

## Chapter 9

# Creating a Chinese “Miele”?

## Asymmetries in the Consumer Perception of Chinese and German Brands

**Cora F. Jungbluth**  
*Heidelberg University, Germany*

### ABSTRACT

*This paper analyzes the country-of-origin effects of Chinese brands going international. To approach this topic, the author uses a comparative case study, in which a Chinese manufacturer of white goods, Haier, and a German manufacturer, Miele, serve as examples. Fueled by “China trash” reports in EU and US media, the image of China as country of origin still has a negative connotation. The Chinese government and Chinese companies are working to change this image, since they both regard branding as important means for corporate internationalization. This paper argues that Chinese brands could achieve a similar development as did Japanese and Korean brands in the second half of the last century.*

### INTRODUCTION

Would German consumers voluntarily exchange their Miele washing-machine for a Haier product? Would Chinese consumers do so?

A few years ago one could clearly have negated both questions. The label “made in Germany” emanating German cardinal virtues such as efficiency

and reliability versus the label “made in China” associated with cheap prices but low product quality would have been a truly unequal battle. And even today one can think of a wide range of world-famous German brands in the realm of consumer electronics – Bauknecht, Bosch, Liebherr, Miele, Siemens – to name just a few. But can we name Chinese brands equally renowned beyond the borders of the Middle Kingdom? Of course, Lenovo, formerly Legend, has recently achieved

DOI: 10.4018/978-1-4666-0276-2.ch009

## Creating a Chinese “Miele”?

global fame due to its acquisition of the PC division of IBM. The company was thus able to sell a large number of their products under the world famous brand name of IBM. But does this step not prove that Chinese companies cannot survive in the global sphere without an established Western label by their side? *The McKinsey Quarterly* clearly pointed out the issue at question: “Can Chinese brands make it abroad?” (Gao, Woetzel, & Wu, 2003) And Wolfgang Hirn (2005), journalist at German *Manager Magazine*, headlined “Do you know Huawei?” All this suggests that Chinese companies lack an important feature of internationally successful corporations, i.e., strong and renowned brand names trusted by consumers worldwide and well established within a global framework.

Haier, a Chinese manufacturer of white goods, for example, has attained the position of the world’s largest provider in its segment in number of pieces. Its brand name, however, has so far not been able to catch up with American or European brands in terms of reputation and recognition. Of course, technological development and shorter tradition play a role, but do not suffice to explain the asymmetry in consumers’ perception of these brands, especially when taking into consideration that Haier used to collaborate with German Liebherr in a joint venture. The obvious lack of brand reputation in important consumer markets such as the European Union (EU) represents to Haier’s further international development an obstacle that has to be overcome as swiftly as possible. As Benjamin Barber (1992) has quite adequately pointed out, “It is less the goods than the brand names that do the work, for they convey life-style images that alter perception and challenge behavior.”

My paper therefore investigates the following questions: Why do German consumers tend to look down upon Chinese brands? Why are German brands well-reputed among Chinese consumers? Where do these attitudes stem from? Which role do country-of-origin effects play in this context? And last but not least, are there any signs indicating a change in consumer perception?

First of all, I will address the question in how far the image of a country influences the consumer perception of brands originating from this country. This section also discusses China’s and Germany’s reputation as country of origin. Section three and four consecutively introduce a German and a Chinese producer of white goods, which both are market leaders in their respective home country. This is where their resemblance ends, since Miele is a successful brand in China, too, whereas Haier is fighting hard to set foot on the German market. Section five analyzes the influence of country-of-origin effects on the perception of these two brands, followed by concluding remarks on the prospects of Chinese brands on the international markets.

## THE INFLUENCE OF COUNTRY-OF-ORIGIN EFFECTS ON BRAND PERCEPTION

The way of how a consumer perceives a certain product is determined by several internal and external factors. Internal factors, which can be influenced by the company itself, include among others advertising or the positioning of a brand. External factors, which cannot be easily influenced by the company, refer for example to the purchasing experience of the consumer or, even more importantly, the image of the country of origin. Bilkey and Nes (1982) have pointed out that “[b]oth empirical observations and experiments indicate that country of origin has a considerable influence on the quality perception of a product” (p. 89). The image of the country of origin therefore becomes a crucial issue, when a company decides to make branding the core of its internationalization strategy (Bell, 2008). Should the consumers be able to easily associate the brand with the company’s country of origin? Or would the company be better off with not putting too much emphasis on this issue? The answer to the question depends on the product category as well

12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/creating-chinese-miele/63740](http://www.igi-global.com/chapter/creating-chinese-miele/63740)

## Related Content

---

### Iraq: China's Strategic Partner in Energy and Reconstruction

Bo Zhang (2026). *Cases on China's Partnerships and International Development in Asia* (pp. 63-90).

[www.irma-international.org/chapter/iraq/404601](http://www.irma-international.org/chapter/iraq/404601)

### Contested Terrain: Place, Work, and Organizational Identities

John Willy Bakke (2011). *Global Business: Concepts, Methodologies, Tools and Applications* (pp. 1948-1960).

[www.irma-international.org/chapter/contested-terrain-place-work-organizational/54882](http://www.irma-international.org/chapter/contested-terrain-place-work-organizational/54882)

### Managing Conflict in Workplace: A Case Study in the UAE Organizations

Badreya Al-Jenaibi (2014). *International Business Strategy and Entrepreneurship: An Information Technology Perspective* (pp. 165-184).

[www.irma-international.org/chapter/managing-conflict-in-workplace/100317](http://www.irma-international.org/chapter/managing-conflict-in-workplace/100317)

### The Antecedents of Satisfaction and Revisit Intention for Full-Service Restaurants: An Empirical Study of the Food and Beverage Industry in Jakarta

Adilla Anggraeni, Lucina Iswi Hapsari Sulistyoad Natalia Affandy (2020). *International Journal of Asian Business and Information Management* (pp. 101-118).

[www.irma-international.org/article/the-antecedents-of-satisfaction-and-revisit-intention-for-full-service-restaurants/255699](http://www.irma-international.org/article/the-antecedents-of-satisfaction-and-revisit-intention-for-full-service-restaurants/255699)

### Building and Maintenance of Social Capital in Rural Farming Community of the Western Hills of Nepal

Ram Krishna Shrestha, Donald Charles Cameron, Jeff Coutts and Jim Cavaye (2015). *International Journal of Asian Business and Information Management* (pp. 28-41).

[www.irma-international.org/article/building-and-maintenance-of-social-capital-in-rural-farming-community-of-the-western-hills-of-nepal/127627](http://www.irma-international.org/article/building-and-maintenance-of-social-capital-in-rural-farming-community-of-the-western-hills-of-nepal/127627)