

To Win Over Americans, Chinese Companies Should Build Their Brands

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Chinese companies have American customers in their bullseyes. Capturing more business from the United States would not only dramatically increase revenues for Tencent, Huawei, and other rapidly expanding Chinese companies, but also it would bestow upon them the status of a global brand and all the esteem that comes with it. But so far these companies have been relying on product superiority to attract customers — and winning with Americans requires more emphasis on brand-building.



Purpose, story-telling, and brand personality are brand-building levers that Chinese brands should use to win with American customers. (Photo by Sean Lee/Getty Images for Sportel)

A [recent Bloomberg Businessweek article](#) about mobile Tencent asks, "The WeChat app has almost a billion users, and many of them use it all day. So why isn't the company everywhere by now?" It notes that the company has proved its capability to produce popular product innovations such as "mini-programs" that allow smartphone users to access other companies' services through WeChat without downloading their apps. Tencent has also been developing AI technologies and products. But, while the company and its services are pervasive in China, it has less than 2% market share in the U.S.

Huawei has the same problem. Through its technical breadth and extensive R&D efforts, the mobile telecom has established product leadership not only in China but in places like Finland, Nokia's home country. But despite

offering a product with quality close to that of Apple and Samsung phones, Huawei captures less than 0.4% of the U.S. market. The subtitle of a [Fortune article](#) sums up the company's challenge: "After climbing to the top of the smartphone market in its home country, the Chinese giant is taking off in Europe, but to challenge Apple and Samsung, the world's no. 3 phonemaker needs to figure out how to reach American consumers..."

The situation at Alibaba, China's e-commerce giant, is really no different. Alibaba CEO [Jack Ma](#) held a conference in Detroit earlier this year in an effort to lure American small businesses to sell their goods through his company's platform. But while he touted the size of the Chinese market (500 million online shoppers) and its hunger for American goods, Alibaba continues to face resistance from U.S. businesses because of the site's reputation for enabling widespread counterfeiting. An [Inc. article](#) reports that Ma's response to the concerns was "We're using our technology to fight against this" — he's trying to win over Americans with a product-based effort.

There's no question that these companies need product innovation and technological prowess to compete with offerings in the U.S., but they also need stronger brand-building efforts if they hope to attract more American consumers. While leading edge features and breakthrough innovations drive early adopters' purchase decisions, mainstream U.S. customers respond to a more emotional appeal and products that enjoy a "cool" factor. Plus digital technologies are so easily copied or outdone these days that competitive advantage based on product leadership alone is difficult to sustain for any company.

Just look at what happened to Sony. Despite having established a reputation in product quality and innovation, Sony lost its brand appeal when Apple introduced the iPod and iTunes and captured users' imagination by promoting a personal entertainment lifestyle. Of course Apple's products offered new capabilities and exquisite design, but its inspiring and emotional appeal made the brand a mainstream market must-have.

Many tech companies including American ones make the mistake of relying too heavily on product, capabilities, and technology to build their brands. To establish more sustainable and meaningful differentiation, companies must also appeal through:

- **Purpose** — having and expressing a compelling reason for being. In response to the crisis of trust that characterizes the American business landscape today, customers demand meaning and authenticity from companies that want their business. Brands fulfill this demand by articulating and living out a desire to impact people's lives in a positive, purposeful way. As it stands, Americans know little about the companies and people behind many Chinese brands, so Chinese business leaders should ensure their purpose — a purpose beyond making money — is clear.
- **Storytelling** — using stories to make an emotional appeal. Tech companies should tap into the ability of stories to engage people emotionally and make a brand's desired identity and core values relevant to customers. Instead of merely selling products to customers, they should try to develop brand relationships with them through an emotional appeal. Moreover they should develop an overarching narrative that stretches over and unites their products and services into a cohesive brand message so that their brands stand for more than individual products or services. Doing so will also sustain the brand's appeal through all stages of its products' lifecycle and enable rich customer engagement even when product news is hard to come by or competitive challenges are strong. And since the most effective storytelling today is comprised of two-way interactions, they should encourage customers to share their stories, thus advancing a more engaging brand identity.
- **Personality** — communicating and behaving in a distinctive way. Conveying a unique personality is just as important as product differentiation. But in presenting themselves, most tech brands either follow an overused formula (futuristic, sophisticated, powerful) or they don't exhibit any personality at all and just rely on product specs and technology claims to make their appeal. The exception among Chinese brands might be Alibaba and Ma's effusive personality and eccentric stunts, but the company hasn't infused its communications or experiences for American customers with that same level of distinctiveness. Many Americans relate to brands as if they are people, so they expect them to have unique personalities.

Purpose, storytelling, and brand personality are powerful brand-building levers for all companies, not only those in China and not only technology ones. But they seem particularly fertile ground for the many Chinese companies that have made their aspirations to become a global brand a top priority.