



Linguistic invasion

The purity of the Chinese language is under scrutiny as more foreign words make it into the vocabulary

Page 6



Midas touch

There is a way to cultivate a rose into a profitable brand, according to design expert

Page 13



Arsenal remain on top

A 3-0 win saw Arsenal pull clear at the top of the Premiership as Chelsea stumble from a 0-0 draw

Page 17

INTERVIEW

Midas touch turns names into gold

There's a way to cultivate a rose into a profitable brand, design expert Henry Steiner tells Liang Hongfu

A rose may be a rose by any other name. But more and more mainland enterprises are waking up to the fact that they too can turn the lowly T-shirt into high fashion if they have the brand names that shout as loudly as *agnès b* or DKNY.

More importantly, there is no shortage of consumers willing to pay up to 10 times more for designer-brand T-shirts even though they are all made on the mainland, and most probably, at factories that also produce the much cheaper no-name versions.

"There are certainly many factories (on the mainland) capable of producing quality products that are worthy of being branded internationally," says Henry Steiner, one of Hong Kong's best-known names in design and branding. His is a belief apparently shared by many

mainland enterprises as they try to move up the value chain of the manufacturing process by creating and directly marketing their own products in overseas markets.

Steiner, who is best known for the design of the hexagonal logo for HSBC, Hong Kong's largest banking group, predicts that the mainland is "resolutely" moving from being a "workshop of the world" to a competitive purveyor of branded products, a move that will create an huge impact in coming years.

"The value that a brand name can put on a product is sometimes quite shocking," he says.

In an interview with China Daily, Steiner recalls that a friend of his recently bought a fake watch in Shenzhen for HK\$150.

"The watch looks and works perfectly, just like the genuine one which costs at least 20 times more,"

he says.

"If the workshop that produces that watch established a brand name for itself, it could sell its products for that kind of money too," he adds.

"It just shows the value an established brand can add to a product."

Hong Kong is well positioned to play a vital role in mainland enterprises' quest for brand recognition, Steiner says. "We have a pool of design and marketing talents who are well exposed to the global marketplace."

In addition, Hong Kong can provide ample legal and other professional support to facilitate the process of patent and copyright registration, he adds.

Despite these advantages, Hong Kong manufacturers appear to have largely squandered the opportunity to establish their own brand names largely because of their short-sightedness. Most Hong Kong manufacturers started out in the 1960s and 1970s as contract producers for the major foreign brands.

Just when they were about to be squeezed out by their competitors in neighbouring southeast Asian countries in the late 1970s, the doors to the mainland were thrown open and the massive industrial migration to the Pearl River Delta region began.

Tapping the plentiful supply of land and labour in the PRD, Hong Kong manufacturers regained their competitiveness but, at the same time, lost the urge to climb up the value chain.

Instead of reinvesting part of their large profits in design and product development, many Hong Kong manufacturers instead funnelled their earnings towards the property market which, at the time, appeared to promise huge returns with minimal risk.

Such neglect of the need to move up the value chain by all sectors of the economy is widely seen as having attributed to the prolonged and painful economic adjustment following the regional financial crisis of 1997 that triggered the crash in the local property market.

"As clever as they are, Hong Kong entrepreneurs are actually very conservative when it comes to new concepts and innovative ideas," says Steiner.

Despite past economic success, only a few Hong Kong brands have gained global recognition. Most notable among these few are

HSBC, which has gone on to become one of the world's largest financial institutions, and Cathay Pacific, Hong Kong's flag bearer, according to Steiner.

It is worth noting that both these companies are controlled by British interests while many local entrepreneurs seem to lack the long-term vision that is essential to brand building.

In contrast, mainland entrepreneurs apparently have the vision and the ambition for brand building although they don't necessarily know exactly what it will take to succeed, says Steiner. Some of the mainland enterprises are "quite cavalier" in their approach to branding, he says.

"I think naming a beer by spelling the word backward as "Reeb", as a Shanghai brewer has done, is quite funny but it is not good branding," Steiner says.

"I don't think they can market a beer with a name like that in overseas markets."

Indeed, a name means a lot in branding, Steiner says. One of his first pieces of advice to a Shanghai client, that owns and operates a large convention and exhibition centre, was to name the facilities ShanghaiMart which, he says, sounds snappier than the full name and easier to remember than the acronym.

Companies that want to diversify into overseas markets should spend time finding out whether the brand names they adopted have already been registered by someone else in those countries. Failing to do so could be costly.

A number of mainland enterprises are said to have had to rebrand their products because of trademark disputes in the US and other international markets.

After the name comes the logo, both of which, according to Steiner should "reflect" the origin of the brand. And, of course, keeping it simple and making it unique is preferable.

In designing the HSBC logo, one of the original ideas was to capitalize on public recognition of those imposing bronze lions that have guarded the entrance to the bank's headquarters in Hong Kong for more than a century. But that idea was dropped largely because a lion logo was deemed to be too common.

Steiner eventually created the hexagon design in 1984, derived from the cross of St. Andrew, and used in various configurations by the British "hongs", or trading companies, that had their roots in Scotland. He added elements into the basic form to create a shape that can stand on its own without the need of border lines.

The resulting design has become an instant classic, admired by many in Hong Kong for its elegance and simplicity.

After graduating from Yale University with a masters degree in graphic design, Steiner obtained a scholarship to study at the University of Paris in Sorbonne.

He returned to the US to work for an advertising agency in Madison Avenue for a while, before receiving an assignment to design the then newly launched Asia Magazine. He



The quality of goods manufactured on the mainland is nowadays on a par with international standards, says Henry Steiner, design and branding consultant and one of Hong Kong's most well-known designers. Hong Kong companies that make their own products on the mainland are in an ideal position to create their own designer brands and reap the benefits that well-branded goods bring as they move up the value chain. EDMOND TANG

later came to Hong Kong to work at the magazine. Steiner left the magazine after two years to establish his own design studio.

One of his first clients was the Hilton Hotel in Hong Kong. Like most hotels here at that time, Hilton didn't maintain a unified identity throughout its establishment. For instance, "all restaurants in the hotel had different designs for their menus," Steiner recalls.

"My job was to give the hotel a constant identity throughout," he says. The exercise seemed to work and several other hotels then hired Steiner to do the same for them.

Years later, when Unilever hired him to help promote its

image on the mainland, to show the US multinational company's commitment in that market, his advice was to strengthen the Unilever brand name by highlighting it in every one of its wide range of products marketed there.

The company agreed to his suggestion in general, but balked at putting its label on a newly acquired brand of ice-cream that was founded by a group of young entrepreneurs who were widely seen as less than traditional.

But the company eventually followed through with the overall branding strategy and met with success. Having the Unilever name up front is seen to have helped

sales of its products, including ice-cream.

Not all image makeovers have to be attention grabbing. Steiner spent a lot of effort in helping one of his clients, the Jockey Club, shed the word "Royal" from its former name and freshen up its post-1997 image without undermining the club's

traditional status in the minds of the public.

After all the work was done, "people were telling me that they didn't even notice any change," he says. "I consider that to be the biggest compliment," he says. In fact, "I was very proud that it (the change) was ignored."

BIO-BOX

Henry Steiner is a design and branding consultant and head of his own design studio. Steiner has many years' experience in product branding and re-branding in Hong Kong and on the mainland and has provided consulting services to a wide variety of businesses - from the Hilton Hotel to banking giant HSBC. Steiner graduated from Yale University with a masters degree in graphic design.