

# Stat Watch

## BIGGER BUZZ, HIGHER RETURNS

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Researchers did 7.9% better than the S&P 500 index by (virtually) investing in brands on the basis of online chatter about them. **Seshadri Tirunillai**, of the University of Houston, and **Gerard J. Tellis**, of USC's Marshall School, studied four years' worth of product reviews of 15 brands—almost 350,000 reviews in all. They found that sheer volume of reviews was the best predictor of investment returns, with, for example, high volumes followed by a rise in returns a few days later. They also found negative chatter to be a better predictor than positive chatter. One reason may be that negatives loom larger to readers than positives, the researchers say.

BETTER THAN THE S&P 500 INDEX

**GLOBAL MARKETING** by Marc Fetscherin, Ilan Alon, Romie Littrell, and Allan Chan

# In China? Pick Your Brand Name Carefully

Companies moving into new markets often bring unfortunate names with them. Distributors in Chile asked Mazda to rename its Laputa minivan because “puta” means “prostitute” in Spanish. Clairol introduced the Mist Stick curling iron in Germany only to learn that there, “mist” is slang for “manure.”

Choosing a name when taking a product to China is the biggest challenge of all. Chinese has thousands of characters, each with many meanings and with pronunciations that vary from region to region. In the early days of Coke's introduction in China, for example, shopkeepers advertised the drink using characters that sounded similar to “Coca-Cola” but had nonsensical meanings such as “wax-flattened mare.”

To help companies avoid having their brands associated with strange images or messages, we used our research on 100 multinational brands to develop a naming framework that takes into account both meaning and sound. Companies can take one of four tacks, each with its pros and cons. Ideally the Chinese name would have both phonetic and semantic associations with the original—but fewer than a quarter of the companies we studied achieved this branding nirvana.  **HBR Reprint F1209C**

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### Four Approaches Companies Can Take

11%

#### No Adaptation

The Chinese name has no resemblance to the original in sound or in meaning.

This lets a company customize brand identity, and it avoids problems caused by differences in dialect. However, the brand risks being seen as merely local.

**PIZZA HUT**

必胜客

SOUNDS LIKE:  
**BÌ SHÈNG KÈ**

MEANS:  
“GUARANTEE WINS GUESTS”

**HEINEKEN**

喜力

SOUNDS LIKE:  
**Xǐ Lì**

MEANS:  
“HAPPY POWER”

43%

#### Sound Adaptation

The Chinese name sounds like the original but is semantically unrelated.

This can work for brands that rely on advertising and word of mouth, and it highlights global identity. But names lacking any real meaning are hard to process.

**SONY**

索尼

SOUNDS LIKE:  
**SUǒ NÌ**

MEANS:  
“EXPLORING NUN OR PRIEST”

**AUDI**

奥迪

SOUNDS LIKE:  
**ÀO DÌ**

MEANS:  
“PROFOUND ENLIGHTEN”

24%

#### Meaning Adaptation

The Chinese name is a good semantic fit with the original but sounds completely different.

This strategy gives brands an image and an identity that don't vary with dialect. It makes global marketing communications difficult, though.

**GENERAL MOTORS**

通用汽车

SOUNDS LIKE:  
**TŌNG YŌNG QÌ CHĒ**

MEANS:  
“GENERAL MOTORS”

**GENERAL ELECTRIC**

通用电气

SOUNDS LIKE:  
**TŌNG YŌNG DIÀN QÌ**

MEANS:  
“GENERAL ELECTRICITY”

22%

#### Dual Adaptation

Both the sound and the meaning of the new name relate to the original.

Though the hardest of the four approaches to pull off, this two-way match gives a global product in China the best chance of success.

**NIKE**

耐克

SOUNDS LIKE:  
**NÀI KÈ**

MEANS:  
“ENDURANCE CONQUER”

**COCA-COLA**

可口可乐

SOUNDS LIKE:  
**KÈ KŌU KÈ LÈ**

MEANS:  
“CAN BE TASTY, CAN BE HAPPY”

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