chuánshuō*, 'Stone Legend' all use the most popular translation method, which is literal. Chinese gamers can quickly understand the game's theme thanks to these translations, which preserve the worldwide branding identity while maintaining a direct relationship with the original meaning. Similar to this, "Heroes of the Storm" gets localized as 风暴英雄 *Fēngbào Yīngxióng*, 'Storm Heroes' and "Overwatch" becomes 守望先锋 *Shǒuwàng Xiānfēng*, "Watching Vanguard"), both of which maintain grammatical simplicity while expressing the fundamental concepts of action and heroism.

To make the concept and themes of some games clear and appealing to the Chinese audience,

the company decided to create new original names for them. To highlight the game's dark, demonic undertones, "Diablo" is localized as 暗黑破坏神 *ànhēi pòhuài shén*, 'Dark Destructive God'. Likewise, "Candy Crush Saga" is translated into 糖果传奇, *Tángguǒ chuánqí*, 'The Tale of the Candy', to give insight to what the themes of the game are. By bringing the localized titles into line with Chinese cultural norms and emphasizing the games' distinct appeal, these translations enhance them.

Phonetic adaptation is used sparingly and frequently in conjunction with other descriptive components to offer clarification or cultural significance. For example, "Spyro" is localized as 小辮斯派罗, *Xiǎolóng Sīpàilúó*, 'Little Dragon Spyro', where the inclusion of "Little Dragon" appeals to Chinese cultural connotations with dragons in addition to conveying the character's appearance. The translation of "Tony Hawk's Pro Skater" is also '托尼·霍克职业滑板 *Tuōní Huòkè Zhíyè Huábǎn*, 'Tony Hawk Professional Skateboard', which combines a literal description of the game's skateboarding concept with the phonetic translation of the protagonist's name.

The usage of a graphic loan is present in "Tenchu" becoming 天诛 *Tiānzhū*, 'Heaven's Punishment'. The company decided to keep the original Japanese characters as the title of the game, but they are read with the Chinese pronunciation.

#### **4.6 A comprehensive analysis of the results**

The analysis of the localization techniques used by Activision Blizzard, Microsoft, IBM, SAP, and EA shows clear trends in how product names are adapted for the Chinese market. This section gives a breakdown of the various translation techniques used and assesses how important they are for preserving brand identity, enhancing accessibility, and conforming to local linguistic and cultural norms.

A total of 81 software and game product names from the five companies studied were examined. The framework by Basciano (2016) with some adaptations was used to categorize the translation methods. The following table provides a summary of how the various strategies are distributed.

Translation Technique	Frequency	Percentage
Literal translation	32	39,5%
Phonetic Adaptation	3	3,7%
Phonetic-semantic Adaptation	1	1,2%
Hybrid forms	14	17,3%
Creation of Original Name	19	23,4%
Untranslated	12	14,8%
<b>Total</b>	<b>81</b>	<b>100%</b>

With 39,5% of the cases, literal translation was the most common approach. Enterprise software firms like SAP and IBM, where functional clarity is crucial, utilized this strategy the most. For instance, IBM translated “Information Management System (IMS)” as 信息管理系统 *Xìnxī guǎnlǐ xìtǒng*, ‘Information Management System’, while SAP translated “SAP ERP” as 企业资源计划 *qǐ yè zī yuán jì huá*, ‘Enterprise Resource Planning’. This approach guarantees that the software’s functionality is recognized right away, enabling business users to access it.

Utilized in 3,7% of the cases, phonetic adaptation mainly helped in preserving brand identification while incorporating the name into the Chinese language. Microsoft’s “Cortana” was changed to 小娜 *Xiǎonà*, maintaining pronunciation while adding a popular feminine name. Similarly, IBM’s “Watson” was adapted as 沃森 *Wòsēn*, which nearly resembles the original sound.

Phonetic-semantic adaptation was the least popular technique (1,2%), but successfully blended phonetics and meaning. The localized version of Activision Blizzard’s “Spyro”, 小龙斯派罗 *Xiǎo lóng Sīpàilū*, ‘Little dragon Spyro’, incorporates the culturally iconic image of a dragon while phonetically adapting the name Spyro.

17,3% of cases employed hybrid forms, which combine many translation techniques. These names frequently included descriptive Chinese elements with untranslated English terms. To maintain brand awareness while increasing functional clarity, Microsoft’s “Azure” became Azure 微软云 *Azure Wēiruǎn Yún*, ‘Azure Microsoft Cloud’.

In the gaming business, creative name adaptations were more common, accounting for 23,4% of the cases. The localization of Activision Blizzard’s “Diablo” as 暗黑破坏神 *àn hēi pò huài shén*

*shén*, 'Dark destruction God', adds to the game's dramatic and mystical appeal. In many situations, descriptive elements describing the function on the product were used. In order to clearly describe the service, Microsoft, for example, localized "OneDrive" as 微软云存储 *Wēiruǎn Yún Cúnchǔ*, 'Microsoft Cloud Storage'. In keeping fantasy themes that are well-known to Chinese audiences, Activision Blizzard translated "World of Warcraft" as 魔兽世界 *Mó shòu shìjiè*, 'World of Magic Beasts'.

14,8% of occurrences were untranslated names, frequently for well-known international brands such as "FIFA", "NBA Live" or "Excel". This tactic capitalized on pre-existing brand equity while preserving uniformity across markets. Enterprise software companies such as Microsoft, SAP, and IBM primarily relied on literal and descriptive translations, which together accounted for 51,8% of the cases. By guaranteeing functionality and clarity, this strategy made it simpler for companies to identify and use software solutions. On the other hand, with a combined 33,3% of the cases, game businesses such as Electronic Arts and Activision Blizzard were more likely to use hybrid forms, phonetic adaptations, and the creation of original names. These strategies were mainly used to support local market preferences.

Significant variations between product categories are also shown by the quantitative data. Both literal translation and the creation of original names are used most often in enterprise software products, such as those from Microsoft, IBM and SAP, and combined they account for 51,8% of the cases. These strategies place a strong emphasis on clarity and functionality, which are essential for users in professional settings. In contrast, creative adaptations, hybrid forms and phonetic adaptations are most frequently utilized in corporate products of companies such as EA and Activision Blizzard, and they account for 33,3% of the cases. This discrepancy indicates that gaming products are localized to make them more appealing in narrative terms and culturally resonant, whereas corporate products make technical features immediately visible.

Furthermore, untranslated names, forming 14,8% of the total occurrences, are retained more frequently in company contexts to preserve worldwide brand uniformity, while videogames tend to be subjected to greater adaptation to provide thematic information. These variations highlight how crucial it is to adjust localization strategies to the particular requirements of the product category in order to satisfy both cultural and functional demands in the Chinese market.

Naming practices were impacted by cultural and legal factors. As demonstrated by Activision

Blizzard's adjustment of *World of Warcraft*'s visuals, companies altered content to adhere to local laws. Translation decisions were also influenced by Chinese consumers' preference for names that were memorable and meaningful.

The intricacy of software and game localization techniques is shown by this data-driven investigation. To succeed in the Chinese market, businesses must balance cultural adaptation, brand consistency, and legal obligations. The diverse priorities and strategies required for successful localization are highlighted by the disparate application of translation techniques across businesses.

## **Chapter 5 - Conclusion and future developments**

The intricate process of brand localization for Western software and gaming companies venturing into the Chinese market has been examined in this thesis. By analyzing Microsoft, IBM, SAP, Electronic Arts, and Activision Blizzard, the most important localization tactics have been determined, their efficacy has been evaluated, and wider ramifications for global firms have been assessed. The result shows that effective localization is a multifaceted process that includes cultural adaptation, legal compliance, and strategic market positioning rather than just a language exercise.

The study has demonstrated that different industries employ unique localization tactics that are a reflection of their goals and customer demands. Enterprise companies, including Microsoft, SAP, and IBM, frequently use literal and descriptive translations because they value clarity and functional recognition. This makes it possible for corporate users to perceive and comprehend the software's purpose right away, which promotes wider adoption. Gaming businesses like EA and Activision Blizzard, on the other hand, have a more adaptable strategy, frequently employing hybrid forms, creative adaptations, and phonetic-semantic techniques to guarantee cultural relevance and engagement.

In the gaming field, the study also discovered that localization strategies are greatly impacted by regulatory limitations. Careful content adjustments are required to comply with censorship laws in China due to the country's stringent gaming regulations. Activision Blizzard, for instance, adapted some of World of Warcraft's visual components to comply with local laws. Because of these constraints, cooperation with local partners is essential for global businesses looking to maintain their market share over the long run.

The study's conclusions include a number of strategic recommendations for international firms looking to enter or grow in China's gaming and software industries. First, there is no universal localization strategy that applies across all industries. Depending on their target market, regulatory obstacles, and level of existing brand recognition, businesses must adapt their strategies.

Ensuring clarity and functional efficiency should continue to be a top goal for corporate software companies. In this industry, literal translation and the creation of original names with descriptive features are effective, making it simple for Chinese companies to incorporate Western software into their operations. To prevent misunderstandings or misinterpretations, businesses must also make sure that their translations take into account cultural and

industry-specific nuances.

Beyond translation, brand localization for gaming companies includes narrative adaptation, visual changes, and interaction with local gaming communities. Companies must continue to be adaptable and sensitive to changes in regulations, even though hybrid translations and the creation of original names have been successful in attracting Chinese players.

Another key takeaway is the importance of working with local businesses. Strategic alliances with Tencent, NetEase, and other Chinese tech giants have helped Microsoft, SAP, and EA. These alliances facilitate distribution channels, legal framework navigation, and brand credibility in the Chinese market.

As they develop, machine learning and artificial intelligence are playing a bigger part in brand localization. More accurate translations that take into consideration contextual meaning and cultural nuances can now be produced using AI-powered language processing technologies than by conventional techniques. For example, businesses may now more easily create customized branding that conforms to regional dialects and colloquialisms thanks to neural machine translation models.

Another new element that can affect localization tactics is blockchain technology. Blockchain can help safeguard brand identity and counteract the growth of pirated games and fake software in China by offering transparent and safe verification methods. For corporate software companies, where data security and intellectual property rights are major considerations, this is especially relevant.

Both new opportunities and challenges in localization are brought about by the growing use of voice assistants and speech recognition technologies. Brands need to make sure their localized names are understandable and identifiable in Mandarin, Cantonese, and other dialects as voice-based interactions become more common in China. Businesses that disregard phonetic accuracy in voice search settings run the danger of being less visible in this quickly changing digital environment.

While this study has provided valuable insights into localization strategies, future research might focus on a few areas to better hone the global understanding of brand localization in China.

Consumer perception is one such research topic. Chinese consumer surveys and focus groups may yield qualitative information about the localization tactics that work best for various

demographics. Gaining insight into the emotional reactions of customers to various brand names may aid in improving engagement and honing translation techniques.

Research on the long-term effects of AI-driven localization is another option. It may be possible to determine whether automation promotes or impedes cultural alignment by comparing translations produced by AI with those that are manually checked over time. Additionally, examining how AI tools change in China in reaction to linguistic and legal changes would give businesses using AI into their localization processes important insight.

A more comprehensive understanding of localization strategies might also be obtained by broadening the research's focus to encompass additional sectors, such as financial services, fashion, and pharmaceuticals. The discussion on global brand adaptation may be further enhanced by the fact that various industries may have particular difficulties that call for different branding approaches.

Finally, an analysis of longitudinal data that documents brand name evolution over time may provide information about how businesses modify their localization tactics in reactions to societal and legal shifts. In China's competitive market, this would assist in identifying optimal practices for long-term brand sustainability.

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