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# BRAND DEVELOPMENT IN CHINESE TEA MARKET

Case Company: Lipton

Business Economics and Tourism

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Aikanaan Kiina on ollut maailman isoin teen kuluttaja ja viejä mutta brändien puute on ollut ongelmallista. Nyt markkinaympäristö ja kuluttajakysyntä ovat muuttuneet, joten vahvan brändin rakentamisesta on tullut vaikea tehtävä kiinalaisille teeyrityksille. Brändin rakentamista tarvitaan, jotta ne erottuvat kilpailijoista ja markkinointiviestintä on aina hyvä keino rakentaa bränditunnettuutta ja hyvää brändi-imagoa kuluttajien suuntaan.

Lipton, joka on maailman isoin teebrändi, on esimerkkiyritys. Tutkimusongelma on miten markkinointiviestinnän keinot auttavat Liptonin brändiä kasvamaan ja myös mitkä ovat tehokkaimmat markkinointiviestinnän keinot brändin kehittämiseen nykyisillä Kiinan teemarkkinoilla.

Teoriaosan ensimmäisessä osassa keskustellaan brändirakentamisen pääelementeistä ja vaiheista, jonka jälkeen käsitellään erilaisia markkinointiviestinnän keinoja ja näiden merkitystä brändäyksessä. Empiirinen osa toteutetaan kvalitatiivisella (online haastattelu) ja kvantitatiivisella (sähköinen kyselylomake) tutkimusmenetelmällä, jotta saadaan laajempi käsitys aiheesta.

Tutkimuksen tulokset osoittavat, että sekoittamalla erilaisia markkinointiviestinnän keinoja, Lipton on menestyksekkäästi muodostanut kohdeasiakkaiden brändiin liittämiä ajatuksia, tunteita ja arvioiteja. Tämän seurauksena Liptonilla on selkeä brändi-identiteetti, erottuva ja haluttu brändi-imago ja myös korkea ostouskollisuus Kiinan markkinoilla. Myyninedistäminen on tärkein markkinointiviestinnän keino kiinalaisten kuluttajien mielestä. Tutkimus antaa ajatuksia, miten Lipton ja kiinalaisten teeyritykset voivat kehittää tulevaisuuden markkinointiviestintää.

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## ABSTRACT

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China once acted as the world's largest consumer and exporter of tea, but at the same time, it has always been nagged by the lack of brands. Faced with the changing marketing environment and consumer demand, building a strong brand has become the paramount task for Chinese tea companies to stand out in the fierce competitions. Marketing communication is always a significant tool in terms of building the brand awareness and favorable brand image among consumers.

Lipton, which is the world's leading and largest tea brand, will be selected as the case company. The research problem is to find out how marketing communication tools successfully contribute to promoting Lipton's brand as well as the most effective marketing communication tools for branding in the current Chinese tea market.

Accordingly, the theoretical part will first discuss the main factors and steps in creating a successful brand. Next, different marketing communication tools and their significance in branding will be presented. The empirical part will be conducted by both the qualitative method (an online interview) and quantitative method (an online questionnaire) to obtain a more comprehensive insight.

The research results prove that by mixing various marketing communication tools, Lipton has successfully shaped the perceptions, feelings and evaluations that the target consumers hold for the brand, resulting in an increasing brand identity; a distinctive and favorable brand image as well as a high purchase behavior loyalty in the Chinese market. Besides, sales promotion is the most appreciated marketing communication tool in today's Chinese consumers' eyes. At last, the thesis provides suggestions of the future marketing communications development with Lipton and Chinese tea companies.

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Keywords                      Marketing communications, Branding, Tea, China

# CONTENTS

Tiivistelmä  
ABSTRACT

1 INTRODUCTION.....	9
1.1 Background of the Study.....	9
1.1.1 Current Chinese Tea Market.....	10
1.1.2 Introduction of Lipton.....	11
1.2 Research Problems and Objectives.....	13
1.3 The Limitations of the Research.....	13
1.4 Thesis Outline.....	14
2 BRAND AND BRANDING PROCESS.....	15
2.1 Brand.....	15
2.2 Brand Equity and Customer-Based Brand Equity (CBBE).....	16
2.3 Source of Brand Equity.....	17
2.3.1 Brand Awareness.....	18
2.3.2 Brand Image.....	20
2.4 Four Steps in Branding.....	21
2.4.1 Brand Identity.....	23
2.4.2 Brand Meaning.....	23
2.4.3 Brand Response.....	24
2.4.4 Brand Relationships.....	25
3 MARKETING COMMUNICATIONS.....	26
3.1 Definition and Role of Marketing Communications.....	26
3.2 New Marketing Communication Mix.....	27
3.3 How Marketing Communication Works.....	29
3.4 Tools in Marketing Communications.....	32

3.4.1 The Advertising.....	32
3.4.2 Sales Promotion.....	36
3.4.3 Digital Media Tools.....	39
3.5 Lipton’s Marketing Communication Practices in China.....	42
3.5.1 Lipton’s Advertising.....	43
3.5.2 Lipton’s Sales Promotion.....	43
3.5.3 Lipton’s Digital Media Tools.....	44
4 RESEARCH METHODOLOGY.....	46
4.1 Research Method.....	46
4.2 Data Collection.....	48
4.2.1 In-depth Interview.....	48
4.2.2 Questionnaire Design and Analysis.....	48
4.3 Reliability and Validity.....	49
5 EMPIRICAL FINDINGS.....	51
5.1 Demographic Findings.....	51
5.2 Marketing Communication Effects and Brand Resonance of Lipton.....	55
5.2.1 Brand Identity Findings.....	55
5.2.2 Brand Meaning Findings.....	58
5.2.3 Brand Response Findings.....	61
5.2.4 Brand Relationships Findings.....	64
5.3 The Most Appreciated Marketing Communication Tools.....	67
5.4 Summary.....	69
6 CONCLUSION.....	71
6.1 Advices for Lipton.....	71
6.2 Advices for Chinese Tea Companies.....	72
6.3 Summary of the Thesis.....	74

REFERENCES.....	76
APPENDICES.....	80

**LIST OF FIGURES**

<b>Figure 1.</b> China's tea export quantity and export value during 2000-2011 (FAO 2013).	p. 10
<b>Figure 2.</b> Brand knowledge (Keller 1998, 94).	p. 18
<b>Figure 3.</b> The awareness pyramid (Aaker 1991, 62).	p. 19
<b>Figure 4.</b> The value of brand awareness (Aaker 1991, 63).	p. 19
<b>Figure 5.</b> Brand resonance pyramid (Kotler & Keller 2012, 271).	p. 22
<b>Figure 6.</b> Factors that drive engagement opportunities (Fill 2013, 13).	p. 27
<b>Figure 7.</b> The marketing communication mix (Fill 2013, 23).	p. 28
<b>Figure 8.</b> Micro model of marketing communications process (Kotler et al. 2012, 781).	p. 30
<b>Figure 9.</b> The three-component attitude model (Fill 2013, 86).	p. 31
<b>Figure 10.</b> Respondent's age.	p. 52
<b>Figure 11.</b> Respondent's occupation.	p. 52
<b>Figure 12.</b> Respondent's income (RMB/month).	p. 53
<b>Figure 13.</b> Consumer's purchase behavior towards Lipton.	p. 65

## LIST OF TABLES

<b>Table 1.</b> Types of advertising (Pelsmacker et al. 2013, 204).	p. 33
<b>Table 2.</b> Qualitative versus Quantitative Research (Malhotra 2007, 144).	p. 47
<b>Table 3.</b> Respondent's gender.	p. 51
<b>Table 4.</b> Factors affecting consumers to buy tea.	p. 54
<b>Table 5.</b> Lipton's brand awareness.	p. 55
<b>Table 6.</b> Channels to know Lipton.	p. 56
<b>Table 7.</b> Lipton marketing communication effect (cognitive stage).	p. 57
<b>Table 8.</b> Lipton brand performance.	p. 58
<b>Table 9.</b> Lipton marketing communication effect (affective stage).	p. 60
<b>Table 10.</b> Consumer's overall evaluation on Lipton (whether it is appealing).	p. 61
<b>Table 11.</b> Consumer's overall evaluation on Lipton (quality).	p. 62
<b>Table 12.</b> Consumer's overall evaluation on Lipton (whether it is credible).	p. 63
<b>Table 13.</b> Lipton marketing communication effect (conative stage).	p. 64
<b>Table 14.</b> Consumer's engagement with Lipton.	p. 66
<b>Table 15.</b> Consumer's favorite marketing communication tool.	p. 67
<b>Table 16.</b> The most appreciated advertising type.	p. 68
<b>Table 17.</b> The most appreciated sales promotion type.	p. 68
<b>Table 18.</b> The most appreciated digital media tools type.	p. 69



**LIST OF APPENDICES****APPENDIX 1.** Interview questions**APPENDIX 2.** Questionnaire in English**APPENDIX 3.** Questionnaire in Chinese

# **1 INTRODUCTION**

The first chapter will mainly deal with the background of the study, including the introduction of the current Chinese tea market as well as the case company, Lipton. After that, the research problems and objectives will be stated. Also, the limitation of the thesis will be analyzed in this chapter. At last, the thesis outline will be described to present an overall framework of the study.

## **1.1 Background of the Study**

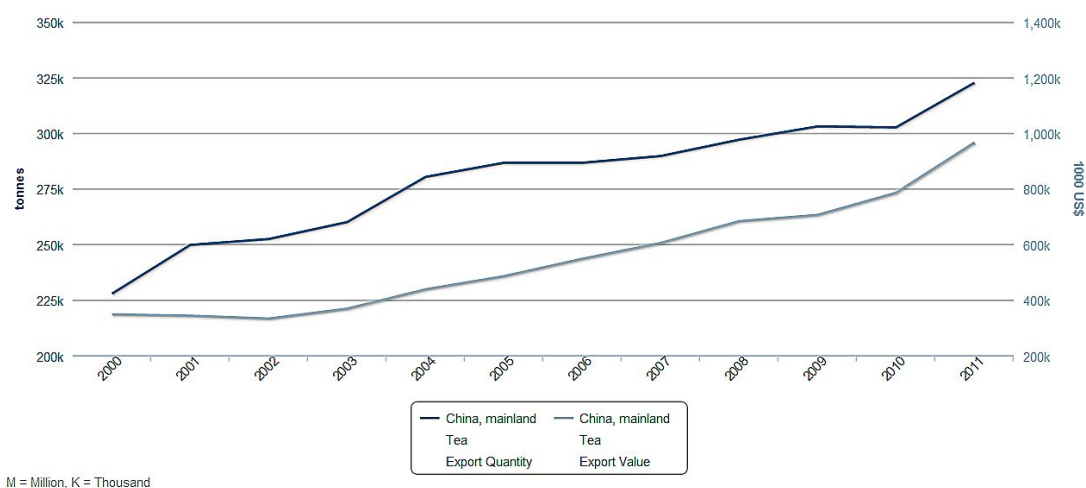
China has enjoyed thousands of years' history of planting, making and exporting tea, with vast cultivated area and great varieties. Tea, nowadays, has been a more and more popular natural beverage in the world, reflecting a 3%-5% annual growth of global consumption. (Sina 2013) Though it was Chinese who invented tea and introduced it to the world, today's Chinese tea business is faced with severe competitions and challenges brought by the globalization.

In accordance with WTO's "national treatment" principle, the international tea enterprises entering to the Chinese tea market had been an inexorable trend with China's accession to WTO in 2001. That is, the domestic tea production and processing enterprises had to compete against those international players equipped with strong capital and mature market experiences, such as Lipton from Unilever; Suntory from Japan, TWININGS from the UK and others. (Gu 2001)

The Chinese tea industry no longer possesses the same advantages as before, the causes will be interpreted later, and in fact, more and more weaknesses are being gradually exposed in today's global context. Therefore, the Chinese tea enterprises have to find a new way out in order to win in a variety of competitions, for example, the competition between different tea varieties, the competition between tea and other beverages, as well as the competition with the foreign tea brands.

### 1.1.1 Current Chinese Tea Market

According to the FAO report, in 2010, China has been the world's largest consumer and producer of the tea. The total consumption of tea reached 1.06 million tons which accounted for 33% of the world consumption; while the tea production amounted to 1.4 million tons. In 2011, China also acted as the largest tea exporter in the world with an export value of more than 965 million dollars, surpassing strong competitors such as India, Sri Lanka and Kenya. Figure 1 illustrates China's export quantity and value of the tea in recent years. (Food and Agriculture Organization of the United Nations, 2011)



**Figure 1.** China's tea export quantity and export value during 2000-2011 (FAO 2013).

The Chinese domestic tea market, however, is more complicated and is not as optimistic as the data shown above. A generally accepted saying of today's Chinese tea market can be summarized as "there are famous tea in China but no famous brands". Indeed, China never lacks of tea in top quality in terms of the planting or picking or processing, the problem is that Chinese tea enterprises sometimes are overly obsessed with emphasizing the quality so that they neglect all the remaining aspects. The companies should always bear in mind that everything they have done could be a wasted effort if the brand is unknown.

The excessive tea varieties and enterprises is the most prominent feature regarding the Chinese tea market. For the geographical and historical reasons there are thousands of tea categories existing, and more subcategories can be derived from each depending on different picking seasons and production places. The farmers, who are engaged in tea plantation, are more than 80 million while the amount of domestic tea companies have exceeded 70,000 by 2013. Another characteristic is that even today's Chinese tea business can be still regarded as the agriculture rather than the industry, as the scattered planting bases, numerous categories and different regional demand for tea make it almost impossible to form the unified production or evaluation standards. In a way, the lack of standardization and no large-scale production have become the huge handicaps for the development of the Chinese tea market. In addition, the main channels for purchasing tea in China are through the wholesale market and exclusive shops as a result of the Chinese tea features, the consumption custom and the channel threshold. In other words, without adequate support of modern retail channels, it is hard for the Chinese tea enterprises to achieve the rapid development and gain advantages in the competitions. (Baidu Documents, 2013)

As mentioned earlier, there are more than 70,000 existing tea companies in China, however, among which the registered ones are less than 1,000. (Sohu 2008) The phenomenon of excessive competition and lack of brands in the Chinese tea market provide insufficient basis, direction and confidence with customers when they are surrounded by the various choices. The only high product quality is not enough to support today's competition, instead, building a strong brand and implementing the corresponding strategies are the urgent tasks and real solutions for Chinese tea companies to stand out in all the kind of competition in the global market.

### **1.1.2 Introduction of Lipton**

Lipton, the world's leading tea brand, was first established in 1880, by a British entrepreneur and innovator, Sir Thomas Lipton. With more than one hundred years of development, its footprints have been in more than 110 countries. In fact,

the nature of Lipton's expansion was to convert the tea, which belonged to luxury goods 100 years ago, into common goods with high quality and reasonable prices. (Lipton 2014)

Thomas Lipton first purchased a large number of the tea plantations in Sri Lanka where he proposed the concept of "direct from tea garden to tea pot". Then in 1893, Lipton set the headquarters and factory in the US, after which it expanded its market to India and Far East. A transformational change happened to Lipton after its 80 year's development, in 1972, Lipton was officially acquired by Unilever, and from this point onwards, its expansion has become more powerful. Today, it has become the world's largest tea brand, whose sales are twice as much as that of the second largest tea brand. Meanwhile, Lipton is the world's third largest non-alcoholic beverage, just behind Coca-Cola and Pepsi. (Unilever 2014; Lipton 2014)

"Drink Better, Live Better" says the slogan of Lipton in China. (Lipton 2014) Lipton not only conveys the concept to the customers that they are of great quality and taste, but more importantly, they provide the customers a positive attitude towards life. In order to cater to the mass market, Lipton launched a variety of products with moderate prices, comprising black tea, green tea, white & red teas, herbal teas and iced tea. The diversified packages of Lipton, from leaf tea to tea bags to bottled tea, successfully make tea into the fast moving consumer goods, which, also solves the problem of tea sales without adequate retail channels, enabling its products to be sold through all kinds of channels.

Lipton opened the Chinese market with black tea in 1992, only after five years' development it already had had the biggest market share and ranked first in sales of tea bags. Having gained such great recognition and success, Lipton further launched more new tastes catering to the Chinese consumers, such as Lipton Green Tea, Lipton Jasmine Tea as well as Lipton Milk Tea. Quietly changing the way of Chinese drinking tea was another breakthrough of Lipton. Unquestionably, tea bags had substantially enhanced the convenience of tea drinking. Apart from the superior product quality and the firm foundation of the brand, Lipton never

slows down the pace to understand and establish the communication with customers. By virtue of the continuous product innovation and marketing innovation, Lipton is gradually acquiring the larger Chinese market share and being known to more and more people. (Lipton 2014)

## **1.2 Research Problems and Objectives**

The research problem of the thesis is to find out how marketing communication tools successfully contribute to promoting Lipton's brand as well as the most effective marketing communication tools for branding in Chinese tea market. Accordingly, the thesis will analyze the current situation of Chinese tea market, make comparison of consumers' perceptions and evaluations towards Lipton and domestic tea brands, find out the most appreciated marketing communication tools by Chinese consumers, and finally give suggestions to both Lipton and the Chinese tea companies.

Therefore, the sub-objectives are set in order to achieve the thesis objective:

- To theoretically describe the main factors and steps in creating a successful brand.
- To theoretically describe marketing communication tools and their significances in branding.
- To empirically analyze Lipton's marketing communications effect on brand building.
- To empirically analyze which marketing communication tools are most appreciated by the Chinese customers.

## **1.3 The Limitations of the Research**

There are two main limitations of this thesis. Firstly, when a research is based on the entire Chinese market, consequently the target population should be as wide as possible. However, due to the limitation of time and place, a small-scale empirical survey and some interviews will be conducted, which means the deviation

certainly exists and there is still a long distance from representing the comprehensive view of Chinese consumers.

Secondly, although the thesis is aimed at solving the research problem from the consumer's perspective, for example, by collecting their perceptions and evaluations towards the brand and the related marketing communication activities, it is better to have some company's voice involved, which is absent in this thesis. However, the results will be discussed with a small Chinese tea company.

#### **1.4 Thesis Outline**

The thesis is divided into six main chapters. The first chapter mainly presents the background of the study, consisting of introduction of Chinese tea market and the case company; the research problems and objectives; thesis limitation and outline.

Chapter 2 and Chapter 3 together comprise the theoretical framework. Chapter 2 first applies the customer-based brand equity model as a foundation to discuss the main factors and steps in creating a successful brand. The main concepts involved are brand equity; brand knowledge; brand awareness; brand image and etc. The first half of Chapter 3 introduces different marketing communication tools and their significances in branding, while in the latter half, case company's practices of the corresponding theoretical concepts will be demonstrated.

Chapter 4 firstly describes and compares the qualitative and quantitative research method, after which it shows how the online interview and questionnaire will be conducted. Then, the methods of data collection and analysis; the reliability and validity of the thesis will be respectively displayed.

In Chapter 5, the data collected from the questionnaire and the answers acquired from the interview are put into analysis. Based on the empirical findings and the theoretical part, the following Chapter 6 gives suggestions to the case company and Chinese tea enterprise and draws conclusions of the whole study.

## **2 BRAND AND BRANDING PROCESS**

In this chapter, first the definition and meaning of the brand will be described, followed by the introduction of brand equity and the Customer-Based Brand Equity model. Then, the source of brand equity will be stated. Lastly, the chapter will present the four steps in creating a successful brand based on the CBBE model.

### **2.1 Brand**

A brand is defined by the American Marketing Association as *“a name, term, sign, symbol or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”*.

It is important to distinguish the concept between a brand and a product. In short, branding is about the creation of value (perceived or actual) over the utilitarian function of products, therefore a brand is more than a product. (Dahlén, Lange & Smith 2010, 195) Brands are also strong and effective means enabling products to be identified, understood and appreciated. (Fill 2013, 330) And to the mind of Stephen King, unlike a product can be copied and quickly outdated, a successful brand is unique and timeless. But what really distinguishes a brand from those unbranded commodity, according to Alvin Achenbaum, the prominent marketing consultant, *“is the consumers’ perceptions and feeling about the products attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand”*. (McGetrick 2012)

Both the consumer and company can benefit greatly from branding. A good brand stands for the high level of quality and conveys certainty and trust to the customers. (Kapferer 2008, 11) Living in the era of information overload, consumers feel hard to choose the right product or service because the numerous choices around. Accordingly, branding is of great importance in reducing the amount of decision-making time. Furthermore, the perceived risk of purchase is



lowered as branding enables consumers to make assumptions and develop expectations about the unknown product by the association of a well-known brand. (see Keller 2003, 9) More importantly, as Fill (2002, 405) put that the brands bring added value to the customers, making them to derive extra functional, social and even psychological benefits.

Branding is a powerful mean of securing competitive advantage for the company because it endows a product with unique associations and meanings that differentiate it from other products, thus making it easier for consumers to identify and purchase again. (Keller 2003, 11) In other words, the brand loyalty developed from the previous consumptions sets barriers of other companies entering the market, removes the risk and guarantees the stability of future sales of the company. Apart from gaining the loyalty, companies will also benefit from the price premium and higher margin, the two other generators of profit of the brand which can be used to invest in new opportunities for commercial activities. (Kapferer 2008, 24; Fill 2013, 351)

## **2.2 Brand Equity and Customer-Based Brand Equity (CBBE)**

In the 1980s, a new marketing concept named “brand equity” arose and has been a popular and important concept in nowadays. In fact, it was because of this emerging concept, the importance of brands in marketing strategy had been taken seriously ever since. Brand equity is a set of assets linked to a brand’s name and symbol that adds to value provided by a product or service to a firm or the firm’s customers. (Aaker 2010, 8) That is, brand equity can be used to indicate the value of a brand. Brand equity can be also regarded as the added value endowed by the brand to a product or service. (Kotler, Keller, Brady, Goodman & Hansen 2012, 470)

Not only can brand equity act as assets to impact the financial well-being of a company, but also it provides guidance for marketers to analyze the past marketing performance and design new ones for future marketing programs. (Keller 2003, 64) Indeed, as Fill (2013, 350) stated, the brand with strong brand

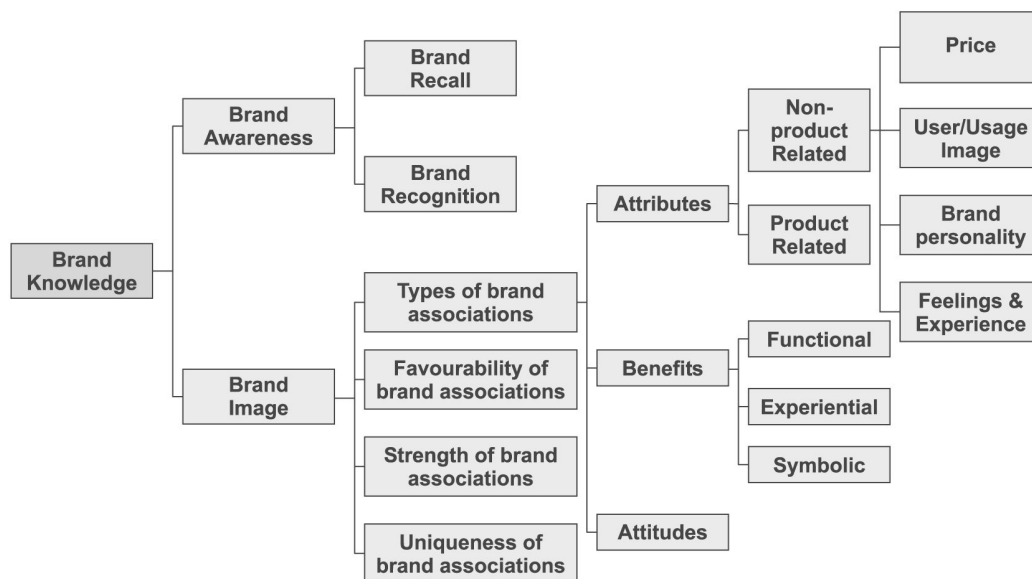
equity makes it more possible to preserve its customer franchise and resist the competitions.

Brand equity can be identified from two perspectives: a financial brand equity and a consumer brand equity. The financial perspective views the brand's value as definable assets and emphasizes the financial value of the brand that can bring to the company. The consumer perspective, on the other hand, stresses the customer and marketing-related components of brand equity, for example, the beliefs, images and core association consumer possess for a brand. (Pelsmacker, Geuens & Bergh 2013, 52; Fill 2013, 349) To marketers, consumer equity is usually more important than financial brand value, because the cash flow premium enjoyed by a successful brand ultimately depends on the consumer behavior which is driven by consumer's perceptions of a brand after all. (Aaker & Biel 1993, 71)

The concept of "customer-based brand equity" (CBBE) introduced by Keller (2003) approaches the brand equity from the consumer perspective, and the consumer here refers to either an individual or an organization. The concept is defined as the differential effect that brand knowledge has on consumer response to the marketing of that brand. (Keller 2003, 60) The premise to customer-based brand equity model, as Keller argued, is the power of a brand lies in the minds of consumers and what they have experienced and learned about the brand over time.

### **2.3 Source of Brand Equity**

On the basis of the CBBE model, the foundation to building brand equity is brand knowledge. Brand knowledge does not simply refer to the facts of the brand, but refers to the feelings, thoughts, perceptions, images and experiences linking to the brand in the customers' minds, which ultimately creates the differential effect and affects the consumer response to the brand. As Figure 2 shows, the brand knowledge consists of brand awareness and brand image. (Keller 2003, 64; Keller 2009, 143)



**Figure 2.** Brand Knowledge (Keller 1998, 94).

Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand as well as when they hold strong, favorable and unique brand association in memory. Branding is about creating differences; the value is created only when customers realize that all brands in category are not the same. Being able to produce knowledge structures and different types of customer-based brand equity, the high level of brand awareness and the positive brand image are therefore important. (Keller 2003, 67)

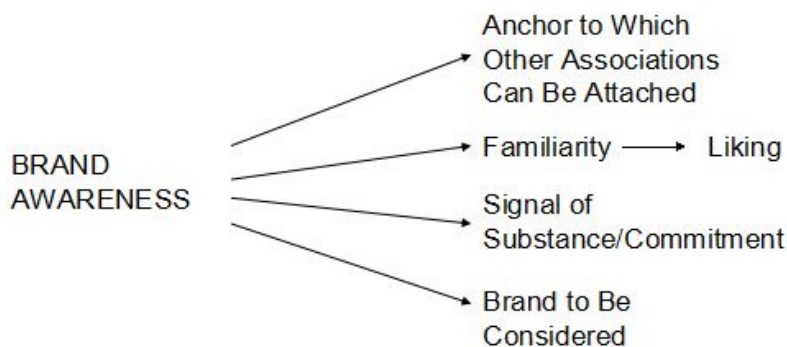
### 2.3.1 Brand Awareness

Aaker (1991) considers brand awareness as the link between product class and the brand; the ability of a potential buyer to recognize or recall that the brand belongs to a certain product category. Different ways in which customers remember a brand is how it is usually measured, ranging from recognition to recall to “top of mind” and to dominant. (Aaker 2010, 10) The brand awareness pyramid is shown in Figure 3. However, according to Kapferer (2008, 21), brand awareness is not only a cognitive measure; it also carries the reassuring message and is actually correlated with various valuable image dimensions, such as high quality, trust, reliability, a good quality/price ratio, accessibility and so on.



**Figure 3.** The awareness pyramid (Aaker 1991, 62).

How Aaker (1991) assesses the value of brand awareness is shown in Figure 4. Brand awareness is the most basic and necessary step in creating brand equity. Possessing a high level of awareness is of great importance in influencing the consumer decision making. For instance, raising brand awareness enhances the possibility that the brand will be a member of the consideration set in consumer's mind. Also, brand awareness conveys information that later becomes attached to the brand in memory, directly influencing the formation and strength of the brand association, which constitutes the brand image. (Keller 2003, 64-68)



**Figure 4.** The value of brand awareness (Aaker 1991, 63).

It can be seen from Figure 2 that the brand recognition and brand recall are the two components of brand awareness. Brand recognition, as the minimum level of brand awareness, describes the consumer's ability to confirm the prior exposure to the brand under conditions that the brand name is given. Brand recognition simply

verifies that consumers have been exposed to the brand if only they have seen or heard about it. A familiar brand is more likely to be selected and brand recognition happens to provide the sense of familiarity to consumers. The effect is quite remarkable especially when it comes to the low-involvement products like soap, chewing gum, paper towels and so on, because those goods do not need too much attribute evaluations. (Keller 2008, 67; Aaker 1991, 62-65; Dibb, Simkin, Pride & Ferrell 2012, 324)

Compared to brand recognition, brand recall is more difficult and has a higher requirement for the consumers, because the respondent has to proceed the “unaided recall” without having the name provided. Specifically, only by given the product category, or a purchase or usage situation as a cue, the customer should be able to generate the correspond brands from their minds. Brand recall is necessary and important when consumer is in situation where no brand is presented, for example, outside the shop. Therefore brand recall is particularly meaningful to service and online brands. (Keller 2003, 67-68; Aaker 1991, 62)

### **2.3.2 Brand Image**

Brand image is how the brand is perceived by the consumers. (Aaker 2010, 71) In other words, this concept is established on the receiver’s side, referring to the way in which certain groups decode the all the signals coming from the products, services and communications of the brand. (Kapferer 2008, 174) As Aaker (1991, 110) noted, since the image represents consumer’s perceptions, it may not fully reflect the objective reality. However, it is of great importance to create a positive brand image as it is one of the important drivers of the brand equity.

The brand association works as a link which brings all the knowledge to memory, creating great value to both firms and customers. It is a useful tool to process information, to differentiated brand, to form the reason to buy as well as to establish favorable brand attitudes and feelings. (Aaker 1991, 109-110) In order to acquire a positive brand image, the strong, favorable and unique brand associations in mind generated by the marketing programs are critical. (Keller 2003, 70)

### **2.3.2.1 Strength of Brand Association**

Brand associations vary on the basis of the level of strength. Strength of brand association works concerning both ways, referring to the amount of information received by consumers and how the information is dealt with. The stronger brand association arises when the consumer think about the product information more profoundly and relates it to the brand knowledge in their minds. Especially, the association will be stronger when it is correlated with the consumer's direct experiences and exposures to communications. (Keller 2003, 71; Aaker 1991, 109)

### **2.3.2.2 Favorability of Brand Association**

A favorable brand association helps consumers to generate the overall positive brand judgments of brands, resulting in making them believe that their needs and wants can be fulfilled through the brand. The desirability derives from what consumers perceive of the information received. In a way, delivering relevant information related to brand images such as convenient, reliable, effective and efficient through products and other marketing programs is the key to building the favorability of the brand association. (Keller 2003, 72)

### **2.3.2.3 Uniqueness of Brand Association**

As long as a brand exists in a competitive environment, it will share certain associations with other brands more or less. Even though there is no direct competition in term of the specific product-related attributes, the shared association still can be found when it comes to the broader definition of product category. Unique brand association offers the notion of distinctiveness, as noted before, branding is about creating differences, and therefore uniqueness becomes a good reason why consumers should buy it. (Keller 2003, 73-74)

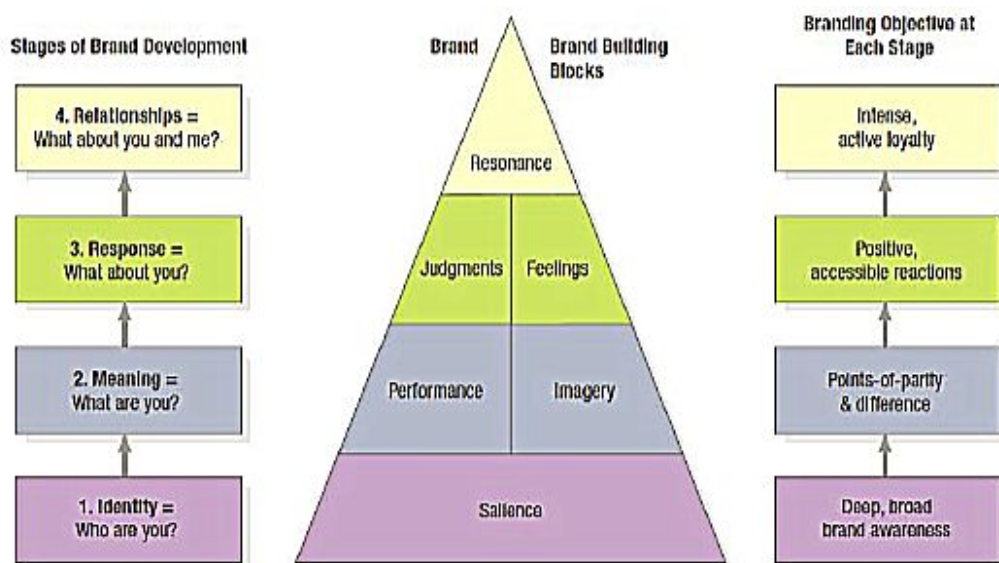
## **2.4 Four Steps in Branding**

According to customer-based equity model mentioned earlier, the process of building a strong brand can be concluded into four steps, and the establishment of each step is on the basis of the previous one. All steps are designed to realize

certain objectives with both existing and potential customers. The four steps are shown as following:

1. Establish the proper brand identification and association of a brand in customer's mind with a specific product type or customer need. (brand identity)
  2. Create the totality of brand meaning in consumer's minds through linking the tangible and intangible brand associations with certain properties. (brand meaning)
  3. Acquire the appropriate customer response according to the brand identification and brand meaning. (brand response)
  4. Transform brand response to build the intense, active loyalty relationship between customers and the brand. (brand relationships)
- (Keller 2003, 75)

To achieve the four steps in branding, the six “brand building blocks” are introduced, namely salience, performance, imagery, judgments, feelings and resonance. Those building blocks represent a pyramid in successfully creating the brand equity, and in order to achieve the top of the brand pyramid, the building blocks should be put into right place as illustrated in Figure 5.



**Figure 5.** Brand Resonance Pyramid (Kotler & Keller 2012, 271).

The model also shows the duality of the brand, the rational side of brand building on the left of the pyramid whereas the emotional side on the right side. (Kotler & Keller 2012, 270)

#### **2.4.1 Brand Identity**

Creating brand salience among consumers is the core to realize the brand identity. The brand salience is linked to the brand awareness, which was stressed earlier that it describes the consumer's ability to recognize or recall the brand. In other words, the brand identity is established through brand awareness which relates the brand elements such as brand name, logo and symbol with the consumption situations.

There are two main aspects characterizing the brand awareness: namely depth and breadth. Depth of brand awareness refers to the ease that a brand comes to the customer's minds. That is, the easier a brand is recalled by a customer, the deeper brand awareness it possesses. The breadth of brand awareness means the range of purchase and consumption situations in which the brand will be concerned with. The high level of brand salience requires both depth and breadth of brand awareness. The depth of brand awareness concerns whether a customer can recall the brand under different situations, whereas the breadth of brand awareness focuses on ensuring customers can recall the brand in right time and right consumption situations, however, the latter is an aspect that easily being ignored. Brand salience is the basic step in establishing brand equity as well as an important driver of consumption, contributing to sales by broadening the situations in which customers will take them into account. (Keller 2003, 80)

#### **2.4.2 Brand Meaning**

The key to establish brand meaning is to build a brand image, which reflects what the brand is characterized by and should stand for in customers' minds. (Keller 2003, 81) Two main categories of brand meaning are brand performance and brand imagery, representing functional considerations and abstract considerations of the brand relatively.



Brand performance means the inherent properties that a product or service possess and represent how well they meet the customer's functional needs. Only by providing products that identify and satisfy the customers' needs can the brand resonance is ultimately realized. The product performance is usually assessed through the five aspects comprising the primary ingredients and supplementary features, product reliability; durability and serviceability, service effectiveness; efficiency and empathy, style and design as well as price. (Keller 2003, 82):

Brand Imagery is about the intangible aspects of the brand, about how the consumers regard the brand from an emotional way, i.e., by different types of associations. The main factors influencing the imagery associations consist of user profiles (including demographic factors and psychographic factors), purchase and usage situations, personality and values, as well as history; heritage and experiences. (Keller 2003, 83):

### **2.4.3 Brand Response**

Brand response refers to how customers respond to a brand in terms of its marketing programs and other brand-related information. The brand response embraces two components: brand judgments and brand feelings (Keller 2003, 88).

Brand Judgments are results of the combination of brand performance and brand imagery, representing different customers' evaluations of a brand. Judgments vary from individuals, four categories of judgments among which are of great importance in building the strong brand. The first one is brand quality, which is also known as the perceived quality of the brand. It can be said as the most important attitudes held by customers. The second is brand credibility, referring to customer's judgments about the company, mainly from the level of perceived expertise (whether it is competent, innovative and a market leader); trustworthiness (whether it is dependable and put customer's benefits in first place) and likability (whether it is fun or interesting and worth the time spent on). Brand consideration is the third criterion which indicates the possibility that a customer classify the brand which is appropriate and meaningful for them into the choices they might actually purchase. The last one is about brand superiority, describing

the extent to which customers find the brand unique and better than other brands. (Keller 2003, 88)

Brand feelings refer to the customers' emotional responses upon the brands. The brand feelings impact consumer behavior favorably when customers hold positive brand responses in their minds. Creating the following feelings, say, warmth; fun; excitement; security (eliminating the consumers' concerns and offering them with the sense of comfort); social approval (enabling consumers to have positive feelings about other people's reactions) and self-respect (making people feel better about themselves and acquire a sense of fulfillment), are critical to building the positive brand responses in consumers' minds. (Keller 2003, 90)

#### **2.4.4 Brand Relationships**

The last step of the model emphasizes the relationship building with the consumers. Brand resonance is the essence of the relationship between customers and the brand as well as the level of sync that customers feel with it, which can be identified from two aspects: one is intensity which indicates the depth of brand loyalty; while the other is activity, referring to not only the frequency of the purchase but also the customers' participation in activities beyond the purchase. In details, the brand resonance can be manifested through four performances. Behavioral loyalty is the most basic one, depicting the frequency and amount customers purchase the brand. The following one is the attitudinal attachment which shows that customers perceive the brand as something extraordinary and have a deep desire to possess it. In addition, the sense of community, which enables consumers to feel a kinship or affiliation to other people because of the brand as a point of connection, is also one performance for measuring the relationship between the brand and consumers. Finally comes the active engagement, referring to consumers are willing to invest time, energy, money or other resources outside the purchase, such as visiting the websites, joining the brand club and so on. The active engagement is the strongest manifestation of brand loyalty. (Keller 2003, 92-93)

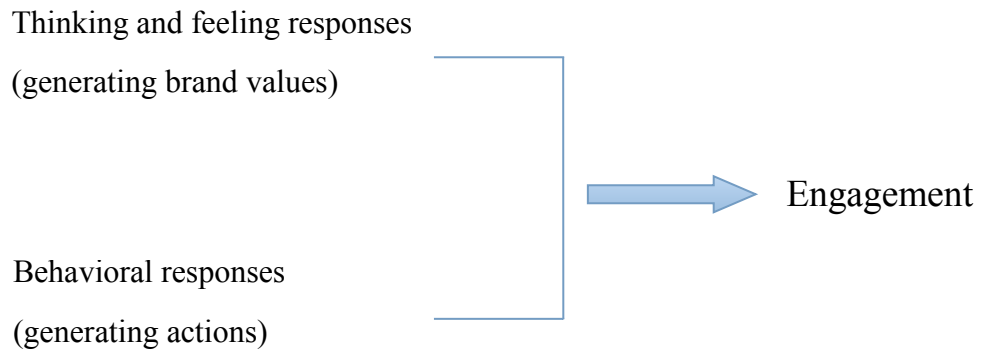
### **3 MARKETING COMMUNICATIONS**

The first half this chapter will primarily introduce different marketing communication tools and their significances in branding, whereas in the later half, the case company's practices of those corresponding theoretical concepts will be demonstrated.

#### **3.1 Definition and Role of Marketing Communications**

As Kotler et al. (2012) stated, marketing communications are the means by which companies try to inform, convince, and remind customers about their brands through either a direct or an indirect way over time. In a way, marketing communications represent the company's voice and its brands, enabling the company to create a dialogue and develop relationships with its customers. (Kotler et al. 2012, 776)

Marketing communication is to engage audiences by provoking an audience response. The engagement, according to Dahlen et al. (2010, 2-3), refers to the planned, integrated and interactive dialogues between company and target audiences that facilitate obtaining mutually beneficial objectives. In other words, it can be regarded as a marketing communication function generated by two types of responses, namely thinking and feeling responses as well as behavioral responses, as Figure 6 shows. The former contributes to cultivating brand values and positive feelings of a brand held by the customers, while the latter aims at motivating customers to act and shaping particular behaviors relevant to the brand, for example, visiting the company's website; joining the brand community; receiving the product updates; or sharing information with friends and family. (Fill 2013, 12-13)



**Figure 6.** Factors that drive engagement opportunities (Fill 2013, 13).

To customers, marketing communication is a platform where they can acquire plenty of information to perceive, judge and differentiate the various brands. A good marketing communication is conducted around a consistent “big brand idea” to generate, involve and maintain customer’s engagement. By triggering brand associations and experiences for the customers as well as creating long-lasting memory and positive brand image in customers’ minds, marketing communications help them form a series of favorable brand beliefs, emotions and preferences, and ultimately guide them to positively respond to the brand, which will substantially contribute to the building of brand equity. It is worth mentioning that contributing to brand equity is the most significant one of many roles marketing communications can play. (see Dahlen et al. 2010, 3; Kotler et al. 2012, 776; Fill 2013, 136)

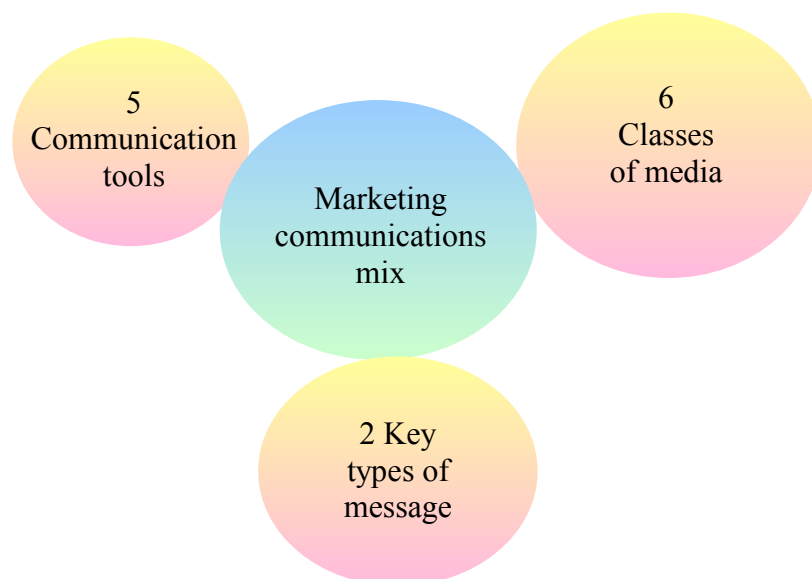
### **3.2 New Marketing Communication Mix**

The marketing communication mix offers a large variety of communication means by which can be utilized either separately or mingled to achieve the audiences’ needs and the campaign objectives. (Dahlen 2010, 277) However, there has been no unified agreement regarding the ingredients that consist of the marketing communication mix or their definitions. (Egan 2007, 17) A general agreement for the traditional marketing communication mix refers to the five tools: advertising, sales promotion, public relations and publicity, direct marketing and personal selling. Their definitions and characteristics are briefly described as following:

1. Advertising: A paid form of non-personal communication through various media about an organization and its products by an identified sponsor.
2. Sales promotion: Various short-term inducements which often provide added values to an offering to stimulate the purchase of a product or service.
3. Public relations and publicity: Different kinds of programs devised to present or protect an organization's image or its market offerings.
4. Direct marketing: Use of mail, telephone, fax, email or the internet to directly communicate with target customers and to build relationships with them according to their responses to the direct communication.
5. Personal Selling: A selling form that includes informing customers and persuading them to purchase products through the face-to-face interaction communication.

(Kotler & Keller 2012, 500; Dibb et al. 2012, 495-498; Egan 2007, 19)

But, due to the rapid rise of Internet and digital technologies in recent years, people have spent more time engaging themselves in those applications, consequently, media and messages gradually have been the keys for reaching more customers today. In other words, the new marketing communications mix requires selecting and integrating the different tools, media and messages, Figure 7 shows a model of new marketing communication mix.



**Figure 7.** The marketing communication mix (Fill 2013, 23).

According to Fill (2013), the six classes of media incorporate broadcast (e.g. television; radio), print (e.g. newspapers; magazines), outdoor (e.g. billboards and street furniture; transit), digital (e.g. the Internet; database technologies; multimedia; mobile technologies; social media, etc.), in-store (e.g. point-of-purchase; retail media centers), and other media classes (e.g. cinema; ambient media; direct response media), among which the digital type is being the most fast growing and significant one. (Fill 2013, 23-29; 601-653)

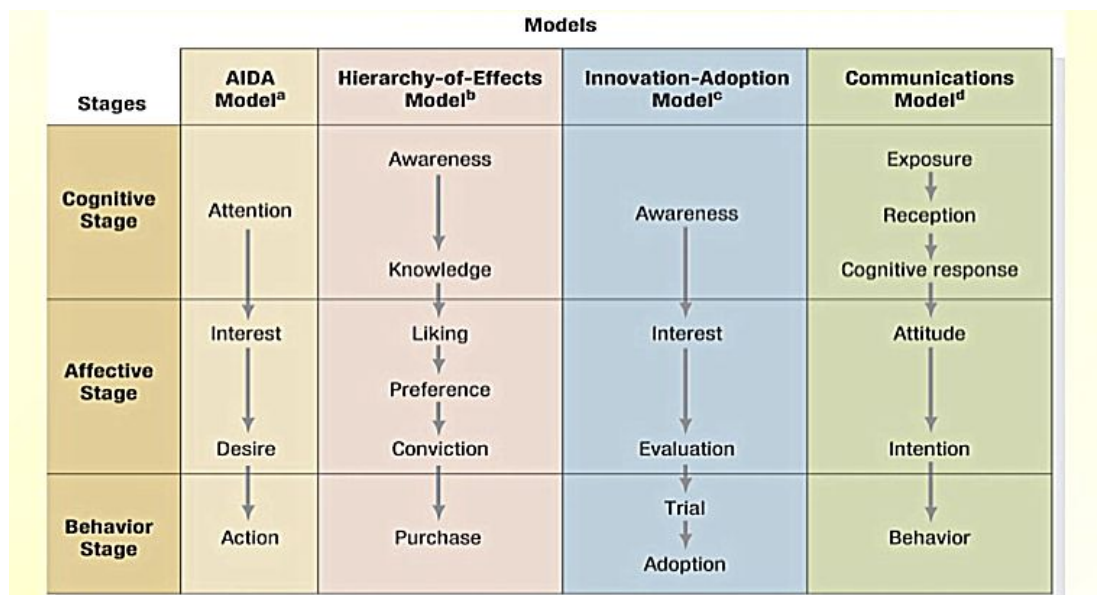
In addition, the messages conveyed to the target customers showing the unique benefit of the brand can be characterized by two key types: informational messages and emotional messages. The former usually presents a unique selling proposition (USP), reflected in the superiority of a specific property about the brand such as the top quality, the lowest price, the most advanced technologies; whereas the latter often seeks an emotional selling proposition (ESP), trying to satisfy the customers' psychological needs. ESPs nowadays have been widely used by many leading brands and proved to be considerably effective in terms of increasing brand awareness. (Fill 2013, 23-29; Pelsmacker et al. 2013, 207)

The new marketing communication mix stands for the transformation of communication form from the "intervention-based approach" to the "conversation-based approach", which means instead of by simply interfering the communication programs that involves large passive audiences, the new form facilitates the development of the two-way communication between the company and consumers, enabling the receivers to play a more important and active role during the communication process. (Fill 2013, 22-23)

### **3.3 How Marketing Communication Works**

Four classic models of consumer responses upon marketing communication are reflected in Figure 8. Though there are different response hierarchy models existing, one thing in common is that they all believe the consumers will pass through three stages in their response to the marketing communications, referring to the cognitive stage (learn), the affective stage (feel) and the conative stage (do).

However, the “learn-feel-do” cannot be the only sequence fitting to all the product categories and as the reflection of the general purchasing behavior; the most suitable condition for applying this order is when consumers have high involvement with a product category and they can perceive high differentiation, for example, cars, furniture or loans. Another sequence, “do-feel-learn”, can be appropriate for the scenario where consumers are highly involved too but they perceive few differences among the product category, for instance, the soft drinks and sweets. In addition, when consumers have low involvement and perceive little differentiation among the product category such as toilet paper, detergents and salt, the sequence of “learn-do-feel” will come to play. Therefore, the marketers should select the appropriate sequence according to the attributes of the product category in order to achieve the better marketing communication effect. (Kotler et al. 2012, 781; Pelsmacker et al. 2013, 73-75)

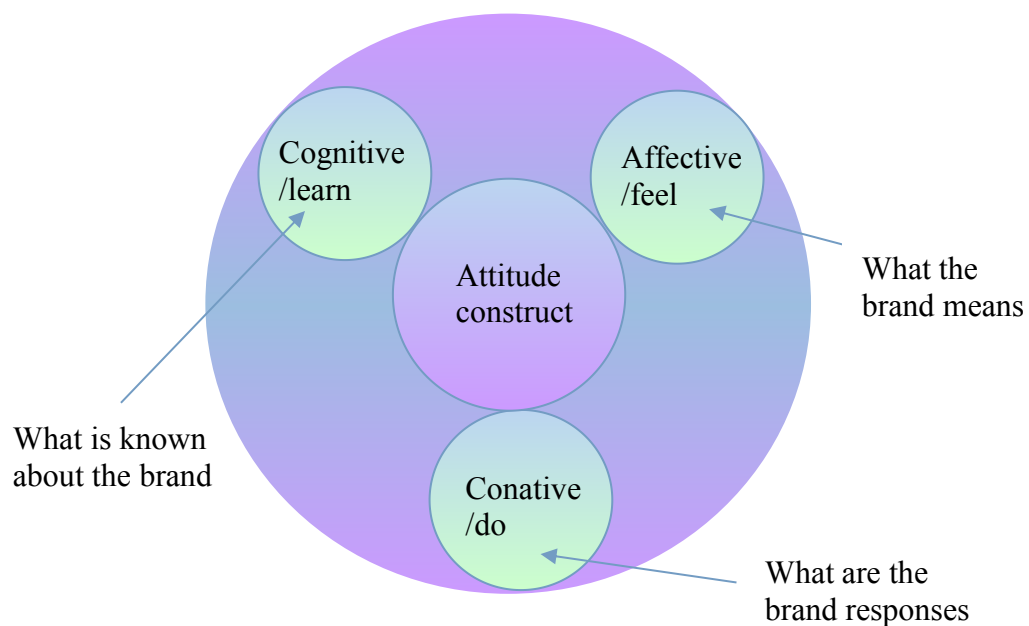


**Figure 8.** Micro model of marketing communications process (Kotler et al. 2012, 781).

According to the consumers’ response hierarchy model, it can be said that the attitude change towards the brand is a predominant way how marketing communications affects the consumer. As mentioned earlier, the brand attitude, which is used to measure the degree to which a customer like or dislike a brand,

has remarkable influences on building brand equity and unquestionably, the more positive a brand attitude held by the customer, the greater chance that the brand is being purchased. (Pelsmacker et al. 2013, 76; Fill 2013, 117)

Although the attitude change can be realized through many ways in marketing communications, for example, by changing the product or service element; removing the misunderstandings; establishing credibility; transforming or adding new brand associations and etc. (Fill 2013, 117-118) But all in all, these changes are based on the people's attitude, which, is considered to consist of three elements, namely cognitive component, affective component and conative component, as depicted at Figure 9. In short, marketing communications influences brand attitudes through how people think, feel and do. (Fill 2013, 118)



**Figure 9.** The three-component attitude model (Fill 2013, 86).

Cognitive component refers to the knowledge and beliefs of the object. Marketing communications helps provide right and timely information with customers when they were misled. Nowadays, marketing communications uses advertising and public relations as the main tools, combined with major media such as television, print and the Internet, to convey the informational messages and affect how



people perceive and think about the brand. (Pelsmacker et al. 2013, 76; Fill 2013, 118-119)

Affective component stands for the feelings towards an object which later evolves into the evaluation. At this stage, marketing communications aims at converting the existing relatively negative attitude through messages with distinctive style, color and sounds to grab people's attention and change their associations about the brand. In addition to the advertising, other tools and media such as the product placement and celebrity endorsement are also used to help customers establish the psychological advantages and ultimately contribute to establishing the positive brand attitudes. (Pelsmacker et al. 2013, 77; Fill 2013, 118-119)

Conative component refers to behavioral intentions regarding the object. Marketing communications programs applied at this stage, such as sales promotion, personal selling, direct marketing and field marketing, all manage to eliminate the customer's inertia to the familiar brands and to realize the attitude change by stimulating the behavior, normally, through encouraging customers to try a new brand, give response and engage themselves in the interaction. (Pelsmacker et al. 2013, 77; Fill 2013, 118-119)

### **3.4 Tools in Marketing Communications**

In this section, the various types of the advertising, sales promotion and digital media tools will be the main marketing communication options discussed. Also, according to the thesis objective, their significance in brand building will be highlighted as well.

#### **3.4.1 The Advertising**

Advertising is an effective communication tool which can reach a large number of audiences with simple messages and the greatest degree of control. The functional benefit and emotional value of the brand conveyed by the advertising permit customers to generate associations about the brand, which is of great significance in establishing brand awareness; changing brand perceptions and differentiating brands. (Fill 2013, 416-417)

Advertising types can be numerous, depending on different distinguishing criteria. Generally speaking, four factors are usually used to identify the different advertising types, namely the sender, the receiver, the message and the media. They are briefly shown as in Table 1.

**Table 1.** Types of advertising (Pelsmacker et al. 2013, 204).

<b>Sender</b> ✧ Manufacture ✧ Collective ✧ Retailer ✧ Co-operative ✧ Idea	<b>Message</b> ✧ Informational ✧ Transformational ✧ Institutional ✧ Selective vs generic ✧ Theme vs action
<b>Receiver</b> ✧ Consumer ✧ Business-to-business - industrial - trade	<b>Media</b> ✧ Audiovisual ✧ Print ✧ Point-of-purchase ✧ Direct

Like any other promotional tools, advertising is used to engage consumers and eventually stimulate the sales. In order to achieve the marketing goals successfully, an effective advertising campaign is necessary to be designed following three sequential steps. Firstly, the company should decide the main target audiences they want to communicate with. Secondly, the company has to determine what kind of objectives they desire to ultimately achieve. Thirdly, the company should choose the appropriate message content and the way by which it will be delivered. (Pelsmacker et al. 2013, 238)

For starters, segmenting the market is crucial in better satisfying the needs of each target group and reacting to their responses, which will lead to a more consistent and successful marketing communication. (Egan 2007, 150) When taking marketing communication into consideration, as Rossiter and Bellman (2005) pointed out, the traditional segmentation types such as demographics, geo-demographics and psychographics are not as effective as segmenting market by customers' degree of brand loyalty, i.e., the actual or potential buying behavior. The marketers should choose the appropriate target groups based on the short-

term sales objectives as well as the long-term brand equity objectives. (Dahlen et al. 2010, 81-83) Thus, five types of segmentation are proposed as following:

1. Brand loyals (BLs): Customers who are loyal to one, two or three brands.
2. Favorable brand switchers (FBSs): Customers who have preferences for one brand but they also regularly purchase other competing brands.
3. Other-brand switchers (OBSs): Customers without a preference for any specific brand.
4. Other-brand loyals (OBLs): Customers are loyal to at least one competing brand.
5. New category users (NCUs): Customers are not currently using any brand from the product category.

(European Institute for Brand Management, 2009)

Setting objectives that the company wants to fulfill is the next step in developing an advertising campaign. As Kotler et al. (2012) described, the advertising goals, which corresponds to the response hierarchy model mentioned earlier, can be either to inform or to persuade or to remind, or to reinforce the audiences. Accordingly, an informative advertisement is designed to affect consumers' brand knowledge and build brand awareness of the product/service; a persuasive advertisement is primarily used to generate the customers' preference, conviction and purchase of the product or service; the main task of a reminder advertising is to motivate the consumers to repeat the purchasing behavior; and the purpose of a reinforcement advertising is to make the users believe their choice for the product/service is excellent and they deserve the benefits brought by the product/service. (Kotler et al. 2012, 810-811)

The last and also very important step of the advertising campaign is about delivering the messages to the target audiences. The messages conveyed should be capable of eliciting the favorable brand-related associations, convincing the target audiences and stimulating the purchase. (Dahlen et al. 2010, 292) Given the two message types discussed earlier, knowing well about the target audience's real need is necessary in deciding the proportion, or the balance of each element in a

message. Some target groups are more likely to be persuaded if they are communicated by brand's attributes and benefits; whilst some of them are simply seek for an image or a value to cater, then apparently, the message type applied should be more informative for the former and more emotional for the latter. Besides, as the medium by which these messages are delivered, media with different characteristics can achieve different effects desired. For example, the digital media are good at spreading the informational messages, and conversely, the traditional media possess more advantages in presenting the emotional demand and value. (Pelsmacker et al. 2013, 206; Fill 2013, 29)

There is one more thing that needs to be extra stressed in advertising refers to the creativity, and it is one of the most important aspects of advertising, as creativity can effectively create engagement through attracting audience's attention, highlighting the brand value proposition and establishing the link between consumers and the products. (Dahlen et al. 2010, 321-322) Various creative approaches and strategies have been used by the marketers to achieve the communication objectives, but in general, they can be classified into two categories, namely rational advertising appeals and emotional advertising appeals. (Pelsmacker et al. 2013, 213)

The rational appeals in advertising mainly provide some practical features with consumers, enabling them to identify and assess the brands. For example, the advertisement demonstrates the way the product will be used and its effectiveness; offers a solution for a problem; uses endorsements from either an ordinary people, or an expert, or a celebrity; makes comparisons to other competing brands; simulates an everyday life situation to get a problem solved and so on. (Kotler et al. 2012, 784; Egan 2007, 206)

The emotional appeals, on the other hand, are aimed at arousing the consumers' inner emotion and resonance. The emotional appeals can be identified from either a positive or negative way. The positive appeals often use humor, warmth, pride, love or even eroticism to establish the emotional connections with consumers; while the negative appeals often resort to fear, compunction and abashment to

make people act such as buying the insurance and brushing the teeth, or to make people cease what they have been doing, for instance, the drinking and smoking habit. (Kotler et al. 2012, 784)

### **3.4.2 Sales Promotion**

The nature of the sales promotion is to stimulate customers to act, often to make a purchase immediately, by using a variety of incentive tools which offer additional values. The way sales promotion works and its effects are quite different if compared to advertising just discussed. It is through being a long-term means and fundamentally affecting customers' attitudes and preference that advertising contributes to sales and brand equity; the sales promotion is however, often regarded to obtain high sales response in a short term through directly influencing the consumer's behavior. (Egan 2007, 223-224; Kotler & Keller, 2012, 541)

The sales promotion has been accounting for a larger proportion in the marketing communications mix. The research in Europe and America all suggested that the companies' expenditures spent on sales promotion have already gone beyond those on advertising in most cases, and this shift of focus can be explained by several reasons. For example, the increasing brands lead to more similarity in product category and less brand loyalty from consumers; the companies who urge to see the communications effect tend to be short-termism and choose the communication tool like sales promotion to make the result more measurable; the consumers are becoming more price value oriented; the cost in advertising keeps increasing while the effect is gradually declining in nowadays. (Pelsmacker et al. 2013, 374; 376; Egan 2007, 226)

Sales promotion in various forms is designed to serve different objectives. Obviously, the most significant one is to encourage product purchase and increase sales. Moreover, by encouraging trial, sales promotion makes it easier for customers to accept the new products and the brands. Furthermore, sales promotion is good at retaining existing customers and turning them into loyal customers by rewarding them, and on the other hand, it undermines the

consumers' loyalty to other competing brands, which easily attracts lots of brand switchers. (Kotler et al. 825; Pelsmacker et al. 2013, 377)

As stated by Kotler and Keller (2012), the tools consist of sales promotion can be distinguished into three categories: namely consumer promotion; trade promotion as well as business and sales force promotion. Given the consumer is the major clue in this thesis, the author will mainly discuss about tools applied in the consumer promotion. (Kotler & Keller 2012, 541)

Price-off directly shows a price reduction on the label or package. It is a highly effective stimulus in encouraging trial; increasing sales and repeating purchase behavior as the discount enjoyed by the consumers is immediate and unconditional. However, the overuse of this method will devalue the image of a product or even brand. (Dibb et al. 2012, 569; Pelsmacker et al. 2013, 380-381)

Coupons are vouchers allowing consumers to enjoy a reduced purchase price on a specific product, which are often distributed through magazines; newspapers and print advertisement. It can help create brand awareness; stimulate trial for new product packages or features; also reward the existing consumers and encourage them to repeat the purchase. (Fill 2013, 552; Dibb et al. 2012, 565-566)

The price reduction in cash refunds happens when consumers send a "proof of purchase" after purchasing at a retail store, and then they will be mailed a certain amount of purchase money from the manufacture. Many retailers are fond of cash refunds compared to coupons, for it triggers a higher trial purchase rate and does not require additional work at the checkout. But for consumers, it is usually perceived as a complicated method to acquire the discount, which even often causes various misunderstandings. (Kotler & Keller 2012, 543; Pelsmacker et al. 2013, 383)

Samples are free of charge trial of products which can be picked at the store or delivered through mails and door-to-door. It is the most expensive promotional tool considering the large amounts required, but it also possesses the best effect in

implementing trial, especially for the brands with conspicuous benefits but cannot be communicated effectively through advertising. (Egan 2007, 234)

Premiums refer to gifts given to consumers with the product to stimulate the product purchase. For example, customers could get a microwave bowl if they buy a large packet of instant noodles. Premiums can be used to combine with or to support other forms of communication tools, and it is also capable of attracting competitors' customers and stimulating impulse buying behavior. (Dibb et al. 2012, 569)

Bonus packs provide more quantities of the product but with the same price of the regular pack. This method is particularly alluring for the frequent buyers as the discount is evident. However, bonus pack has a relatively high requirement for costs in terms of redesigning the package and some logistic issues. (Pelsmacker et al. 2013, 384)

Loyalty schemes usually include loyalty card and trading stamps to encourage the repeat purchase behavior. Its biggest advantage is to develop consumers' loyalty to the brand and store because the discount can only be honored after multiple purchases. But on the other hand, this method sometimes acquire little effect as it is not easy for consumers to operate, and besides, customers are prone to ignore those tools since more and more companies are doing the same thing. (Pelsmacker et al. 2013, 383)

Contests are designed to attract consumers to compete for prizes based on their capabilities and skills, and the winner will be filtered out by various criteria. For example, designing a slogan for the company or drawing pictures with specified topic. On the contrary, the winners for sweepstakes are selected randomly and it almost requires nothing from consumers except for the participation, which can always attract numerous audiences, arouse their interest and stimulate sales in a short-term at low costs. (Fill 2013, 552; Dibb et al. 2012, 570)

### 3.4.3 Digital Media Tools

Today's marketing communication has been significantly affected by the digital technologies and Web-enabled communications. The digital media could incorporate a lot of forms, such as the Internet, mobile technologies, database technologies, video conferencing, interactive television and so on. The rise of those digital media in recent decades largely facilitated the development of the interaction, individuation, efficiency and customer relationship in marketing communication, and the effect can be more remarkable if they are well combined with traditional media forms. (Fill 2013, 620; 648-649)

Digital media tools discussed in this chapter will be Internet-based, for example, the brand website, social network, viral marketing as well as micro-blogging, since nearly no marketing programs can be achieved successfully without an online component involved. (Kotler & Keller 2012, 562) Like it is defined in the Cambridge dictionary, "*the large system of connected computers around the world that allows people to share information and communicate with each other*", Internet indeed has become a fast-growing and important approach to reaching a large number of new audiences and providing enormous amount of information. (Fill 2013, 623)

Using the Internet as a medium for marketing communications can bring lots of opportunities and advantages. For instance, it enables the interactive communications and word-of-mouth communications, which both are the main driving factors for provoking purchase decisions and behaviors. Besides, different online communication tools can engage customers by delivering tailored messages which are integral to consumer's individual life style or beliefs. Furthermore, the communication effects created by Internet are usually measurable and can be traced, like the site visits. (Kotler & Keller 2012, 562)

Four main goals are what marketers try to achieve when they choose to use digital media tools, summarized by Pelsmacker et al. (2013) as following. First, creating brand awareness by putting the brand into the consumers' consideration set (e.g. viral marketing; online advertising). Second, shaping brand image and attitude



through influencing consumers' brand knowledge and judgment (e.g. brand website; online contest). Third, encouraging trial via attracting brand switchers and new users (e.g. e-coupons; e-sampling). Fourth, generating and maintaining brand loyalty to affect consumers' purchasing behavior (e.g. e-mail marketing; brand website; virtual communities). (Pelsmacker et al. 2013, 487)

Websites are the basis for companies to carry out the online activities. The website was used originally for information purposes, especially for offering specific product-related information through means such as demonstrations, endorsement, sales inquiries and etc. However, today's website also takes on heavy responsibilities for promotional purposes because it possesses a great deal of advantages. For starters, the brand website allows the provision of promotional material in various forms, for example, the product category and the property descriptions; advertisements; pricing; discounts; and press release. In addition, most brand websites are linked to the purchase page, which makes it easier for the potential consumers to search for the merchandise, to inquire relevant information, to place an order as well as to send feedback. Besides, there is a low entry threshold for establishing a website and also, the total cost is relatively low. Furthermore, a well-designed website facilitates improve the brand image and brand loyalty. (Fill 2013, 638-639)

Social networks are places where users can post images, texts, comments, videos to communicate, to share information and life moments with others, as well as to build personal relationships; it is also a platform adding much companies' exposure chances and helping stimulate consumer behaviors. One typical example is Facebook, the world's leading SNS. Unfortunately, together with some other web-based applications such as Twitter and YouTube, Facebook is also prohibited in China for some reasons, but relatively, China has its own version of those similar applications. For example, a popular social network in China called Renren, had 194 million registered users and the monthly active users has reached to 54 million by the June of 2013. (Kotler & Keller 2012, 568-570; Sabrina, 2013)

Though social networks possess huge users, it does not guarantee an effective marketing communication unless finding the target audiences first. Usually, two approaches can be available for organizations: by online advertising and by setting up company groups or fan pages on the social networks. However, despite the fact that the former is the source of revenue for the social network owners; it is often not welcomed by the audiences as the social network is shaped to be a place for people connecting, rather than receiving some intrusive information. The latter, on the other hand, can often facilitate engage consumers and enhance company's reputations. (Fill 2013, 659)

Viral marketing is a representative form of "word-of-mouth". The brand owner spreads the product or service materials using audio and video online, which, are always funny and amusing, thus emotionally manipulating customers to virally pass them to the friends through email, social media service or a "tell a friend" button. Users can replace the original picture, message and video according to their own idea and integrate themselves into those applications, but at the same time, the company's initial intention of promoting a brand and its prominent features is maintained. (see Kotler & Keller 2012, 571; 573; Fill 2013, 660; Pelsmacker et al. 2013, 501)

Viral marketing utilizes "personal recommendation", the most convincing and reliable way in consumers' eyes, to effectively communicate. Also, viral marketing is capable of conveying the designated information to the target groups, and because of its form of communication and the full use of "snowball principle", it often results in reaching a much larger target group than expected initially, which is quite beneficial for the companies. However, the primary test in a small scope sometimes is necessary to ensure achieving the positive effect of the overall campaign. (Pelsmacker et al. 2013, 502)

Micro-blogging, which can be regarded as a short version of blogging as well as a form of e-WOM, is a maximum 140-character message posted by the users on their profile pages and can be shared and read by others. The messages can be sent through the website, mobile phones, emails and other channels. Micro-blogging

can reach larger audience and has a higher credibility than face-to-face WOM, therefore, many organizations has established their own brand pages, using it to search, track and analyze people's opinions regarding their brand, company, products or services. Besides, it is often used as a customer service tool to give rapid responses. (see Smith & Zook 2011, 11; Pelsmacker et al. 2013, 518; Fill 2013, 662)

Twitter is one popular micro-blogging in the world while in China the biggest micro-blogging platform is called Weibo. According to the report of China Internet Network Information Center (2014), there were 618 million Internet users in China by the end of 2013, among which the Weibo users have accounted to 280 million. (CNNIC, 2014) The functions of Weibo are like a combination of Twitter and Facebook, users can post and re-post messages including texts, emoticons, images and videos; follow other users; talk to other users through private messages or @Username format; create groups and events; votes for the hot topic; play games; conduct group buying and so on.

### **3.5 Lipton's Marketing Communication Practices in China**

For thousands of years, green tea has always been the core of the Chinese tea culture, profoundly affecting consumers in different generations. Though Chinese consumers were not unfamiliar with black tea, however, when the black tea being the main product of Lipton that first entered China in 1992, it was still regarded to be exotic. Lipton realized if they wanted to be understood and accepted by the Chinese consumers, they had to accurately find the target markets and vigorously promote the brand, and, not in a traditional way. Through twenty years exploration and development in Chinese market, the results were highly desirable, and today, Lipton has skillfully applied and combined different communication tools, media and messages, moving forwards to the realization of the integrated marketing communication.

### **3.5.1 Lipton's Advertising**

Lipton has been putting great efforts for different forms of advertising in Chinese market, primarily incorporating television advertising, online advertising, product placement as well as outdoor advertising.

In China, Lipton mainly targets people whose age range from 18 to 35 and have a high level of knowledge and the pursuit for high-quality product; the representative groups include the white-collar workers and college students. According to the main features of the target audiences, the advertising of Lipton often takes full advantages of bright colors and brisk paces to highlight a spirit that complies with the modern life style that these target groups pursue for. The company also highly emphasizes the consistency between advertising and brand image, for example, the endorsements chosen no matter are celebrities or ordinary office workers, all bring audiences the sense of intellectuality and talent that the company tries to present.

The innovative promotion means are what Lipton always pursues, as the customers are getting tired of the dazzling TV ads as well as the numerous billboards outdoor, finding an unusual way to stimulate the customers' senses is of great significance. Soon after Lipton introduced the "Lipton Lohas" in 2013 with brand-new "Lipton Pyramid" package and jasmine smell, the tapered dimensional billboards giving off rich jasmine fragrance appeared in all the major subway stations in Shanghai, attracting thousands of pedestrians to stop and to smell the billboards embedded in the wall. The marvelous part of this advertisement was that it fully demonstrated the new product features which greatly increased the brand recognition for the future purchase. (Chen 2013)

### **3.5.2 Lipton's Sales Promotion**

The most frequent sales promotion tools used by Lipton in Chinese market are samples, bonus packs, contest and sweepstakes.

Speaking of samples, apart from the traditional distribution ways such as on the street or in the supermarket, Lipton once carried out the annual month-long sampling campaign which targeted the white-collar workers in nine first-tier cities from 2008 to 2010, using experiential promotion with emotional appeal to wake up Chinese consumer's awareness about afternoon tea and make Lipton become their first association in minds. The whole activity process was fairly easy to operate, first the consumers visit the official website and click the "I want to send tea" button, then choose one from three tea flavors, write down the greetings and wishes for friends, at last, fill out his/her friend's personal information including the name, delivery address, email and phone number. Once the company receives the confirmation reply from the friend, the tea will be sent within one week. The campaign results turned out to be fanatical, in 2008, 220,000 boxes of tea were successfully sent out to the designated person because of the campaign, after which the number increased over 260,000 in 2009, and 340,000 in 2010. (Yan 2012)

Using the need of expressing affection between friends as the entry point, Lipton skillfully combined the product marketing with consumers' needs, also, narrowed the distance between the target audience and the brand, which not only attracted large attentions, more importantly, it strengthened the Lipton's image in consumers' minds and substantially improved their recognition for the brand. In a way the secondary transmission was proactively formed, enabling consumers not only to be the brand users, but also the brand communicators. Moreover, the company acquired hundreds of thousands of accurate customer's contact information, the large database can be a solid foundation for further marketing activities.

### **3.5.3 Lipton's Digital Media Tools**

Lipton has attached great importance to the use of digital media, which is the platform where many of Lipton's integrated marketing communication campaigns can be launched. For example, the brand website provided the possibility of carrying out the "Sending Free Afternoon Tea" campaign during 2008 to 2010. In

2009, another digital campaign named “A Hug A Day” was implemented by Lipton on Renren (one of China’s most popular social networks), encouraging users to start the virtual hug chain to convey greetings and wishes to friends. It created and kept the highest record of campaign participants on Renren ever which involved 3.7% of total active users of Renren. (Vakidis 2010) Furthermore, Lipton established its Chinese brand homepage on almost every mainstream digital media applications such as Weibo, Weixin (known as WeChat in English version), Renren and so on. Of these homepages, the most active and influential one is on Weibo, sending more than 3,000 micro-blogs and having 450,000 followers up to now. (Weibo 2014)

A viral campaign conducted by Lipton during the Chinese New Year in 2010 acquired huge success as well. The campaign was built on the platform called QQ, the China’s biggest instant-messaging site as well as the social network, around the theme of passing New Year’s blessings to friends. Three short videos, showing a dancing schoolgirl; a rock band as well as mimes, were available on the campaign website for consumers to customize. By simply uploading users’ own photos they can entirely integrate themselves into the video, also, the audience can personalize the Chinese New Year’s greetings together with the video which later would be sent and presented to friends in the form of steam rising up from the cup, corresponding to the Chinese character which means good luck and prosperity. The campaign attracted over 100 million site visits, and more than 40 million users were ultimately involved in making the videos and sending them to friends. Lipton played the warmth card while they entertained audiences, its concept of sharing with friends and families spread like wildfire. Unquestionably, Lipton’s awareness and favorable image impressed numerous audiences because of this campaign. (Madden 2010; Truong 2010)

## **4 RESEARCH METHODOLOGY**

Marketing research constitutes one of the most important aspects of marketing, playing a significant role of supporting the various marketing decisions. (Malhotra; Birks & Wills; 2012, 2-4) The manner in which it contributes to improving marketing decisions is through providing the accurate, relevant and timely information. (Kumar; Aaker & Day; 2002, 3) The information involving consumers, competitors and other forces could be considered highly critical for marketers to better understand customer experiences and deliver the satisfaction back to them.

### **4.1 Research Method**

There are two general approaches for collecting primary data applied in marketing research, namely qualitative research and quantitative research. However, the two approaches both have their merits and defects when used to marketing decisions of different natures, in other words, qualitative research and quantitative research are often complementary, and can be combined together in the same research.

Qualitative research is an unstructured methodology based on small samples that intends to provide insights and understanding of the problem setting. It deals with a more flexible relationship with the respondents, allowing them to reflect upon and express their views in their own terms. (Sabel 2012) As Kumar et al. (2002, 178) described, the purpose of qualitative research is to find out what is in a consumer's mind. It approaches to customer's attitudes, thoughts, feelings and behaviors that cannot be identified and measured directly. The qualitative research is usually conducted by interviews, open-ended questions or focus groups. Since this is a research method requiring much time and efforts, the participants involved are in small number, resulting in that the findings cannot be generalized to all. But on the other hand, it enables a deeper understanding and richer context for exploring new perspectives and phenomena. (Ben-Eliyahu 2013)

Quantitative research refers to the research methodology that seeks to quantify the data and, typically, applies some form of statistical analysis. (Sabel 2012) The

structured data collection method, for example, questionnaires, will be given to the sample of a population, aimed to elicit the specific information from the respondent. The main purpose of quantitative research is to test hypothesis, look at cause and effects as well as make predictions. Compared to the qualitative research, the sample targeted is larger and selected randomly, and the results, because of the large number of respondents, are therefore can be generalized and applied to broader populations. (Cruz 2011)

A more direct and detailed comparison between qualitative research and quantitative research is shown in Table 2 below.

**Table 2.** Qualitative versus Quantitative Research (Malhotra 2007, 144).

	Qualitative Research	Quantitative Research
Objective	To gain a qualitative understanding of the underlying reasons and motivations	To quantify the data generalize the results from the sample to the population of interest
Sample	Small number of non-representative cases	Large number of representative cases
Data Collection	Unstructured	Structured
Data analysis	Non-statistical	Statistical
Outcome	Develop an initial understanding	Recommend a final course of actions

It is noticeable that qualitative research method and quantitative research method are approaches distinct from one another on the basis of research objective, sample, the methods of data collection and analysis, as well as the research outcomes. For that reason, as Bazeley (2002) described, mixing the two methods



is meaningful, since it can enrich understanding of the subject researched by verification of conclusions, expansion of the knowledge and via creating new mode of thinking.

## **4.2 Data Collection**

Both primary data and secondary data will be applied in this thesis, and for the following empirical part, the online questionnaire and in-depth interview will be used to obtain the primary data needed so as to achieve the research objectives set in Chapter 1.

### **4.2.1 In-depth Interview**

The unstructured, direct in-depth interview underlines the interaction with respondents and the understanding of their life and experiences so the researcher can dig out the deeper meaning from their explanations rather than the simply facts from the talk. (Malhotra et al. 2012, 255)

A number of Chinese consumers who have had many years of tea drinking experience and habit will be chosen through the snowball sampling method for this in-depth interview. Given the situation that the author is abroad, the interview form to be used is online interview. The free association method and brand personality method will be involved in this interview.

Based on the thesis objectives, the interview is designed to make comparison between Lipton and Chinese tea brands regarding their brand performance and image, as well as the marketing communication activities adopted. Furthermore, to gather interviewers' opinions on identifying the effective marketing communication channels for current Chinese tea market and the way by which Chinese tea brands should be improved.

### **4.2.2 Questionnaire Design and Analysis**

The structured questionnaire is the most widely used data collection techniques in survey method. The individuals are required to respond to the same questions in a

predetermined order; the questions can be asked and obtained verbally, in writing or through computers. (Saunders; Lewis & Thornhill; 2009, 361) Using questionnaire in marketing research facilitates the management and the acquisition of more consistent and reliable data, moreover, it simplifies the coding, analysis, and interpretation process of the data. (Malhotra et al. 2012, 327)

According to the thesis objective, the questionnaire mainly deals with the tasks of collecting Chinese customers' overall evaluation towards Lipton; exploring Lipton's marketing communication effects and its brand resonance in current Chinese market; as well as finding out the most appreciated marketing communication tools by Chinese consumers.

The online questionnaire will be created on a survey website called SOJUMP, targeting the vast Chinese customers with different gender, age, income and occupation. For participants to better understand the problem researched and increase the respondent rate, a questionnaire translated in Chinese will be applied correspondingly. There is a pilot testing conducted on four Chinese people regarding this questionnaire making sure the accuracy of the wording and phrasing as well as eliminating the possible problems. Having been made and released on the website, the questionnaire will be sent to the public in the form of a link through numerous approaches, such as the author's micro-blog; SNS; instant messaging site; email and etc.

The statistical data produced from the questionnaire will be processed and analyzed by SPSS and Microsoft Excel. The original data will be automatically generated and saved in the survey website, SOJUMP; after which they can be downloaded and imported into Excel and SPSS.

### **4.3 Reliability and Validity**

Reliability refers to the extent to which the data collection and analysis methodology of the research will generate the consistent findings on different occasions and by different researchers. (Saunders; Lewis & Thornhill; 2009, 156) Taking into account the impact of various possible threats to the reliability of the

research, usually the reliability are evaluated by three approaches. The first one is called test re-test, which indicates that the same measure should be administered to the same respondents for two times. Another method, internal consistency, tests the reliability by first splitting the results into two halves and then comparing whether they are in line with each other. The last method, alternative form, works to conduct the alternative measurement which is almost equivalent to the initial one on the same group, intending to obtain the high level of correlation between those two instruments. (Zikmund 2000, 280; Saunders et al. 2009, 373-374)

In this thesis, the reliability was strengthened by involving a relatively large sample size (308 respondents) in the questionnaire and also, an interview using the snowball sampling method. In addition, the conducted pilot testing of the questionnaire helped eliminate certain language misunderstandings and make sure that the questions were understandable for the survey respondents.

Validity is about whether the research results really measure what it was intended to. (Golafshani 2003) Specifically, the research validity can be classified into three categories, namely the content validity, criterion-related validity and construct validity. Content validity is satisfied when the measurement device provides the adequate coverage of the investigative questions. Criterion-related validity refers to the ability of the measures to make accurate predictions. Construct validity can be verified during the process when conducting the statistical data analysis. In short, its appearance is confirmed when the empirical findings are proved to be consistent with the theoretical concepts. (Saunders et al. 2009, 373; Zikmund 2000, 283)

In order to enhance the thesis validity, first of all, the research problem was carefully defined and supported by a large number of references, either from the library or previous study or international organizations. Besides, the questions designed in the empirical study were all closely related to the literature concepts such as branding and marketing communications. Furthermore, several poor questions in the questionnaire and interview were revised after having been assessed by the thesis supervisor.

## 5 EMPIRICAL FINDINGS

This chapter will present the empirical findings that derived from both the interview and questionnaire, consisting of the demographic findings; Lipton's marketing communication effects on brand building in current Chinese market; the most appreciated marketing communication tools from the point of Chinese consumers.

### 5.1 Demographic Findings

During the interview, ten Chinese consumers were chosen by the snowball sampling method. Their ages mainly ranged from twenty to fifty years old. As for the occupation, three of them were students; two of them worked in the state-owned enterprises; two of them worked at the university; and the remaining interviewees were employed by the private enterprises.

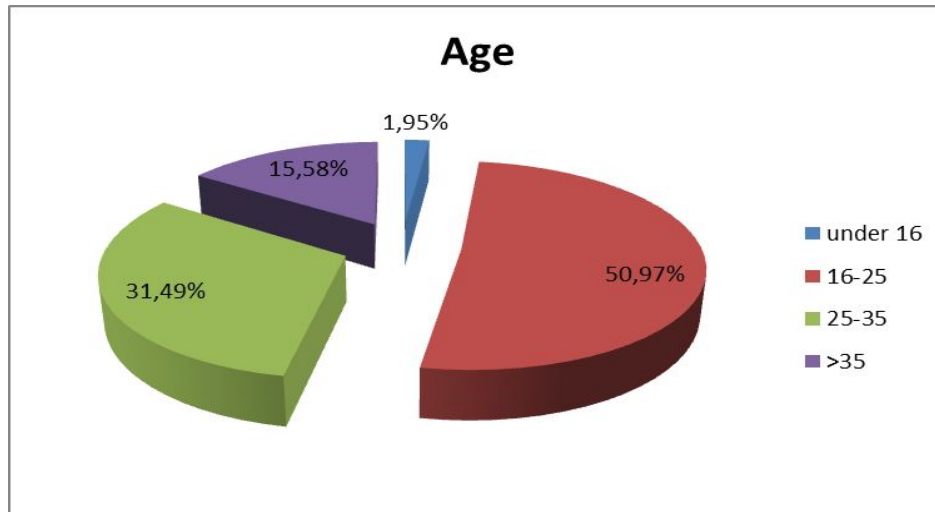
The basic information of the questionnaire respondents researched included the gender, age, occupation, income, as well as the major factors for them to select tea. The first question identified the respondent's gender, and the result is shown in Table 3.

**Table 3.** Respondent's gender.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	153	49.7	49.7	49.7
female	155	50.3	50.3	100.0
Total	308	100.0	100.0	

The total number of respondents was 308, and as can be seen from Table 3, the male (153) and female (155) respondents occupied 49.7% and 50.3% respectively, presenting nearly the same proportion.

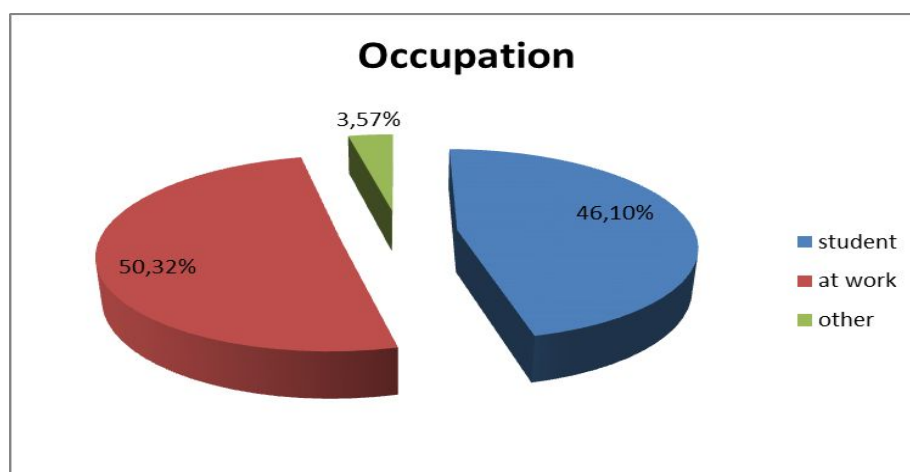
The second question was about the respondent's age, as Figure 10 illustrates that the respondent's age distribution was identified by four groups.



**Figure 10.** Respondent's age.

More precisely, the age group 16-25 accounted for the greatest proportion (50.97%) of the entire respondents while the group of 26-35 ranked second, making up of 31.49%. Following was the age group above 35, which amounted to 15.58 percent. And there were only 6 respondents whose age was under 16.

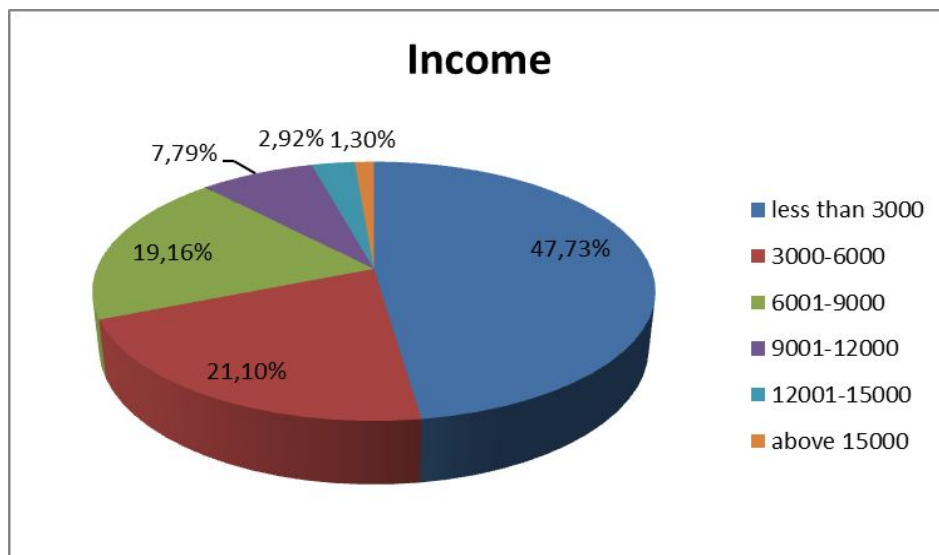
The third question of the survey aimed at obtaining the occupation of the respondents (see Figure 11).



**Figure 11.** Respondent's occupation.

Considering that the main target audiences of Lipton are not only the school students but also the business elites and white-collars, it is necessary to have a relatively appropriate ratio of respondents at work to ensure the validity and reliability of the research. According to Figure 11, the number of people who were at work (155) represented 50.32% of the total 308 respondents, followed by the group of the students (142), accounting for 46.1 percent. The remaining respondents, who chose the option of “Other”, were mainly the unemployed, self-employed entrepreneurs and housewives.

Next, the income level of the respondents was researched, as shown in Figure 12.



**Figure 12.** Respondent’s income (RMB/month).

It is noticeable that approximately 147 people, constituting the largest proportion (47.73%) of the respondents, were with monthly income less than 3,000. The percentage of people earning of 3,000-6,000 per month was fractionally higher than those who monthly earned between 6,001-9,000, respectively accounting for 21.1% and 19.16%. Next level of income went to 9,001-12,000, with 7.79 percent. Finally, the income group of 12,000-15,000 and above 15,000 represented 2.92% and 1.3% respectively of the total. The result of this question proved to be valid as it was in line with the results of the occupation and age analyzed above.

Understanding the real consumer demand and preference is the prerequisite to live up to the consumer expectations, therefore any marketing plan should be developed from the perspective of consumers' benefits, embracing both the material and psychological interests. The last question of the basic information was to identify the most valued factors for Chinese consumers selecting tea, and this was a multiple-choice question allowing respondents to choose one to three options (see Table 4).

**Table 4.** Factors affecting consumers to buy tea.

	Responses		Percent of Cases	
	N	Percent		
factors affecting consumers to buy tea	Price	152	24.0%	49.4%
	Taste	267	42.1%	86.7%
	Package & design	57	9.0%	18.5%
	Brand	142	22.4%	46.1%
	Other factors	16	2.5%	5.2%
Total	634	100.0%	205.8%	

As can be seen from the Table 4, the taste was considered to have the largest influence on customers' buying decision towards tea, with 267 out of 308 people choosing it. Price, chosen by 152 respondents and accounting nearly half of the total, ranked second. Likewise, the brand was also believed to be an important factor, which made up 46.1 percent. Besides, 18.5% of the respondents thought they would take package and design into account. From the 16 respondents choosing "Other factors", the most frequent answers were concluded as following: tea functions; tea safety as well as the origin of the tea.

Affected by the profound tea culture, the real approach of judging the quality of tea in China, even until today, is through people's experiences and senses, i.e., to evaluate tea from its color, smell, taste and shape with a wealth of knowledge in mind, which however, usually does not work on ordinary consumers. Today's Chinese mainstream consumer groups have been able to think more independently and consume more rationally. This means that they turn to concern more about the

practical features such as taste, function and convenience of the tea; no longer blindly pursue for the low price; and begin to form the concept of brand standing for high quality and so on. It is therefore not surprisingly that taste, price and brand received the most attention in this question.

## 5.2 Marketing Communication Effects and Brand Resonance of Lipton

This part will deal with how Lipton’s marketing communication tools have helped shape consumers’ knowledge and thus influencing the way by which they respond (think, feel and do) to Lipton and its related marketing programs. Consequently, the marketing communication effect generated on each brand building level will be analyzed by examining consumers’ attitudes towards Lipton marketing communications respectively at the cognitive, affective and conative stage.

### 5.2.1 Brand Identity Findings

A successful brand starts with establishing its awareness among consumers. Therefore, testing Lipton’s awareness in the Chinese market will be the first objective of finding out Lipton’s marketing communication effects and the degree to which its brand resonance with consumers has achieved (see Table 5).

**Table 5.** Lipton’s brand awareness.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	40	13.0	13.0	13.0
Valid yes	268	87.0	87.0	100.0
Total	308	100.0	100.0	

As shown in the Table 5, respondents who claimed to have heard about the Lipton brand represented 87 percent of the total. In addition, though there was no direct question asked about Lipton’s awareness in the interview, the ten respondents all showed varying degrees of familiarity with the brand and its promotions, which



will be revealed in later questions. Thus, it can be said that the Lipton's awareness is highly considerable in the current Chinese market.

With the previous question as a filter, 268 respondents who answered "yes" came to the next one (a multiple-choice question) to identify the channels through which they first knew about Lipton, whereas the survey system automatically enabled people with negative answers skip to the end of the questionnaire (see Table 6).

**Table 6.** Channels to know Lipton.

		Responses		Percent of Cases
		N	Percent	
Channels to know Lipton	Advertising	207	53.8%	77.2%
	Sales promotion	91	23.6%	34.0%
	Digital media tools	72	18.7%	26.9%
	Other channels	15	3.9%	5.6%
Total		385	100.0%	143.7%

Clearly, according to Table 6, 207 out of 268 people, having the largest share, got to know Lipton through the advertising, which was followed by the sales promotion and digital media tools, with 91 and 72 votes respectively. Besides, 15 people, taking up 5.6 % of the respondents, selected the "Other channels". From the results obtained, the main responses were through friends; by their own discovery in supermarkets or retail stores; as well as via some public service activities.

Lipton's achievement in awareness is inseparable with its accurate target audiences and market positioning, because the building of brand awareness is not only about letting people know, but also about facilitating people to form the correct brand perceptions in minds by delivering consumers' desired needs when communicating. In comparison with Chinese tea companies targeting the middle-aged consumer groups, Lipton primarily chooses the people whose age range from 18 to 35, living with a fast-paced lifestyle, but at same time, longing for the relax

and health conscious. Those people targeted, for example, are the college students and white-collars, who are the pioneer power of fashion and therefore apt to accept the new things. When utilizing them as the opinion leaders and by the opportunity to conduct WOM marketing, the reach of a broader group of consumers becomes nothing difficult. Accordingly, Lipton has always positioned itself as a pure, health caring and energizing drink, fully demonstrated in its slogan “Drink Better, Live Better”. By advocating its unique selling proposition and actively mixing a variety of communication options, Lipton is therefore capable of building the increasing brand identity among the younger generation of consumers in Chinese market.

But on the other hand, like just mentioned, only by letting people see or hear a brand is not enough, therefore, making people to form an in-depth and correct perception about the brand and product is also an important thing that communication activities should achieve. So, the result of whether respondents know more about Lipton and its product after having been exposed to the communication activities is shown in Table 7.

**Table 7.** Lipton marketing communication effect (cognitive stage).

<b>I know more about Lipton brand and product through its marketing communication</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	9	3.4	3.4
	disagree	24	9.0	12.3
	neutral	103	38.4	50.7
	agree	108	40.3	91.0
	strongly agree	24	9.0	100.0
	Total	268	100.0	100.0

As indicated in Table 7, altogether roughly half of the respondents agreed that Lipton’s marketing communication activities have enabled them to have a deeper understanding about the brand and product, but simultaneously, above 12% of the people disagreed with the statement and 38% of the total chose a neutral answer.

On the basis of the result, we can say that the marketing communication influence on consumers' cognitive stage is not as desirable as expected. The marketers should put more emphasis on delivering the informational message to tell more about the facts of the brand and products, which is meaningful for consumer to yield accurate perceptions and the positive evaluations of the brand in the future,

### 5.2.2 Brand Meaning Findings

The significance of marketing communication lies not only in creating the expected awareness, but also in establishing the appropriate image in customers' minds. Therefore, the positive brand associations, constituting the brand image and largely formed during the communication process, should be achieved effectively.

To identify what kinds of associations consumers hold with Lipton in minds, the Lipton's performance and imagery will respectively be researched in the interview. Starting with Lipton brand performance, ten respondents were asked to give evaluations (scale from 1-5) to several product-related features, and the score each option received most was marked as shown in Table 8.

**Table 8.** Lipton brand performance.

	1	2	3	4	5
Convenient					☺
Health caring & energizing				☺	
Good tasting			☺		
Real & natural			☺		

It is manifested from Table 8 that the overall product performance of Lipton is quite good. Among these features, the convenience received extra appraise, even being the first association several customers had with Lipton. They explained that while the working and learning environment has been always time-pressed, they

would prefer the product that was much easier to use, carry and reserve. In addition, what Lipton particularly addressed in its marketing communications about their product providing health benefits to human's body and mind (by adding dietary supplement such as antioxidants and vitamins) was also highly approved by the respondents involved. Because this kind of selling points are rare in Chinese market, therefore most of the customers found it new and interesting, and worth giving it a try. However, seeing from the results, Lipton product image in good taste and natural still needs to be strengthened in the communication, after all, the product in tea bags or in bottle are prone to be considered by Chinese consumers as less fresh and real than those in bulk.

With the purpose of identifying Lipton imagery, both the free association and "brand personality" methods (Keller 2003; 86) were applied. In the free association section, the majority of respondents came up with the associations of Lipton standing for an famous international brand; a contemporary and healthy lifestyle embraced by young professionals as well as a symbol of fashion and vitality. According to the marketing communications they have exposed to (mainly the advertising and sales promotion), the interviewee depicted personality of Lipton as innovative; up-to-date; successful and upper class.

If we say one reason differentiated Lipton image from those of general Chinese tea brands was by demonstrating certain unique selling points in its marketing communications which delivered on consumers' utilitarian needs, then knowing how to award consumers emotionally would definitely be another trump card.

To obtain the consumer's psychological identity requires the brand to offer distinctive values, either from a material or a mental perspective. But concerning the increasing product homogeneity in Chinese tea market, highlighting the unique psychological benefits (e.g. the pursuit, culture, personality, status, etc.) during the marketing communication process could be extraordinarily meaningful. In this case, Lipton focused on the "lifestyle". As the growing sense of alienation between the traditional Chinese tea-drinking habit and modern lifestyle made tea unlikely into a consumer staple, Lipton, however, turned to develop a

consumption habit and life style people can feel resonate with, thus truly integrating tea with the life of the target consumer groups. Apparently, there is a bigger chance that consumers will select brand with images that are in accordance with their lifestyle and self-concept.

At last, how the brand image was perceived in the broader population was researched by the questionnaire (see Table 9). Respondents were asked to manifest their attitude towards Lipton's image after having been exposed to its marketing communications. As Table 9 shows, a positive brand image was affirmed by the majority of the respondents (191), making up 71.2% of the total. Nevertheless, about 5% of the participants thought the communication activities were not enough for them to form a good impression upon Lipton.

**Table 9.** Lipton marketing communication effect (affective stage).

<b>I form a good impression towards Lipton through its marketing communication</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	4	1.5	1.5	1.5
disagree	10	3.7	3.7	5.2
neutral	63	23.5	23.5	28.7
agree	144	53.7	53.7	82.5
strongly agree	47	17.5	17.5	100.0
Total	268	100.0	100.0	

The results derived from the interview proved the consistency between Lipton's positioning in the marketplace and its image existing in consumer's minds, while over 70 percent of the respondents showed their approval for Lipton's image in the questionnaire. So in general, when combining those results together, it can be concluded that what has been communicated in Lipton's marketing communication was of great importance in helping people generate the favorable associations linking to the image of Lipton brand, thus actually enabling them to understand what Lipton stood for.

But on the other hand, there was still a 23.5% of the respondents that held a neutral attitude. In addition, the interviewed respondents also thought that there was much room for the improvement regarding Lipton’s communication in current Chinese market, and various suggestions were given, which will be presented in the next chapter.

### 5.2.3 Brand Response Findings

Acquiring different evaluations and feelings from customers is essential in directing and improving the future marketing communication activities. Again, the questionnaire and interview were used together so as to elicit the corresponding consumers’ responses.

The first question was to identify whether Lipton was an appealing brand in the consumers’ eyes (see Table 10).

**Table 10.** Consumer’s overall evaluation on Lipton (whether it is appealing).

I think Lipton is appealing					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	strongly disagree	7	2.6	2.6	2.6
	disagree	19	7.1	7.1	9.7
	neutral	81	30.2	30.2	39.9
	agree	119	44.4	44.4	84.3
	strongly agree	42	15.7	15.7	100.0
	Total	268	100.0	100.0	

From the analysis of the results, altogether 161 people who either agreed or strongly agreed, accounting for more than 60 percent, considered Lipton to be appealing. Actually this is a relatively positive result, since when people find something attractive and with that attitude in mind, the buying decision tends to be a matter of time. However, 9.7% of the respondents held the opposite opinion while 30% of the total gave neutral answers regarding this statement. The reasons could be numerous considering the formation of attitude and impression in

consumers' minds also depends on other marketing factors such as product performance, price and package. But in terms of using marketing communications to better change this condition, the organization could apply such communication options which can bring about the visual and auditory impacts on consumers to break their traditional thinking and establish the new feelings and desires. The digital media tools and advertising should be used more widely by Lipton, said several interviewees.

The brand quality (either perceived or actual) constitutes a large proportion in people evaluating a brand, so the consumer's judgment on Lipton's quality will be the second question discussed. As we can see from Table 11, the amount of respondents who thought Lipton was good in quality represented more than half of the total. But a group of 115 people, which accounted for a relatively large percentage, neither agreed nor disagreed about this argument.

**Table 11.** Consumer's overall evaluation on Lipton (quality).

<b>I think Lipton is of high quality</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	3	1.1	1.1	1.1
disagree	15	5.6	5.6	6.7
neutral	115	42.9	42.9	49.6
agree	112	41.8	41.8	91.4
strongly agree	23	8.6	8.6	100.0
Total	268	100.0	100.0	

One major cause, which was also mentioned by the interviewees, was probably the event of pesticide residues on Lipton product disclosed and hyped by the media two years ago. A foreign environmental organization released a statement claiming that 17 kinds of pesticide residues were detected in Lipton's product, and it also pointed out that although these pesticide residues met China's national standards, 7 of them were not approved for the use in the EU. Consequently, Lipton was suspected to set up a double standard between China and Europe. A great stir was caused among customers once the event was being revealed, many

of them strongly condemned for Lipton using the “national standards” as a shield to save costs and lower the product quality, which not only infringed on consumer’s right to know, but also severely damaged Lipton’s healthy image which has always been in consumers’ minds.

As a matter of fact, Lipton has always been a popular but controversial brand name since the day it came into Chinese market. Having gone through all sorts of successes but also various storms, the result whether Lipton is still a credible brand in today’s consumer’s view is shown in Table 12. It can be seen that, the statement was supported by 56% of the respondents whereas the opposition accounted for less than 10%.

**Table 12.** Consumer’s overall evaluation on Lipton (whether it is credible).

<b>I think Lipton is credible</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	9	3.4	3.4	3.4
disagree	17	6.3	6.3	9.7
neutral	92	34.3	34.3	44.0
agree	120	44.8	44.8	88.8
strongly agree	30	11.2	11.2	100.0
Total	268	100.0	100.0	

The credibility of a brand largely relies on the way by which the organization treats the consumer. As for Lipton, when combining responses acquired from the interview regarding Lipton image and marketing communications, it was not hard to find that the major reason why Lipton could win the most of the consumer’s trust was that it always managed to present the public with a core idea of how the organization put the consumers’ interests in minds. For example, the user-friendly design; the wide range of products catering to different consumers’ functional needs; as well as creating a value proposition complying with the target group’s mindset. That is, Lipton skillfully shaped itself as a problem solver rather than a



tough salesman during the communication process, thus successfully making itself to be more acceptable and trustworthy among consumers.

At last, the purchase intention provoked by the communication campaigns was also used as a criterion to identify Lipton's marketing communication effect (see Table 13).

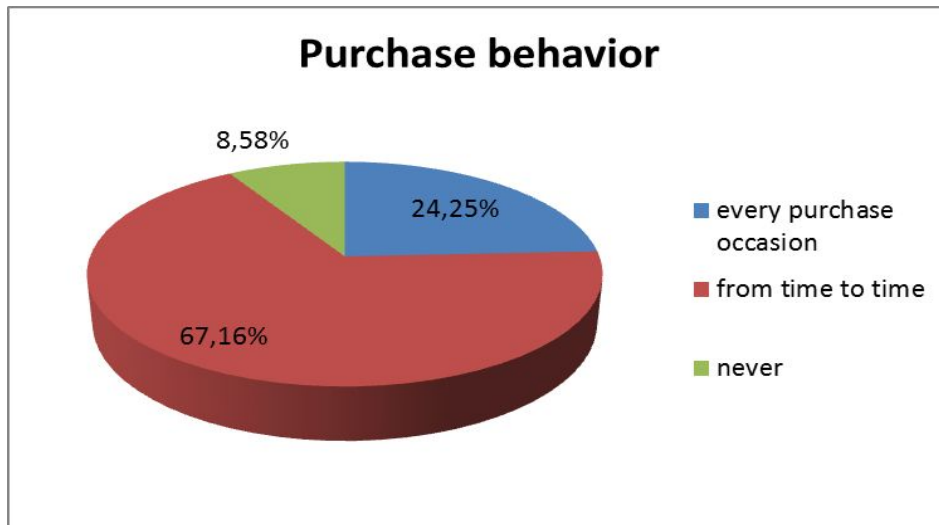
**Table 13.** Lipton marketing communication effect (conative stage).

<b>I feel the purchase intention of Lipton through its marketing communication</b>					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	strongly disagree	14	5.2	5.2	5.2
	disagree	27	10.1	10.1	15.3
	neutral	107	39.9	39.9	55.2
	agree	96	35.8	35.8	91.0
	strongly agree	24	9.0	9.0	100.0
	Total	268	100.0	100.0	

To stimulate consumers' behavior is actually much harder than delivering the desired information or even shaping the right belief. As manifested in Table 13, 107 out of 268 respondents, taking up 40 percent, had no clear position in terms of the purchase intention. Meanwhile, among all the rest of respondents, the statement was seconded and denied by 45% and 15% of them respectively. The result can only be said as barely satisfactory, which gives implications that Lipton's marketing communication needs to be continuously reinforced and improved, especially for how to switch the massive potential consumers into its brand users.

#### **5.2.4 Brand Relationships Findings**

The relationship between consumers and the brand can be outlined by several criteria, for example, the purchase frequencies and the consumer's involvement with the brand. Therefore, for starters, the consumers purchase behavior is measured by the questionnaire (see Figure 13).



**Figure 13.** Consumer’s purchase behavior towards Lipton.

When asked about whether the consumers have bought Lipton as well as the buying frequency, 24.25% of them asserted that Lipton would be their first choice among the tea product category under every purchase occasion.

Also, 67.16% of the respondents indicated that Lipton existed in their consideration set, and from time to time, they would purchase it. Furthermore, the remaining 8.58% of the respondents expressed their no experience of purchasing Lipton. The result proved that from all the respondents who have heard of Lipton, over 90 percent of them have actually bought them as well. From any point of view, the consumers’ behavior loyalty upon Lipton is highly desirable.

Table 14 shows a result of the Lipton-related activities consumers have ever participated in. The question was set in multiple-choice form, but the last option was mutually exclusive with the remaining ones. So, what can be drawn from Table 14 is that about 55% of the respondents have taken part in at least one of the activities mentioned. Among those 149 people, 112 of them have recommended Lipton to their friends and families; 75 of them have visited Lipton band website; 26 of them followed Lipton official account on Weibo or Weixin or Renren. Lastly, only 6 of them chose signing up for the newsletter and receiving information, samples or special offers from Lipton.

**Table 14.** Consumer's engagement with Lipton.

		Responses		Percent of Cases
		N	Percent	
Activities participated	Visiting Lipton website	75	22.2%	28.0%
	Following official account	26	7.7%	9.7%
	Telling friends and families	112	33.1%	41.8%
	Signing up & receiving information	6	1.8%	2.2%
	None of them	119	35.2%	44.4%
Total		338	100.0%	126.1%

To concisely sum up what has been discussed so far, some of the respondents' words will be quoted first. "I don't really care that much about the tea quality, and honestly, I can't really tell so the overall impression and reputation of a brand is actually more important to me", said by a college student. An executive of a health care company commented that "I won't see Lipton as good from the product perspective, but it is undoubtedly a success from the brand level". Also, a university teacher said, "Lipton has a very different brand connotation from our domestic ones, and it is a so dynamic, cheerful and modern brand, you can see students holding it everywhere in the campus".

To win the Chinese market simply by quality can be said as almost impossible, since this is exactly what every Chinese tea company has been doing and pursuing. But on the other hand, if a brand can establish a distinctive image and enjoy a good reputation among the consumer, some defects that every brand will have could be consequently offset to some extent, and that is where the real meaning of marketing communication lies in. In this case, we can say that Lipton has taken full advantages of different marketing communication tools highlighting its brand distinctiveness to create the well-known identity in the marketplace; to make people generate the proper associations (either product-related or imagery-based) as well as the favorable feelings (e.g. warm; relevant; interesting, etc.), thus laying a firm foundation for drawing forth consumers' positive responses and further strengthening the bond between Lipton and the consumer.

### 5.3 The Most Appreciated Marketing Communication Tools

This section will obtain the result of the most appreciated communication tools in Chinese consumers' eyes from the questionnaire. All the related questions were designed in multiple-choice form and the respondents were able to choose one to three options for each question. The respondents' overall preference for marketing communication options is illustrated in Table 15.

**Table 15.** Consumer's favorite marketing communication tool.

		Responses		Percent of Cases
		N	Percent	
preferred promotional channel	Advertising	109	27.8%	40.7%
	Sales promotion	202	51.5%	75.4%
	Digital media tools	70	17.9%	26.1%
	Other	11	2.8%	4.1%
Total		392	100.0%	146.3%

Manifestly, sales promotion was the most dominant promotional type, braced by an overwhelming majority (202) of the participants. The second most popular marketing communication tool belonged to advertising, while the multiple digital media tools ranked third. Among valid answers from the 11 people who chose "Other", the WOM and the public relations appeared most.

Despite the fact that the digital media tools ranked last during the given options, it was regarded by quite a lot of interviewees as a highly effective tool in building the brand awareness in current Chinese tea market, receiving the same votes as advertising. It seems that the impact of digital media tools has been realized by both the organization and consumer, although it is not necessarily to be preferred by the latter.

Having identified the general promotional type that are most welcomed by the consumers, each option will be examined more deeply. To begin with, the result of the consumers' preferred advertising type is demonstrated in Table 16.

**Table 16.** The most appreciated advertising type.

		Responses		Percent of Cases
		N	Percent	
preferred advertising type	TV ad	178	39.7%	66.4%
	Online ad	87	19.4%	32.5%
	Outdoor ad	122	27.2%	45.5%
	Print ad	26	5.8%	9.7%
	Product placement	30	6.7%	11.2%
	Other	5	1.1%	1.9%
	Total	448	100.0%	167.2%

Among the wide range of advertising options, TV advertising was chosen as the most acceptable one by over half of the respondents. Similarly, the outdoor advertising also received much recognition. In reality, when compared to the television advertisement, the outdoor advertising is often less intrusive and some creative ones can extremely impress and add much fun to the audiences. Online advertising is the third form approved by the respondents, followed by the product placement and print advertising.

The consumer's preference for sales promotion options is displayed in Table 17.

**Table 17.** The most appreciated sales promotion type.

		Responses		Percent of Cases
		N	Percent	
preferred sales promotion type	Price off	191	29.6%	71.3%
	Coupons	58	9.0%	21.6%
	Cash refunds	54	8.4%	20.1%
	Samples	71	11.0%	26.5%
	Premiums	112	17.3%	41.8%
	Bonus packs	112	17.3%	41.8%
	Loyalty schemes	25	3.9%	9.3%
	Contest & sweepstakes	20	3.1%	7.5%
	Other	3	0.5%	1.1%
Total	646	100.0%	241.0%	

As we can discern from Table 17 that, the price-off, being one of the most direct and practical promotional means, was far head of the other sales promotion options and had 191 responses. Next, premiums received the same votes (112) as did bonus packs, holding the secondary position. The third group consisted of samples, coupons and cash refunds, respectively obtaining 71, 58 and 54 votes; and lastly came the loyalty schemes and contest and sweepstakes.

Finally, consumers' preference for various digital media tools was researched and Table 18 presents the results.

**Table 18.** The most appreciated digital media tools type.

		Responses		Percent of Cases
		N	Percent	
preferred digital media tools	Brand website	192	46.5%	71.6%
	Social networks	85	20.6%	31.7%
	Viral marketing	37	9.0%	13.8%
	Micro blogging	91	22.0%	34.0%
	Other	8	1.9%	3.0%
Total		413	100.0%	154.1%

Based on Table 18 it is clear that brand website is the digital media tool that consumers found themselves most engaged in, with 192 out of 268 people choosing it. Micro blogging and social networks almost owned the same choices, ranking the second, followed by viral marketing which was chosen by less than 40 respondents.

#### 5.4 Summary

In the light of results analyzed above, the latter two sub-objectives set in the Chapter 1 are accordingly solved.

Firstly, it can be said that the Lipton's marketing communication effect in today's Chinese tea market is quite remarkable. For starters, a well-known brand identity has been established in the marketplace, reflected in that the brand was known by

over 87 percent of the questionnaire respondents and all the interviewees. Moreover, Lipton has enjoyed a positive brand image in consumers' minds, having more than 70 percent of the approval rate in the survey. Besides, it was also a brand perceived by consumers with distinctive and unique meanings in today's Chinese tea market, which well met the contemporary consumer's functional and psychological needs at the same time. The brand feelings related to the brand were extremely favorable, for instance, many consumers described their feelings towards Lipton as warm; relevant; interesting and dynamic. Furthermore, the resonance between consumers and Lipton was relatively high, as it was confirmed not only by the high purchase rate, but also the high level of the consumer's engagement with the Lipton-related activities.

But on the other hand, there are several aspects that Lipton has to continually improve in its marketing communications for further promoting its brand in the Chinese market, for example, how to strengthen consumer's familiarity with the brand, how to enhance consumer's confidence in the perceived quality and product credibility, how to better encourage consumer's intention to purchase and etc.

The results about the most appreciated communication tools in Chinese consumers' eyes were significant in guiding companies to choose and match different marketing communication options. Though according to the result, the sales promotion was being the most welcomed communication approach, followed by the advertising and digital media tools; it did not mean that this was suitable for all the company's situation. The organization should always take all the possible communication tools into account and, be fully aware of the advantages and disadvantages of each option and, ultimately, adopt the appropriate ones to optimize the marketing communication effects.

## **6 CONCLUSION**

The last chapter will present conclusions on the basis of the previous theoretical study and empirical analysis, including advices for Lipton, advices for Chinese tea companies, and the summary of the thesis.

### **6.1 Advices for Lipton**

Despite the fact that the overall result confirmed that Lipton marketing communications have significantly contributed to the brand building by creating a high awareness; a distinctive and favorable image in today's Chinese market, but as mentioned before, there is massive space for the improvement of its related communication activities. Several conspicuous problems will be stated and the corresponding suggestions will be put forward as followings.

First of all, consumers showed low recognition when asked about whether Lipton marketing communications have enabled them to know more about the brand and products, which indicates that consumer's familiarity with Lipton is not enough. Although it is highly laudable that Lipton put all types of emotional message to good use, the informational message is after all the foremost approach to correct people's inaccurate perceptions and even misunderstandings about the brand. As the research found out that consumers had less confidence in Lipton product-related attributes such as the quality, taste and natural features, therefore, Lipton should increase the proportion of delivering the informational content telling more facts about the brand and products during its various communication activities to keep enhancing consumer's trust. Besides, according to the questionnaire, nearly 80% of the respondents bought Lipton for personal use, in this way, more detailed information about the products would help them simplify their choices.

Secondly, considering the mediocre performance on stimulating consumers to buy, as well as the decreasing communication activities in recent years reported by the interviewees, Lipton has to constantly strengthen its marketing communications, referring to both the intensity and attractiveness. Sales promotion, which was chosen as the most preferred and practical communication activities by the



consumers, consequently is recommended primarily and should be carried out more often. It is noted that, sales promotion is indeed a powerful tool in improving the terminal sales of the fast moving consumer goods; especially that Lipton is supported by its adequate retail channels which is a big advantage that most Chinese tea companies do not possess.

Third, the online elements should be paid more attention to in the future communication activities since the digital media tools ranked last for identifying the ways through which people knew about Lipton. In fact, digital tools are extremely cost-saving and influential approaches nowadays, endorsed by both the marketers and consumers. Brand website should play a broader role in Lipton's future communication campaigns as it was considered to be the best way people could feel themselves engaged in. Furthermore, brand website is capable of carrying more massive information than any other channels, which will also help solve the consumer's cognitive deficiency just discussed. In addition, several respondents in the interview pointed out that the official accounts of Lipton on Weixin and Renren were not as active as the one on Weibo; there were very little up-to-date information to be found and few interactions with the customers. As manifested in results, over 55% of the respondents have been involved in the Lipton-related activities. Honestly, as a FMCG, obtaining such a level of consumer engagement has not been easy for Lipton, but a stronger relationship between the consumer and the brand needs a long-time maintenance. To better use those Chinese popular SNS which enable the consumers' feedbacks and the generation of emotional attachment, Lipton will acquire more loyal customers and therefore achieve a higher brand resonance among the Chinese consumers.

## **6.2 Advices for Chinese Tea Companies**

The suggestions presented for Chinese tea companies below are based on the analysis of some typical phenomena in the current Chinese tea market as well as the expectations raised by the interviewees.

For one thing, the tea marketing communication activities should manage to attract a more diverse consumer groups, especially the younger generation of

consumers. It has been reported that tea nearly had no market among young people since tea drinking seemed to be an old-fashioned and complicated thing in their eyes. This means the contemporary consumers have many practical concerns and needs that should be first identified before the company conducts its marketing communications. For example, the consumer's tea drinking habit, the factors affecting consumers to buy as well as the tea drinking trends and so on. Subsequently, the marketing communications should manifest how the company kept consumer's needs in mind and helped them fix these problems.

For another, Chinese tea companies should communicate their own unique brand proposition that differentiates it from other competitors and provides consumers with the compelling reason to buy. This is because the tea culture seemed to have been the only theme in all the Chinese tea-related communications. From the brand story to the product package to the advertising, the vast majority of Chinese tea companies are trying to implant an antique and profound image in consumers' minds. Although tea culture is one of the aspects that interviewees wished the company to integrate into the brand communication, this single idea has been overused in today and made the industry lack of innovation and become more difficult to stimulate the new customers. Actually there are lots of selling points on account of the multiple attributes and benefits of tea. In the light of the interviewees' descriptions, apart from the tea culture, what they also desired to see in a tea-related communication campaign was the healthy effect a tea product can produce on people's health, for example, to help customers stay slim, get rid of fatigue, regain youth, purify the mind, prolong life and so on. Moreover, they also suggested the modern element and spirit should be demonstrated more in the tea-related communications if the tea brand wanted to capture the younger generation's attentions.

Finally, Chinese tea companies should understand the role and effect of different marketing communication tools, then choose and mix the appropriate communication options based on the company strength and actual situation to achieve the optimal communication result. Advertising and digital media tools were voted by the interviewees in terms of being the most effective

communication tools in the Chinese tea market. The two forms of communication means share some common advantages such as the cover of a large audience and various forms to engage people, but the costs and risks of advertising are always higher, besides, the effectiveness of advertising has been weakened due to the changing communication environment. So, it can be recommended more that the Chinese tea companies, especially the small and medium sized ones, make the best use of digital media tools such as establishing the brand website, creating the official account on Weibo, Weixin and Renren to further increase its brand awareness in the market and strengthen the connection with the existing and potential consumers.

### **6.3 Summary of the Thesis**

The research problem of the thesis is to find out how marketing communication tools successfully contribute to promoting Lipton's brand as well as the most effective marketing communication tools for branding in Chinese tea market. Accordingly, several sub-objectives are set as followings:

- To theoretically describe the main factors and steps in creating a successful brand.
- To theoretically describe marketing communication tools and their significance in branding.
- To empirically analyze Lipton's marketing communications effect on its brand building.
- To empirically analyze which marketing communication tools are most appreciated by the Chinese customers.

The first two objectives were achieved after the theoretical study in Chapter 2 and Chapter 3. The third and fourth objectives were solved in the empirical part using both the questionnaire and interviews.

The thesis results proved that Lipton's marketing communications have significantly contributed to its brand building. By mixing different marketing communication tools to actively communicate and highlight its unique brand meanings among the target consumer groups, Lipton has successfully shaped the perceptions, feelings and judgments that the consumers hold with the brand, thus resulting in an increasing brand identity; a distinctive and favorable image as well as a high purchase behavior loyalty in the marketplace. Also, the study obtained the most appreciated communication tool by Chinese consumers is sales promotion, followed by the advertising and digital media tools. Among various sales promotion types, price-offs, premiums and bonus packs are the most popular ones; whilst the television advertising and brand website are respectively the most welcomed option among different types of advertising and digital media tools.

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## APPENDICES

### APPENDIX 1: INTERVIEW QUESTIONS:

1. What is your favorite Chinese tea brand; what do you like most about that brand?
2. What kinds of associations do you have when Lipton comes to your mind?
3. How descriptive is Lipton regarding following product performances compared to your favorite tea brand? Choose scale from 1 to 5, 1= Very bad; 5= Very good

	1	2	3	4	5
Convenient					
Health caring & energizing					
Real & natural					
Good tasting					

4. Which following words would you use to describe the Lipton's personality? (Down to earth; innovative; up-to-date; reliable; successful; upper class; charming; outdoorsy.)
5. How do you assess Lipton's marketing promotions you have exposed to? (From the consistency with its product attributes; the extent to which Lipton's value proposition is in line with yours; whether it is interesting, attractive and convincing.)
6. In your view, what should be taken into account concerning the tea brand-related marketing communication activities?
7. What kind of information do you expect the marketing communications to deliver about the brand or the organization?
8. Which marketing communication channels are more effective to your point of view for better promoting the brand in today's Chinese tea market? And why?
9. Please state your opinions with regard to the marketing communication activities of Chinese tea companies, and any suggestions for them?

## APPENDIX 2: QUESTIONNAIRE IN ENGLISH

### Marketing Communication Research of Lipton in China

Dear respondents,

I am doing my bachelor thesis on how Lipton successfully built its brand via marketing communication tools in the Chinese tea market. This questionnaire is designed to test the marketing communication effects and brand resonance of Lipton in Chinese market and also to find out the most appreciated marketing communication tools by Chinese consumers. Personal information will be kept confidential.

#### **Basic Information**

1. What is your gender?
  - a. Male
  - b. Female
2. What is your age?
  - a. Under 16
  - b. 16-25
  - c. 26-35
  - d. Above 35
3. What is your income level? (RMB/per month)
  - a. Less than 3000
  - b. 3000-6000
  - c. 6001-9000
  - d. 9001-12000
  - e. 12001-15000
  - f. Above 15000
4. What is your occupation?
  - a. Student
  - b. At work

c. Other

5. Which factors would more affect you to buy tea? (multiple choice)

a. Price

b. Taste

c. Package & design

e. Brand

g. Other factors \_\_\_\_\_

**Lipton's marketing communication effects and brand resonance in China.**

6. Have you ever heard about Lipton?

a. Yes

b. No

(If the answer is no, the questionnaire will be finished automatically)

7. Through which channel do you know about Lipton? (multiple choice)

a. Advertising (TV ads; online ads; outdoor ads; print ads; product placement; etc)

b. Sales promotion (price-offs; coupons; cash refunds; samples; premiums; bonus packs; loyalty schemes; contests and sweepstakes; etc.)

c. Digital media tools (social media; website; viral marketing, Weibo; Weixin; etc.)

d. Other channels \_\_\_\_\_

8. Which promotional channel do you appreciate most?

a. Advertising (TV ads; online ads; outdoor ads; print ads; product placement; etc)

b. Sales promotion (price-offs; coupons; cash refunds; samples; premiums; bonus packs; loyalty schemes; contests and sweepstakes; etc.)

c. Digital media tools (social media; website; viral marketing, Weibo; Weixin; etc.)

d. Other \_\_\_\_\_

9. Which types of advertising do you prefer? (multiple choice, three at most)

a. Television advertising

b. Online advertising

c. Outdoor advertising

d. Print advertising

- e. Product placement
- f. Other \_\_\_\_\_

10. Which of the following sales promotions do you enjoy more? (multiple choice, three at most)

- a. Price-off
- b. Coupons
- c. Cash refunds
- d. Samples
- e. Premiums
- f. Bonus packs
- g. Loyalty schemes
- h. Contests and sweepstakes
- i. Other \_\_\_\_\_

11. What kinds of digital media tools do you find yourself more engaged in? (multiple choice, three at most)

- a. Brand website
- b. Social networks
- c. Viral marketing
- d. Micro-blogging
- e. Other \_\_\_\_\_

12. What is your motivation for purchasing Lipton?

- a. For personal use
- b. As a gift for friends and families

13. What are your overall opinions regarding Lipton compared to other tea brands?

- a. Unappealing 1 2 3 4 5 Appealing
- b. Low quality 1 2 3 4 5 High quality
- c. Not credible 1 2 3 4 5 Very credible

14. Please scale following statements regarding Lipton's marketing communications from 1 to 5 combined with your experiences. (1= strongly disagree, 2= disagree, 3= neutral, 4=agree, 5= strongly agree)

- a. I know more about Lipton 1 2 3 4 5
- b. I form a good impression towards Lipton 1 2 3 4 5
- c. I feel the purchase intention of Lipton 1 2 3 4 5

15. I buy Lipton

- a. At every purchase occasion
- b. From time to time
- c. Never

16. What kinds of activities have you participated? (multiple choice)

- a. Visiting the Lipton website
- b. Following the Lipton official account (on Weibo, or Weixin, or Renren; etc.)
- c. Telling friends and families about Lipton
- d. Signing up for newsletter and receiving information, samples or special offers from Lipton
- e. None of them

17. What suggestions do you have for Lipton's future promotion in China?

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**Thank you for your participation and have a nice day!**

## APPENDIX 3:

### QUESTIONNAIRE IN CHINESE

#### 立顿在中国的营销传播及品牌推广调查问卷[复制]

尊敬的先生/女士，

这是一份关于“立顿”在中国发展情况的市场调查问卷，此问卷主要用于检验“立顿”目前在中国市场上的营销传播和品牌推广效果；并探索最有效、最受中国消费者青睐的茶叶营销途径。本问卷仅用于学术研究，个人信息将会被严格保密。

#### 基本信息

##### 1. 性别 \*

- 男  
 女

##### 2. 年龄 \*

- 16岁以下  
 16-25岁  
 26-35岁  
 35岁以上

##### 3. 收入（元/月） \*

- 低于3000  
 3000-6000  
 6001-9000  
 9001-12000  
 12001-15000  
 高于15000

##### 4. 职业 \*

- 学生  
 在职  
 其他 请注明...

##### 5. 哪些因素会影响您对茶叶的选购？ \* [请选择1-3项]

- 价格  
 口感  
 包装和设计  
 品牌  
 其他因素 请注明...

## 立顿在中国的营销传播及品牌推广效果

### 6. 您听说过“立顿”吗？ \*

- 是  
 否

\*此题设置了跳转逻辑

### 7. 您是通过哪种渠道知道“立顿”的？ \* [多选题]

- 广告（电视广告；网络广告；室外广告；印刷物广告；植入式广告等）  
 促销（折扣；优惠券；现金退还；试用装；赠品；加量不加价；会员制；竞赛和抽奖等）  
 数字媒体工具（社交网络；品牌官网；病毒营销；微博；微信等）  
 其他渠道 请注明...

### 8. 哪一种营销渠道是您易接受并喜欢的？ \* [多选题]

- 广告（电视广告；网络广告；室外广告；印刷物广告；植入式广告等）  
 促销（折扣；优惠券；现金退还；试用装；赠品；加量不加价；会员制；竞赛和抽奖等）  
 数字媒体工具（社交网络；品牌官网；病毒营销；微博；微信等）  
 其他渠道 请注明...

### 9. 请选择您所倾向的广告形式？ \* [请选择1-3项]

- 电视广告  
 网络广告  
 室外广告  
 印刷物广告  
 植入式广告  
 其他广告类型 请注明...

### 10. 以下促销形式中，您更喜欢？ \* [请选择1-3项]

- 折扣  
 优惠券  
 现金退还  
 试用装  
 赠品  
 加量不加价  
 会员制  
 竞赛和抽奖  
 其他促销类型 请注明...

11. 以下借助数字媒体工具营销途径中，您较倾向？ \* [请选择1-3项]

- 品牌官方网站
- 社交网络（人人，QQ空间，朋友网等）
- 病毒营销（公司创建可供个性化设计并传播的网络视频，短片等）
- 微博（新浪微博，腾讯微博等）
- 其他媒体途径 请注明...

12. 您通常购买立顿的原因是？ \*

- 个人使用需要
- 赠送朋友或家人

13. 相比于其他茶叶品牌，您对立顿的总体评价是？ \*

	1	2	3	4	5	
毫无吸引力	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	极具吸引力
低质量	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	高质量
非常不可靠	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	非常可靠

14. 请结合您的经历，对以下关于立顿市场营销传播的陈述进行评判（1=非常不同意，2=不同意，3=中立，4=同意，5=非常同意） \*

	1	2	3	4	5
我对立顿的产品及品牌有了更多的了解	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
我对立顿的产品及品牌形成了良好的印象	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
我产生了购买立顿产品的意向	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. 我购买立顿 \*

- 每次需要购买相关类型产品时
- 偶尔
- 从不

16. 您曾参与过以下哪些活动？ \* [最少选择1项]

- 访问立顿官网
- 关注立顿官方账号（微信，人人，微博等）
- 将立顿推荐给朋友或家人
- 注册并接受关于立顿的折扣信息及样品等
- 以上活动均未参与过



17. 您对立顿今后在中国的市场推广有什么建议吗？

十分感谢您的参与！😊