Advisory report for
Chinese streetwear
brands

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INTRODUCTION

We provide advice on Chinese streetwear brands with contemporary and relevant suggestions to improve brand equity in general in this advisory report. We have chosen Beaster as an example for a branding approach based on Keller’s brand equity model to establish a strong brand identity among the Chinese post-1990s generation (90 Hou)\(^1\). This is because; using this branding approach, Chinese streetwear brands such as Beaster will be able to present themselves differently, from that of the other Western streetwear brands in the highly competitive Chinese streetwear market.

We have divided this advisory report into two parts. The first part offers general advice which can be applied to Chinese streetwear brands over the long-term. It describes the background of Chinese streetwear and identifies the inadequacies of current Chinese streetwear brands by comparing it with Western streetwear brands.

Next, we explain Keller’s brand equity model as being the foundation theory of the suggested branding approach. After that, we have presented with a general advisory branding approach for Chinese streetwear brands. In the second part, we take Beaster as an example to demonstrate how to apply Keller’s brand equity model in the Chinese streetwear industry to gain more practical insights. In this advisory report we proceed to suggest ways as to how Chinese streetwear brands could be improved upon by focusing on the brand equity.

In this advisory report, we rely on primary and secondary research data presented in the research report ‘Rise of Chinese Streetwear Market’. The statements that we have made in this report can also be founded in the research report.

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\(^1\) 90 Hou is a term that is used to describe Chinese young people born after 1990s and who are open-minded, individualistic, and seek to be different in China.
ISSUE DEFINITION

It was found in the research report that the reasons why Western streetwear brands dominate the Chinese market are not only their profound history and cultural foundation, but also their strong brand identity and their persistence in the core value of the streetwear culture (against mainstream). According to the process timeline of Western streetwear brands, they emerged with the symbolic culture values (phase 1) and later tended toward the mainstream market (phase 2), but finally they return to their authentic roots and niche market (phase 3).

In comparison with the Western brands, the weakness of local Chinese streetwear brands become obvious. Because they started relatively late, streetwear and its related culture are less accepted in China, which makes it difficult for Chinese streetwear brands to expand. From the results of research report, we can conclude that there are two the main issues for the Chinese streetwear brands:

1. Having skipped the important and necessary phase 1, they are currently in the phase two of the ‘Western timeline’ (being mainstream). Thus, the lack of an authentic brand symbolism leads to weak brand awareness.

2. We can be certain that there is a lack of streetwear culture recognition in general, further, there is a weak awareness of Chinese local streetwear brands within the Chinese streetwear community. Speaking of local Chinese brands, they are perceived as ones that merely intimate Western styles. Design-wise, they are considered to lack original and unique characteristics, and can hardly be differentiated from one another.

Chinese streetwear brands do not have strong brand equity and especially fail to show the credibility and authenticity. Consequently, customers are not buying Chinese streetwear brands. The aim of this advice report is to suggest improvements to solve the issue and strengthen local Chinese streetwear brands through brand equity. In this way, the Chinese 90 Hou customers will be aware of values of Chinese local streetwear brand and thus, buy more Chinese local streetwear brands than Western streetwear brands.
KELLER BRAND EQUITY MODEL

Keller’s brand equity model, also known as ‘Customer-Based Brand Equity’, links a set of brand assets and liabilities linked to a brand that adds value based on the customer’s perspective. This value can be reflected in terms of how customers feel, think and interact with the brand that they had perceived based on their direct or indirect experiences with the brand. Brand equity is an important and intangible asset that has psychological and financial value for the firm. (Keller, 2013, p.107)

The model, illustrated in the Figure 1 below, comprises four steps for creating intense and active loyalty relationships with its customers.

Figure 1 The four steps of Keller’s brand equity model
PART ONE

A GENERAL ADVICE FOR CHINESE STREETWEAR BRANDS

The following paragraphs explain each-step of Keller’s brand equity model, and provide general advice to improve Chinese streetwear brand equity.

Figure 2 Brand salience

Brand salience is an important first step in building brand equity. The goal is to establish a strong brand identity and generate brand awareness, which is the customers’ brand association of the brand with a specific product class, product benefit, or customer need.

For example, The Body Shop, was successfully in establishing a global brand image and generating positive brand awareness through its association with the environmental concerns through its products, such as natural ingredients, recyclable packaging, no animal testing, and being enthusiastic and outspoken concerning various social and environmental issues.

To develop a general branding approach, Chinese streetwear brands first have to realize a group of set brand values and the a unique selling proposition (USP) upon which they can establish a strong brand identity. Chinese streetwear brands could reinforce their brand values by focusing on original ethnic characteristics and own Chinese subcultures instead of blindly imitating Western streetwear styles. The authenticity of brand values is also a very important factor to determine whether or not the brand image is positive or. After deciding on the brand values, companies have to maintain consistently through all the marketing activities, such as the choice of logos, design version, and even company internal management that should reflect its core values.
Figure 3 Brand meaning

The second step is to communicate the brand’s meaning. Specifically, brands firmly establish the brand meaning in the customers’ mind by strategically linking a host of tangible and intangible brand associations. The goal is to create a higher ‘brand performance’ (rational) and better ‘brand image’ (emotional), as perceived by consumers.

For instance, Subway has become one of the leaders in the fast restaurant industry by combining good-taste, health and convenience.

To increase the brand performance, Chinese streetwear brands could pay more attention to products quality, such as use high-quality materials, collaborate with innovative technology, or to launch new collection line that is tailored cut, sophisticated and detail-oriented. As for the brand image, Chinese streetwear brands could create the brand connotations or association by showing a positive image around the Chinese local streetwear styles and engage its related subcultures, so as to change the ideology of the mainstream Chinese society concerning the local Chinese streetwear culture.
After establishing a favorable and unique brand meaning, it helps to elicit the proper customers response to the brand. We can distinguish brand responses as either brand judgments or brand feelings. ‘Judgments’ include quality, credibility, consideration, and superiority. ‘Feelings’ refer to how a brand makes customers feel emotionally.

For example, FedEx established all three dimensions of credibility: expertize, trustworthiness, and likability through its flawless service delivery, cost-effective international shipping, and creative marketing communications.

Because many Chinese streetwear brands are perceived as having poor quality and a lack of credibility, it is very important that these negative brand responses be addressed. After creating a positive brand meaning through product quality and brand associations, Chinese streetwear brands could comprehensively display their unique features and that they are continuing to grow and compete with Western brands instead of just copying them. This would help facilitate customers’ positive perceptions.
At the top of the brand equity pyramid is ‘brand resonance’. The goal is to create an intense, active loyalty relationship between customers and the brand that makes customers feel a deep, psychological bond with the brand. Apple is an example of a brand that encourages their owners to form local groups. The user groups provide Apple owners with opportunities to learn more about their computers, share ideas, make friends with fellow Apple users, as well as sponsor special activities and events and perform community service. With over 800 groups exist worldwide, Apple is a typical example of having brand community.

In stage one the target group is mainly identified according to geographic and demographic segmentation; however, at the top of the brand equity pyramid, the target group is no longer based only on segmentations, but becomes more about ‘tribes’². Due to streetwear is closely connected with many subcultures. A ‘tribal marketing strategy’ could be applied for Chinese streetwear brands to strengthen brand equity during this stage. The core of the tribal marketing strategy is to identify tribes or communities that share same glue values. By leveraging these cultural opportunities, strong brand loyalty can be achieved, which is the ultimate goal.

Chinese streetwear brands first have to research into target group and gain a thorough understanding of Chinese 90 Hou through exploring their culture and mindset to determine their different needs. Based on the insights gained, Chinese streetwear brands could create more experiences by hosting various activities or events to gather and engage these people who share same values and passion and form a community.

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² Tribe is defined as an affinity-based networks or taste communities centred around certain passions (i.e., that share the same values, interest, and language).
CONCLUSION

Referring to the research report, we have already concluded that Chinese streetwear brands in general have blurry brand identity and weak brand awareness. By executing a general branding approach that focuses on brand equity, we expect that Chinese streetwear brands could be reach a higher level in brand construction.

This general branding approach allows Chinese streetwear brands to establish a strong brand identity and to add more symbolic values to their products by following the four steps in the Keller’s brand equity model.

A Chinese streetwear brand first must define a set of unique brand values that can facilitate strong brand identity. Second, brand meaning must be communicated by linking it strategically with positive brand associations. The goal is to create an authentic Chinese streetwear brand that has original characteristics and products that customers perceive as high-quality. Consequently the branding approach will lead to a better brand response and accomplish a higher level of brand awareness. A tribal marketing strategies targeting Chinese 90 hou can be applied to achieve brand loyalty.