



LOCALIZATION OF NEW BALANCE BRAND MARKETING STRATEGY FOR CHINESE MARKETS

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<p>Abstract</p> <p>As a major international sport brand, New Balance Athletic Shoes Company was standstill after accessing to Chinese markets. The deviation in brand positioning and range selection has resulted in low sell-thru rate; the neglect on channel building and store image investment has resulted in a slow expansion. This thesis researched how New Balance Company can get success and how they find adopted strategy for the development of New Balance in China.</p> <p>This thesis described the current situation of New Balance and its gap to leading brands by questionnaire and interview surveys. The paper also summarized the development of New Balance in the past in China and it is out-dated marketing strategy, so as to dig deep into its defects. By a thorough SWOT analysis, the thesis found out the point to break through the business bottle neck; by utilizing marketing STP tools, the thesis studied the segmentation of sport goods and found out the key ones. Jointly, the paper suggested at the end some feasible localization opinion in marketing strategies for New Balance in China.</p> <p>To realize the New Balance localization in marketing strategy and in align with status quo, this thesis determined adoptable action plans in aspects like range selection, channel building, store image and market communication.</p> <p>New Balance Company has faced a fierce competition in Chinese market. New Balance has made a correct localization marketing strategy but some problems should be solved. There are some suggestions, New Balance should enhance more sales channels and adopt the new media, insist in marketing localization, and promise the products reliably and improve the quality.</p>			
Keywords Sport goods, localization marketing, channel building.			

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1 INTRODUCTION

In 1906, New Balance company was established by Mr. William J. Riley in the US city of Boston Marathon, refining to marathon which has become the chosen by brand by many successful entrepreneurs and political leaders. New Balance is known as "the King of jogging shoes" in the United States and many other countries.

1.1 The situation of Chinese sports industry

During "the 11th five-year plan" (2006-2010) in China, with the rapid development of the national economic and social and sports undertakings, Chinese sports industry presented a fast developing momentum and the scale of the sports industry were increasingly enlarging. The sports industry in China seems to be a trend that continues to develop and evolve. In 2008, 3.17 million people were engaged in the national sports industry, thus achieving the added value around 155.5 billion RMB. Compared with 2007, the numbers have increased faster than the growth rate of GDP significantly. In the wake of the gradual improvement of sports market system, the industrial structure has been optimized further. Meanwhile, the principal part of the sports market have presented the development tendency of investment diversification and also has matured day by day. (Sports industry of "twelfth five-year plan " 2011.)

Although the Chinese sports industry achieved development during 2006 to 2010, in general, the scale of the Chinese sports industry was relatively small, and it has occupied relatively low position in national economy. It did not yet exploit the potential advantages of emerging industries. In addition, the structure of sports industry was irrational, and the proportion of service industry in the sports industry was low, regional development being not balanced. Sports industry was facing the institutional mechanisms of contradiction and was still prominent, and the market mechanism based on the allocation of resources in sports was yet to be fully realized. Sports market was not yet mature; there was less effective supply of products. Customers needed to be guided and market supervision needed to be strengthened. The basic work of sports industry was still relatively weak. The sports industry policy system needed improvement. The most important thing was that it was necessary to reform the shortage of the high quality sports industry professionals. (Sports industry of "twelfth five-year plan " 2011.)

In the "12th five-year plan" (2011-2015) period, China has realized the transformation of the mode of economic development, strategic economic restructuring and promotion of consumption structure continuously; it is also the major opportunity to escalate the modern service industry at a high rate of speed. Fortunately, sports is increasingly becoming an important lifestyle of the masses, thus providing the vast space of the development for sports industry. As an integral part of economic and social development, the sports industry has entered a rapid growth phase, and it will usher in an unprecedented development opportunity. Therefore, we should follow the scientific concept as a guidance and grasp the law of sports industry development, seize the historical opportunity simultaneously, use an innovative vision to progress the idea, transform the way of developing to crack the challenge, in order to promote sound and rapid development of sports industry consequently. (Sports industry of "twelfth five-year plan" 2011.)

In international markets, the major sports brands have made re-positioning towards acquired company in the past several years. There are some success stories, but some of them are failures. In August 2005, the largest European sporting goods manufacturer Adidas announced that they spend 3.1 billion Euros in acquiring Reebok in order to enhance the influence and sales in North American market to further challenge the sports goods manufacturers supremacy of Nike US. In July 2007, Nike Inc declared the acquisition of another well-known male sports shoe manufacturer Converse Inc which is the best seller in basketball shoes and which surpassed Nike until the 1980s. In October 2007, Nike purchased the Umbro who has 70 years experience to expand Nike's global leadership in football market. Football is an important development project of Nike company. On July 31, 2008, Li-Ning acquired 20 years of brand agency of the famous Italian sports brand LOTTO to improve the Group's position in the fast-growing sports fashion market. (Sports industry of "twelfth five-year plan" 2011.)

1.2 The purpose and meaning of thesis

Faced with the development and transformation of the past five years, after a substantial expansion of the 2008 Olympic Games, the sporting goods industry has entered a period of continuous market adjustment. Marketing management among brand differentiation is gradually changing the whole market structure and market share of the entire industry. With sales ahead, international leading brands like Nike and Adidas, they have a great Chinese market for many years, and the leading Chinese brand Li-Ning, Anta are following. A number of domestic new brands such as

Jordan and 361 degrees are growing rapidly. Other well-known international brands have also entered to the Chinese markets. (Sporting goods industry analysis report 2013.)

New Balance is the third in the sales of the USA and the world's sixth sports brand. New Balance did not reach the marketing expectation after formally entering China, but just copied the commercial success in Japan, South Korea those Asia Pacific regions. Especially after the 2008 Olympics, New Balance brand's market share has not grown. The annual sales are hovering around 400 million RMB. (Sporting goods industry analysis report 2013.)

How to get a breakthrough in brand marketing and improve performance at express speed determines the fate of the international brands in China. Operating independently and expanding the market share constantly is a good idea to New Balance. Other ways are just too only focus on segments just like Japan ASICS, or give the domestic agent to domestic companies. For example, Italy's KAPPA domestic business was acquired by a Chinese agent. The last choice is, however, like US GAP did, to leave the Chinese market momentarily and choose a favorable opportunity to come back again. (Sporting goods industry analysis report 2013.)

To break the dilemma of brand development, New Balance is, through the strategic cooperation with the general agent Korea E-land Fashion Company in Chinese mainland, redefining the brand and transforming the wholesale and retail channels. In January 2011, E-land Fashion Company took the full control of the New Balance sale agent and became New Balance sales agent in China. New Balance company and E-land Fashion are re-planning the grade and quality of stores nationwide, through the channels and bargaining advantages stationed in markets that they haven't yet entered into. On the other hand, the two companies have accelerated the reform of existing shops' old props to advance the external tastes and the show effect. New Balance imitates that E-land agent solve the problem. (New balance ran back to China 2010.)

1.3 Research objective and method

According to related knowledge of business strategy, management, marketing, science and other courses, the thesis will research and analyze different stages of New Balance marketing strategy after entering Chinese market in 2003. Summarizing the gain and loss of each period is necessary. After analyzing the acquisition and integration between different sports brands, re-adjusting the marketing strategy and the approach to achieve results, the analysis focuses on the domestic market in recent years, a sports brand re-positioning with a successful example of packaging, looking for New Balance to learn from an industry experience.

Through New Balance current operating environment a SWOT analysis will be done to explore the feasibility of localization brand marketing strategy and the use of the principle of 4Ps (Product, Price, Place and Promotion) to summarize the marketing strategy for Chinese localization of New Balance. However, I will use quantitative research and desk research to analyse the reason why New Balance has not succeeded immediately.

In the thesis, the writing process will be as follows. The second chapter introduces the concept of brand and brand strategy and brand marketing research analyzes the current situation and problems existing in the current study, in particular, the international brand localization of brand marketing strategies. There is the implementation and the results of the research in the third chapter. The fourth chapter recommends the each years of development of each year for New Balance in China in detail and analyzes the current business environment that New Balance is located in. Meanwhile, the SWOT analysis method is used to New Balance from four aspects that include strengths, weaknesses, opportunities and threats, to clarify advantages and disadvantages in China for New Balance. By using of the STP marketing principles to develop brand marketing strategy and segmentation by three variables (age segments, product price and product type) the New Balance brand positioning is described. Finally, from the 4P marketing strategy combination, that is, product, place, price and promotion, these four aspects show New Balance localization brand marketing strategy in China. The fifth and sixth chapter summarize the thesis and give some suggestions for future.

2 BRAND AND BRAND MARKETING STRATEGY

Marketing expert Dr. Philip Kotler pointed out that a name, term, sign, symbol, or design, or a combination of these, identifies the products or services of one seller or group of sellers and differentiates them from those of competitors (Armstrong and Kotler 2013, 231).

2.1 The role of brand

A brand is a competitive advantage to build the differentiation power. With the products in short supply, the product homogeneity becomes more and more obvious and the customers become increasingly rational and mature. If the competitors want to highlight the advantages of their products in the market, they must do everything possible to strengthen the brand personality and provide value-added products, especially the spiritual values to form the unique differentiation of products. However, the brand differentiation is an effective means of winning the competition which is reflected by the market competition. (Kotler 2012, 285.)

A brand is the embodiment of product or the core value of enterprise. Consumer or user utilizes commodities tool not only to sell goods to the target customers or users, but one also should make consumers or users have a good impression through the use of commodity, thus repeating purchase and advertising continuously. It forms the brand loyalty in the end which makes a consumer or a user repeat purchase. (Kotler 2012, 285)

A brand is the resolution of recognizing goods. The establishment of the brand is due to the need of competition, and it is used to identify product or service of a seller. Brand design should be unique, and have distinctive personality. The differences with the rivals in the brand text, design and so on represents the enterprise features. (Kotler 2012, 285.)

A brand is the guarantee of quality and reputation. The goal of designing enterprise brand, brand building and cultivating brand is to make the own brand become a famous brand. In order to finish the aim, the enterprise needs to pay more attention to improve the quality of the brand and product and spare no effort to perfect the after-sales service. A brand is the "cash cow" of the enterprise. The quality is the most important factor of attracting the customer. A brand is often accompanied by cultural

and emotional contents. The brand can increase added value to the product. At the same time, the brand has a certain degree of trust. Companies can develop a relatively higher price for a brand in order to obtain higher profits. (Kotler 2012, 285.)

2.2 The effect and significance of brands in marketing

The prime function of the brand is that it can facilitate consumers to select the products, shortening the process of customers' purchasing decision. Choosing a well-known brand, for customers it is undoubtedly a convenient and reliable method to minimize the risk.

Creating a strong brand can make the enterprise have higher profit margins. In the traditional market competition, when consumers form a distinct brand concept, the price difference will be minor. The situation is even more pronounced when given a special personality to different brands.

The brand can go beyond the product life cycle. It is an intangible asset. Because of the changing demand and the push from the competition, except for a few products, the vast majority of products will not be accepted by consumers for a long time. According to the Harvard University professor Raymond Vernon's point of view, in general, the product has a life cycle. It will experience the entire process from coming to the market and being eliminated by the market in the end, and its experience has four stages that include investment, growth, maturity and decline. But the brand is different; it might be beyond the life cycle. Once a brand has loyalty of a broad customer base, the brand has influence of leadership towards products, even the products are improved and replaced. (Kotler 2012, 288.)

Brand localization refers to the enterprises to exploit new market or international market of the region, the pressure from the local environment, to modify the behavior of the brand to adapt to the local culture. Brand localization mainly includes three aspects:

1. The product localization

Product localization is an important aspect of brand localization. The product localization includes product design, production and raw material procurement and so on.

2. Brand name localization

Brand name localization is one of the brand communication tools of a multinational company. The local names can eliminate consumer's psychological line of defense, and get the psychological identity, thus making the name easy for a Chinese customer to remember.

3. Local brand communication

Localization spread mainly includes the localization of advertising, public relations localization, localization promotions, etc. (Baidu.com 2015.)

2.3 Brand marketing strategy

The brand marketing strategy is the enterprise management strategy of the company where brand is the core competitiveness to obtain the difference profits and value. It is also for the enterprises to formulate fundamental overall development plan and action plan in accordance with product brand in order to improve their market competitiveness. (Assarel 1985, 241-257.)

The characteristics of the brand strategy

1) Global

The brand strategy is that the enterprise adopts the general policy of specific plans or programs in order to create, nurture, utilize, and expand the brand assets and enhance the brand value. It is not to solve the local or individual problem, but a global issue. (Assarel 1985, 241-257.)

2) Chronical

The brand strategy is a concept of long timeliness. Its focus is not current, nor it is the recent future (within 1 year), but the medium-term (about 3 years) and long term (over 5 years). (Assarel 1985, 241-257.)

3) Guidance

The brand strategy enacts the overall macro-plan from the overall point of view, so it has a guiding role to determine the various concrete measures and activities planned of their subordinates. (Assarel 1985, 241-257.)

4) Systemic

Systemic manifestations of the brand strategy include the series of links that are the creation, promotion, development, protection, updates and retreat of brand. It is systems engineering, and all aspects of the system and processes are interrelated and influence each other, and it also can be transformed and connected. (Assarel 1985, 241-257.)

5) Innovation

Developing the brand strategy is a creative process. Each different enterprise has its own conditions. Marketing environment and competitors are also different. They must be targeted to develop strategies that can play a surprise effect. (Assarel 1985, 241-257.)

The implementation of the brand strategy can help the company to adapt to the demand of customer market, expand the market share and promote enterprises to improve the overall quality. It is advantageous to help the enterprise remain energetic in the fierce business competition. (Assarel 1985, 241-257.)

2.4 Brand marketing research

Brand marketing allows customers experience cognitive processes of enterprise brand and products through marketing. Marketing is an organizational function, but also it is a series process of creating, disseminating and transferring value of customers, managing the consumer relationship for the benefit of organization and stakeholders. Brand marketing is not independent, and the brand can work together with the international marketing and network marketing to achieve success. (Armstrong and Kotler 2013, 231.)

Since the US brand theorists Gardner and Levy published their first thesis about brand theory in 1955, brand theory made great progress. At present, the foreign

brand marketing theory has absorbed many elements of different disciplines. Psychology, sociology, anthropology and economics are included. While there was a rational basis and quantitative research on strengthening the emotional and qualitative research, it made the research more perfect brand theory. (Armstrong and Kotler 2013, 80-81.)

Brand in traditional marketing

The marketing mix framework 4P (produce, price, place and promotion), 4C (consumer, cost, convenience and communication) to 4R (relativity, reaction, relation and retribution) has been developed, which reflects the marketing theory that presents the change trend of deepening integration in the new conditions. 4P is the most important factors combined. It requires companies to satisfy the needs from the customers. 4C makes the enterprises pay more attention to research what the consumer needs and desires. 4R allows businesses to establish close contact with customers, and improve customer loyalty. In the era of brand marketing, consumer satisfaction is an important part of the brand business development. When consumers are satisfied, it will keep brand loyalty for a long time. Once the loyalty is formed, it is difficult to accept other brand products. Brand enterprises, in order to obtain and maintain a competitive edge consistently, have to build high quality marketing concept. For example, integrated marketing communication tools (advertising, public relations, and sales promotion) can enhance the brand value. Through market segmentation the brand marketing level can be enhanced. The complete formation of the brand is not new, make brand building only after accumulating to succeed. (Armstrong and Kotler 2013, 80-81)

Brand in internet marketing and network marketing

Internet marketing refers to the enterprises marketing on the base of electronic technology, computer network as the medium and means to conduct a variety of marketing activities in general. Internet marketing functions include website promotion, network, brand, information release, online research, customer relations, customer service, sales channels, sales promotion and so on. For international enterprises, network marketing in general creates a site from the beginning, brand image of the companies before creating a website has been established. Internet will change the mode of operation of an enterprise. Brand marketing is a major change with the Internet business methods. For example, you can expand sales channels in order to provide convenient conditions for companies selling the products, but also it

can increase customer confidence in internet selling platform. On the other hand, it is a convenient way to corporate companies to have a website combined with the online stores, thus building the favorable brand image. (Armstrong and Kotler 2013, 322.)

3 IMPLEMENTATION AND RESULTS OF RESEARCH

How was the research work processed? What kind of research was chosen? Why the selected research methods were chosen? Here are the basic ideas of the research design.

3.1 Qualitative research

Qualitative research is an important research method in this thesis. There is no doubt that qualitative research is in the group of small-scale selected sample of individuals studied carefully. The qualitative research does not require a statistical sense, but with the experience, sensitive and relevant technology the researcher can provide useful insights into the study of the behavior and motivation, as well as the effect they can bring. (Baidu 2007)

At the moment, the main way to do market research is including qualitative research and quantitative research. Qualitative research refers to a method of study from nature. However, quantitative research methods are studied from quantity. Qualitative research is an approach that researchers use to define the problem or deal with the problem. It is marketing research method which can reveal the nature of a thing. In other words, it is the in-depth study of consumer opinion and the reason of consumer behavior. If quantitative research can solve the “what” of the problem, then the qualitative research is the “why” of the question. (Baidu 2007)

In cooperation with the “hard data” acquired from the questionnaire, the result including some “soft data” through in-depth interviews and the data from interview was helpful for summarize the results significantly. It also supported or explained the reason directly. The interview was carried out with the manager Mr. He Xin of New Balance shops in Anhui City. The questions included:

1. What are the advantages of New Balance?
2. What are the disadvantages of New Balance?
3. What is the New Balance product marketing strategy in Chinese market?
4. What is the New Balance brand positioning in China?
5. What are select conditions of the New Balance store location?
6. What are the leading types of New Balance shoes in China?
7. What kind of sales channel does New Balance use to attract customers?
8. What is the concerning competition and opportunities in Chinese market?

3.2 Quantitative research

Quantitative methods are the most fundamental methods in my research work. As we all know, quantitative research is the systematic empirical investigation of observable phenomena via statistical, mathematical or numerical data or computational techniques. The objective of quantitative research is to develop and employ mathematical models, theories and/or hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships. Quantitative data is any data that is in numerical form such as statistics, percentages, etc. (Given, Lisa M 2008, 285) The design was formed in questionnaires. Paper questionnaire, on-site responses, email responses and receivable responses are included in the questionnaires.

There were 14 questions in the questionnaire and 130 questionnaires were published in a professional research website during this survey on 03rd April 2015. The website makes to know more about New Balance customers. The website address is: <http://www.sojump.com/jq/4698648.aspx> Finally, all of the 130 questionnaires were responded by 05th April 2015, so the feedback rate of the questionnaire was 100 %. The questionnaire content is presented as appendices in English and Chinese on the last pages of the thesis.

In order to improve the New Balance sales in China, I designed this questionnaire for research the New Balance advantages and disadvantages and the customers' background and interests. The gender, age group, the favorite sport brand, and the reason for choosing New Balance and so on were included.

3.3 The results of the research

3.3.1 The analysis of the questionnaire survey

There were 14 questions in the questionnaire and the questionnaire is enclosed as Appendices 1 and 2 in the end of the report in English and Chinese. And 130 respondents finished the questionnaires online. The results of the questions and the analysis of the results are as follows.

1. What is your gender?

- Male
- Female

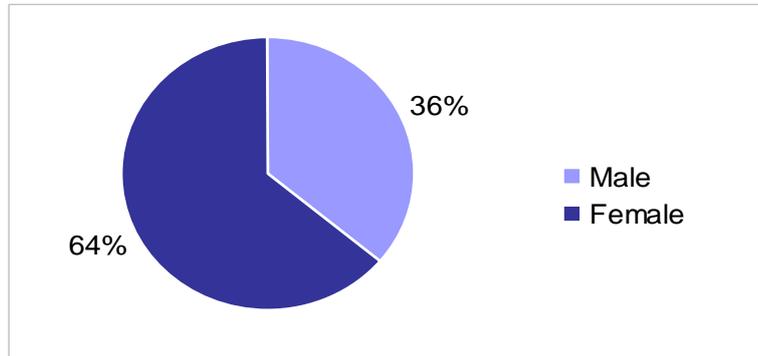


FIGURE 1. Gender of respondents (n=130)

The first question was asking the respondents' gender. According to the pie chart in Figure 1, there are only 47 male customers and 83 customers are female. It can be found that the female customers are the main customer group of New Balance. 64 % of the respondents are female. Female customers account for the larger proportion and male customers take up 36 % of participants.

2. What is your age group?

- Under 18 years old
- Between 18 and 24 years old
- Between 25 and 35 years old
- Over 35 years old

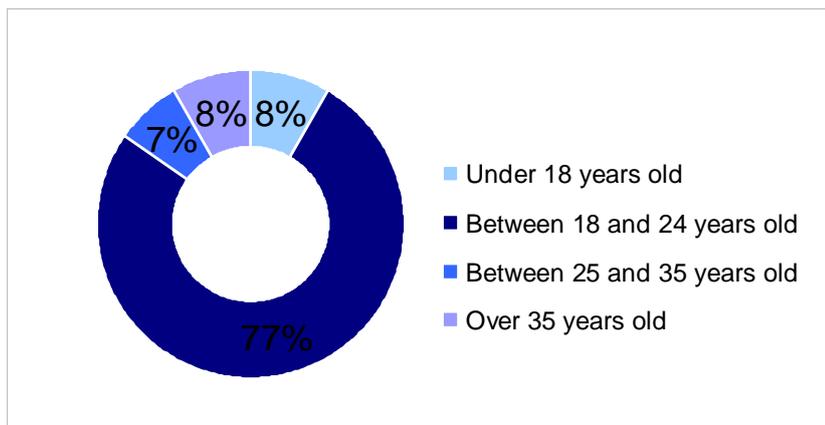


FIGURE 2. Age groups of respondents (n=130)

In the second question, the participants needed to choose their age group. We can see from Figure 2, that there are only 9 respondents and 11 respondents in age groups of 25-35 years old and over 35 years old respectively. These two groups

account for 7 % and 8 %, and take up a small rate of the total age group. However, 11 respondents whose ages are under 18 years old take up the same percentage (8 %) as the age group over 35 years old. Meanwhile, most of the respondents are young adults. We find that 77 % of the respondents are between 18 and 24 years old. The young adults (age between 18 to 24 years old) love popular and fashionable shoes and clothes, and to some extent the young adults also like sports and exercise activities. So the sport shoes are really popular in young adult's life. The New Balance pays more attention to satisfy the young adult needs. To make the New Balance shoes become a fashion trend, it attracts a large increasing number of young customers.

3. How often do you usually buy sports shoes?

- Four times a year
- Two times a year
- Once a year
- Every second year

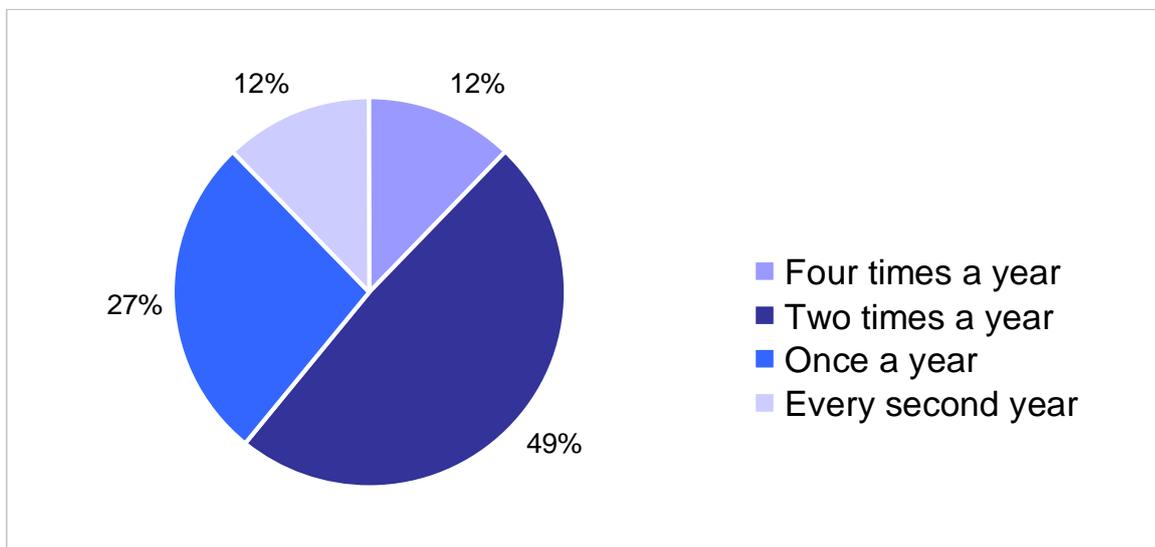


FIGURE 3. How often do you usually buy sports shoes (n=130)

The third question was about the frequency of buying sport shoes. It can be clearly seen from Figure 3 that half of the respondents (50 %) buy the sport shoes two times a year, thus displaying that there is a potential market for New Balance. 27 % of the respondents buy the sport shoes once a year. There are same percentages of the respondents who buy the sport shoes four times a year and every second year. The percentage is 12 %. To some extent, there are 114 respondents who will buy one pair

of sport shoes a year at least. We can deduce that in Chinese market, the sport shoes sales is huge. In addition, as we all know, China has an enormous population, so it is in hard demand. But as a proverb says, every coin has two sides. The big demand also brings the more competition. In Chinese market, the domestic sport brands and some international foreign sport brands are never bored with appealing to customers. In conclusion, the New Balance should cater to Chinese people pleasure to produce more and more fashionable and comfortable sport productions.

4. How much you like sport shoe stores that have their own characteristic and leading products?

- Very much
- Quite much
- Not much
- Not at all

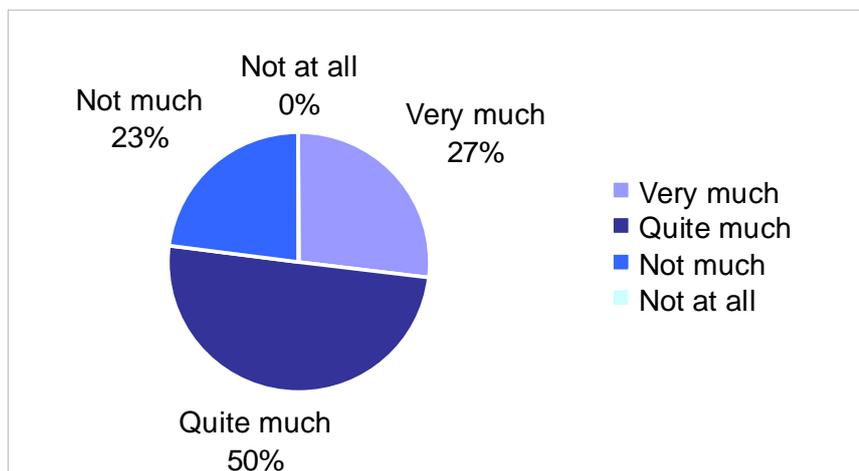


FIGURE 4. Do you like the characteristic sport shoes store (n=130)

As seen in Figure 4, half of the respondents (65) like that the sport shoes store have their own characteristic. Most of them think sport shoes stores that have their unique characteristic will get more attention. 27 % of respondents indicate that they like it very much. It means 35 respondents will support the personality of a store. In other words, the sport stores having characteristic or not will be one of the purchasing decisive factor. There is 23 % of the respondents who do not like the own characteristic features of a sport shoes store. Nobody hates the characteristic sport store. In conclusion, if the sport shoes store has their own special characteristics, it will be good for shoes sales and attract more and more customers.

5. Which one of the following sports brand is your favorite brand?

- Adidas
- Nike
- New Balance
- Li-Ning
- Anta
- Other, what? _____

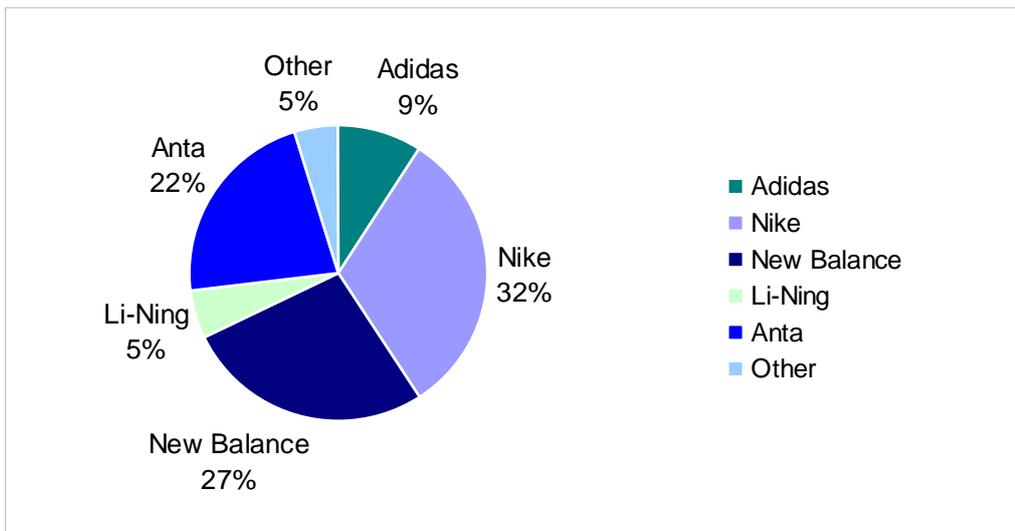


FIGURE 5. The favorite sport shoes brand (n=130)

Figure 5 shows that for 32 % of the respondents their favorite sport shoes brand is Nike. 41 Chinese respondents support the Nike brand. Nike has entered into Chinese market many years ago. To the Chinese, Nike makes a strong impression of good quality and international sport brand. With the economic developing, more and more customers think Nike is not so expensive to them. In other words, they can afford the Nike sport shoes. The second is New Balance, 32 % respondents prefer the New Balance sport shoes. Although New Balance is the second favorite sport shoes brand of the respondents not the first. New Balance is also the popular sport shoes in China and it has so much support that it is extremely difficult when compared with Nike and some domestic sports brand. But if New Balance want to exceed Nike, there are many measures that should be taken. The domestic sports brand Anta accounts for 22 %. 29 respondents favor the domestic Anta, Anta is the most popular domestic sports brand undoubtedly. However, there is only 9 % who like Adidas. The rest of the respondents, 5 % support the domestic brand Li-Ning. Another 5% like some other brands which were not specified. They would like to choose domestic sport

brand Xtep, 361° and Hongxi Erke, Vans and Converse. In conclusion, New Balance should make some ideas to attract more and more customers.

6. How well you know the New Balance brand?

- Very well
- Quite well
- Not very well
- Not at all

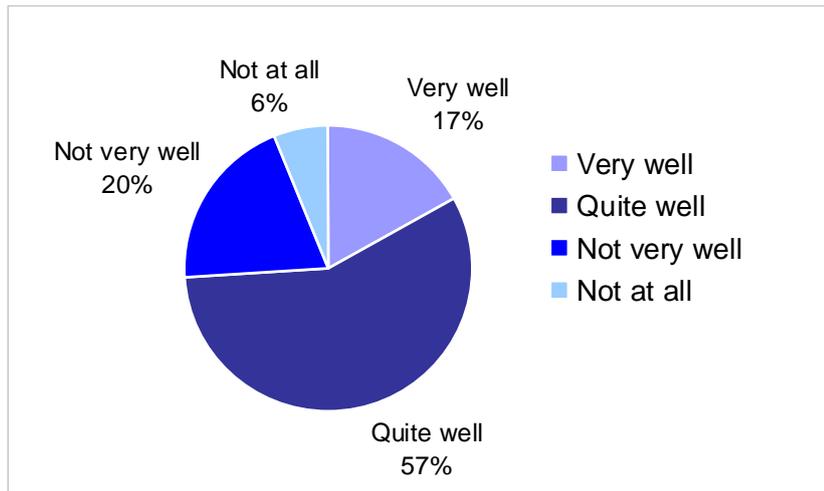


FIGURE 6. How well do you know the New Balance brand (n=130)

17 % of the respondents know the sport shoes brand New Balance very well. As we all know that if the customers know your brand sport shoes very well, they will continue to purchase your products. To some extent, if the customers know what the main series shoes of New Balance are, they know what kind of sports shoes are suitable to what kind of people. 57 % of the respondents are familiar with New Balance quite well. Thus reflecting, New Balance should take some measures to make more and more people to know the New Balance shoes. And 20% of the respondents are not very familiar with New Balance. And 6 % of the people even don't know what New Balance is. There are 34 respondents who do not know the New Balance very well and even don't know this brand.

7. Through what channel did you learn to know about New Balance sports brand?

- Newspaper or magazine
- Radio or television
- Internet
- Friends
- Other, what? _____

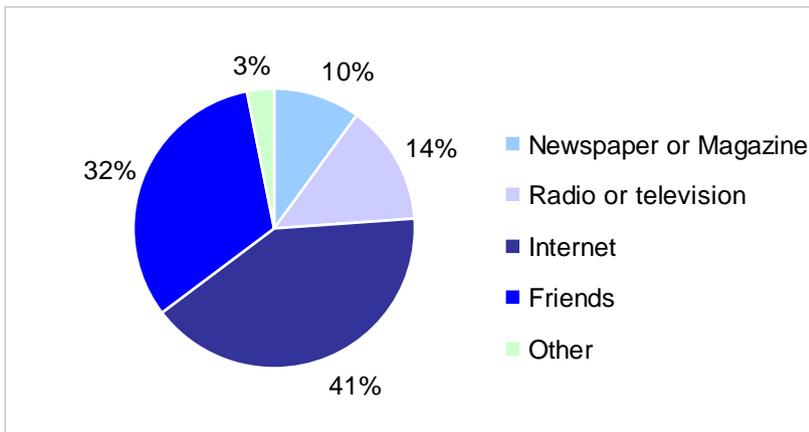


FIGURE 7. The channel to know New Balance (n=130)

Question 7 asked about how the customers know and have impression about New Balance. This question offered five options. If the customers don't know New Balance from the given four options, the respondents can choose the last one and write the way of knowing New Balance. Figure 7 reflects that highest rate accounts for 41 % of the respondents. They learned to know New Balance by internet. The second highest rate is recommendation from friends and it reaches 32 %. There are 14 % of participants who know about New Balance from radio or television and 10 % of customers who know it from newspaper or magazine. Moreover, a fraction of respondents found the New Balance shoes in the mall and store while they were shopping. New Balance publicity is not enough except in internet and newspaper. New Balance should make more and more people know their shoes and products by other new channels of communications.

8. Through what channel did you buy New Balance shoes?

- Store
- Outlet
- Online
- Other, what? _____

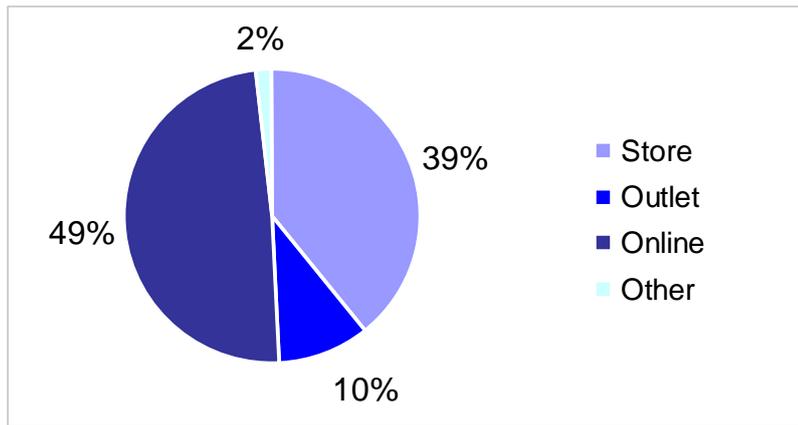


FIGURE 8. The channel of purchasing New Balance (n=130)

The question asks the respondents about the channel of buying New Balance shoes. From Figure 8, it can be seen that there are half of the respondents (49 %) who purchase the New Balance shoes from online shop. The second popular channel for purchasing New Balance is from a store. It includes 39 % of respondents. 10 % of respondents' select option "outlet" and percentage of participants who choose "other" is 2 % who buy the shoes from some other place. New Balance Company recommends the customers buy their products from their store. But with the internet developing, New Balance should provide an official website store to offer reliable products. In addition, New Balance Company should provide more official channels to guarantee that the customers can buy the quality goods.

9. What is the main reason you prefer or buy the New Balance shoes?

- Brand
- Price
- Quality
- Style
- Service
- Other, what? _____

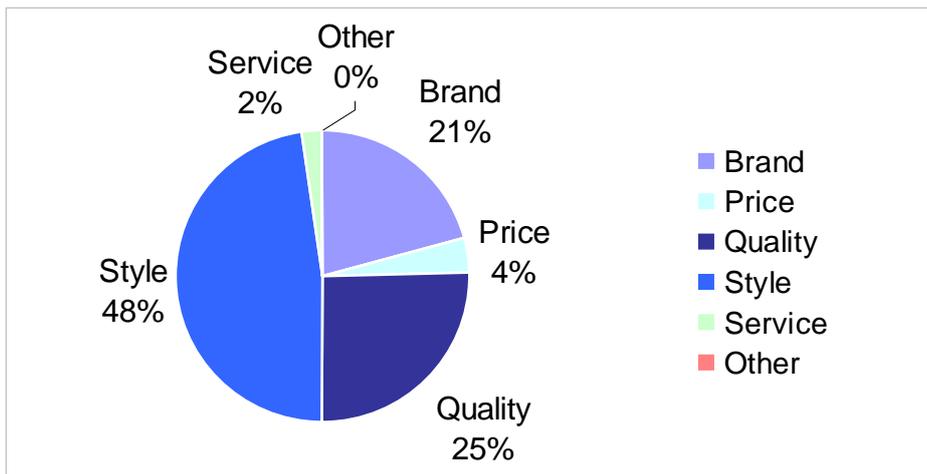


FIGURE 9. The reason you prefer or buy New Balance shoes (n=130)

The result for question nine displays the reasons for participants to choose New Balance shoes. Figure 9 shows that most of respondents (48 %) choose New Balance shoes because the style of New Balance shoes is popular. 25 % respondents paid more attention to quality. 21 % customers put the brand on the first place. There is a fraction people who choose New Balance on account of their price and service. According to the figure, we find that the style of New Balance is suitable for Chinese appreciation of the beauty and the brand, quality is satisfying to the customers. In brief, most of the customers pay more attention to the brand, style and quality of sports shoes. Only by improving these factors, the customers will continue to purchase New Balance shoes.

10. Which type New Balance shoes do you purchase or prefer?

- Classic vintage shoes
- Professional jogging shoes
- Outdoor cross-country shoes
- Evergreen model shoes
- Other, what? _____

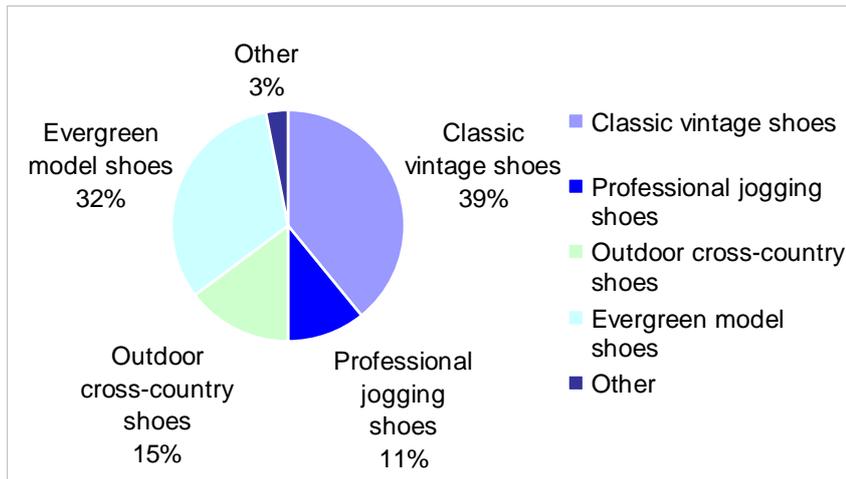


FIGURE 10. You favorite types of New Balance (n=130)

The question ten researches the favorite types of New Balance for respondents. Figure 10 demonstrates that the most popular types of New Balance are classic vintage shoes. The classic vintage is also New Balance leading series. The Evergreen model shoes are also welcomed by the responses. 15 % of the respondents liked the outdoor cross-country shoes while 11 % preferred the professional jogging shoes. However, there is 3 % of respondents who expressed that they prefer or purchase the New Balance shoes decided by the comfort level or with excellent appearance. New Balance should insist the classic vintage shoes and evergreen model shoes as the leading types of sports shoes, by making some new design of these two types shoes and improving the other types of shoes appearance, quality and comfort level, thus appealing to more customers purchasing them.

11. What price group of New Balance shoes you can accept?

- 300-500 RMB
- 600-800 RMB
- 900-1100 RMB
- Over 1100 RMB

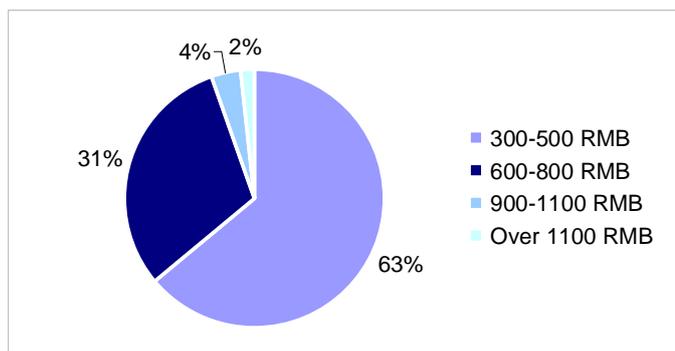


FIGURE 11. The price group of New Balance shoes you can accept (n=130)

To research the price that the respondents can accept is of great importance to New Balance marketing localization position. In Figure 11, 63 % of the respondents can accept the New Balance shoes which price is from 300 RMB to 500 RMB. The second highest rate gets 31 % and these participants express that they can afford the shoes priced 600-800 RMB. There are only 4 % of customers who can accept the price from 900 to 1100 RMB. New Balance shoes which price is over 1100 RMB are too expensive to the customers. Only 2 % of respondents can accept the price. New Balance should make most of the sport shoes priced from 300 to 500 RMB, and make more choices for this price group shoes. Meanwhile, they should also provide some high price and high quality shoes to some customers who are willing to spend more money in professional sport shoes.

12. How probable it is that you continue to choose the New Balance shoes?

- Very sure
- Quite sure
- Probably not
- Not

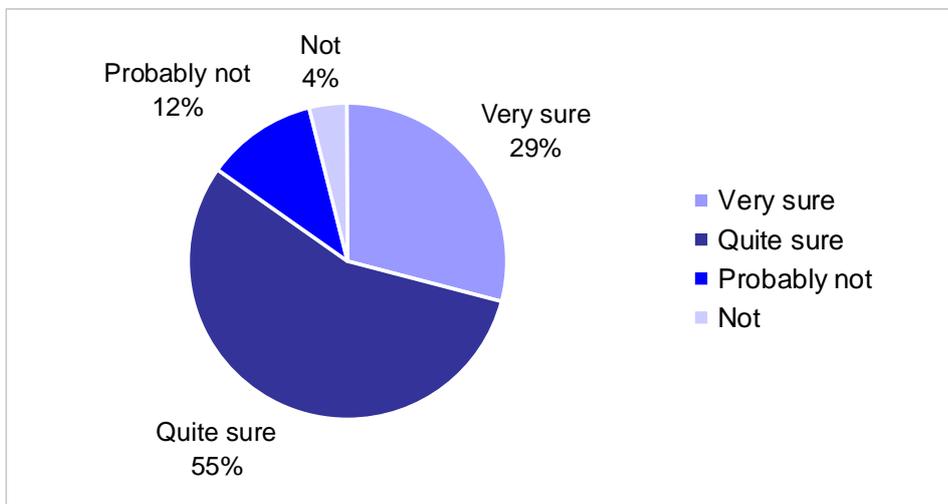


FIGURE 12. Continue to choose the New Balance shoes or not (n=130)

There are 29 % of customers who will go on to purchase the New Balance shoes as we can see from the picture in the Figure 12. More than a half of the respondents remarked that maybe they will continue to buy the New Balance shoes. 12 % of the people think they probably do not continue to buy the shoes. 4 % of the respondents don't want to buy the New Balance shoes anymore. Although 84 % participants show that they will continue to buy New Balance shoes, there are 16 % respondents who

will not continue to purchase. New Balance should find the reasons that customers give up to buy their shoes, and in allusion to find some solutions.

13. What situation will make you give up to buy New Balance sports shoes?

- Assistant poor attitude
- Poor after-sales service
- Bad quality
- Poor availability
- Lack of the favorite style
- Price over your own budget
- Other, what? _____

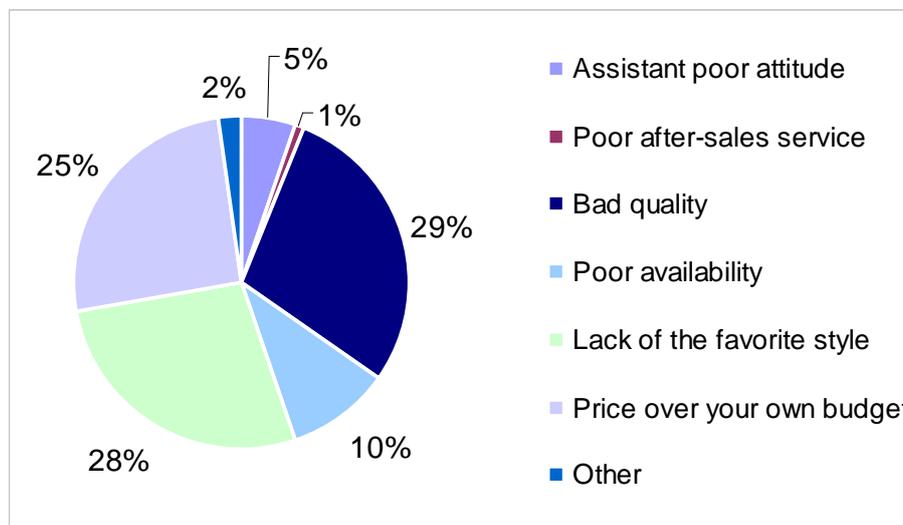


FIGURE 13. The reason of giving up to buy New Balance shoes (n=130)

From Figure 13, we can see that 29 % customers will give up the New Balance shoes if the shoes quality is bad, 28 % will not purchase the New Balance shoes if they are lacking their own favorite style, and 25 % respondents have their own price budget. If the shoes price is higher than the budget, they will give up the New Balance shoes. If the shoes don't have a high availability, 10 % of customers will choose other brand shoes. 5 % of the respondents don't like the assistant to have a poor attitude and it will make them abandon to buy the New Balance shoes. There is only 1% of the customers who care about the after-sales service. Rest of the respondents thinks that if New Balance is not popular anymore, they will choose other sport brand shoes instead of New Balance. New Balance should improve and keep their shoe quality and design more and more as stylish sports shoes, by making more Chinese stars wear New Balance shoes to advertise, thus supporting the New Balance shoes to be more and more popular.

14. How do you expect to New Balance to change in Chinese market?

- Promise the products reliably
- Improve shoes quality
- Provide more color or style to choose
- Add some Chinese art elements

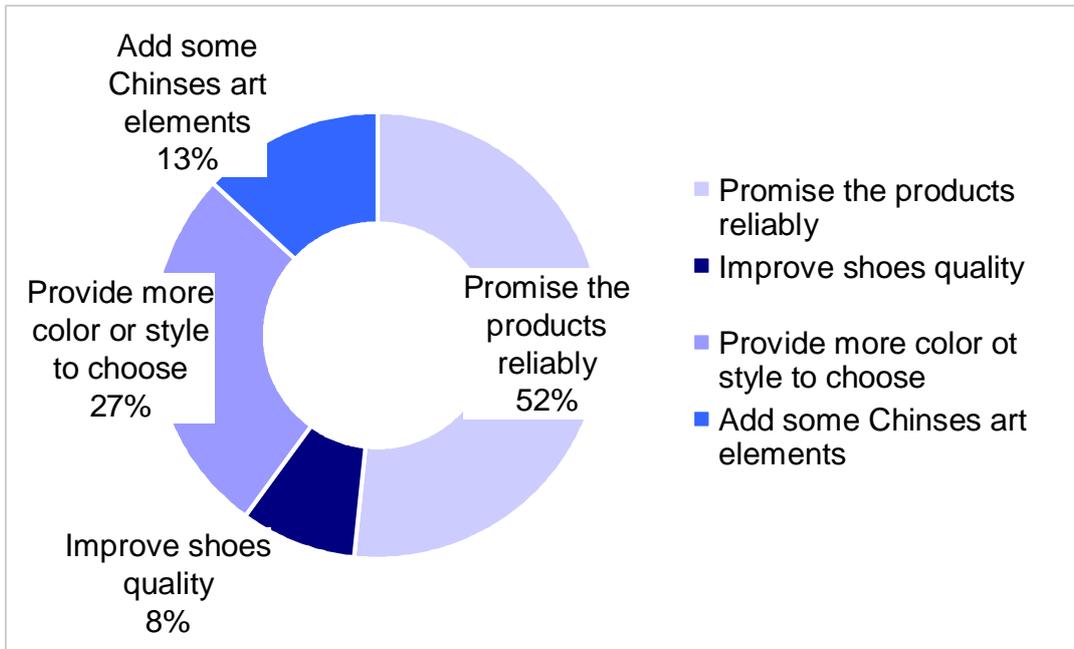


FIGURE 14. The New Balance improvement that you expect (n=130)

More than 50 % of the respondents express that there are too many fake New Balance shoes in Chinese market. It is a serious problem that will influence the sales of New Balance shoes in China. The New Balance Company should adopt some measures to promise the product be authentic. Secondly, 27 % of the responses suggest that the New Balance Company should provide more alternative color or style available. 13 % of the respondents think maybe adding some Chinese art elements in New Balance shoes design would make them more popular in Chinese market, and 8 % of respondents had a opinion that the quality of New Balance shoes should be improved.

TABLE 1. Overall evaluation of purchasing reasons between different gender (n=130)

	Male		Female		Total	
	Number	%	Number	%	Number	%
Brand	9	19.15	18	21.69	27	20.77
Price	2	4.26	3	3.61	5	3.85
Quality	17	36.17	16	19.28	33	25.38
Style	19	40.43	43	51.81	62	47.69
Service	0	0	3	3.61	3	2.31
Other	0	0	0	0	0	0
Total	47		83		130	

According to the research results, from Table 1, we can find that the female respondents whether young or old, they all pay more attention to the shoes style (52 %) and brand (22 %). However, the male laid more emphasis on the quality (36 %) and the second considered factor is style which reaches 40 %. New Balance Company should design more and more fashionable and personal women sports shoes. However, the quality is also an important purchasing reason and it takes up 19 %. And New Balance produces more comfortable and high quality men sport shoes, and these shoes also should be unique and vogue.

TABLE 2. Overall evaluation of purchasing reasons among different age groups (n=130)

	Under 18		18-24		25-35		Over 35		Total
	Number	%	Number	%	Number	%	Number	%	Number
Brand	3	27.27	19	19.19	3	33.33	2	18.18	27
Price	0	0	5	5.05	0	0	0	0	5
Quality	2	18.18	23	23.23	4	44.44	6	54.55	33
Style	6	54.55	50	50.51	2	22.22	2	18.18	63
Service	0	0	2	2.02	0	0	1	9.09	3
Other	0	0	0	0	0	0	0	0	0
Total	11		99		9		11		130

Table 2 is overall evaluation of purchasing reasons among different age groups. We can find that the teenagers and young adults make the style to be the first purchasing factor and it takes up 55 % and 51 %. Teenagers pay more attention to sport shoes brand (27 %) and the third reason is the quality. However, compared with quality and brand, the young adults take more interest in quality (23 %) and then are the brand (19 %). For the adults, aged from 25 and 35 years old and over 35, they think the brand may suggest the good quality. The shoes have a high quality thus making sport and exercise have guarantee to our health and safe. New Balance Company should provide some fashion sport shoes to young adults and teenagers. Meanwhile, they also should offer some high quality shoe for adults and some older customers.

TABLE 3. Overall evaluation of purchasing frequency among different age groups (n=130)

	Under 18		18-24		25-35		Over 35		Total
	Number	%	Number	%	Number	%	Number	%	Number
Four times a year	3	27.27	11	11.11	0	0	0	0	14
Two times a year	8	72.73	47	47.47	1	11.11	2	18.18	58
Once a year	0	0	29	29.29	3	33.33	3	27.27	35
Every Second year	0	0	12	12.12	5	55.56	6	54.55	23
Total	11		99		9		11		130

TABLE 4. Overall evaluation of affordable price group among different age groups (n=130)

	Under 18		18-24		25-35		Over 35		Total
	Number	%	Number	%	Number	%	Number	%	Number
300-500 RMB	9	81.82	69	69.70	0	0	0	0	78
600-800 RMB	1	9.09	26	26.26	2	22.22	2	18.18	31
900-1100 RMB	0	0	4	4.04	4	44.44	3	27.27	11
Over 1100 RMB	1	9.09	0	0	2	22.22	6	54.55	9
Total	11		99		9		11		130

As we all know, the young respondents are usually students. They don't have enough money to buy an expensive sport shoes, and they like to buy several pairs of shoes which are cheaper. Generally speaking, the shoes price is under 800 RMB which these younger adults are willing to buy. The older respondents have certain economic conditions, thus affording the high price shoes. They would like to purchase the shoes which over 600 RMB price. Only 8 customers can accept one pair of shoes which has a price over 1100 RMB. According to Table 4, New Balance Company should control and reduce the price of sport shoes. The company offers in the lower price and beautiful appearance sport shoes to the younger customers. For the older consumers, providing some professional and high price sport shoes can satisfy their needs.

In addition, from research results, we can find that the young respondents almost buy the sport shoes more frequently than older respondents. They care about whether the shoes have their own characteristic. However, the respondents whose age is 18-24 years old, they prefer the international sport brands such as Nike and Adidas. Compared with the young respondents, the older are willing to support the domestic sport brands Li-Ning and Anta.

The age group from 18 to 24 years old knows New Balance very well and they know New Balance shoes from friends and Internet. So they often buy the New Balance shoes in the online shops. The age group over 24 years old knows New Balance quite well, some of them don't know too much about New Balance. Often they

decided to buy the New Balance shoes after they try on the shoes in the store. They think it is a suitable way to test the shoes have a good quality and feel comfortable.

On the basis of the research results, the younger respondents prefer the fashion of Evergreen model shoes, and they hope that the New Balance Company can provide more fashion series shoes, the price being about 300-500 RMB. The older respondents are willing to purchase the high quality shoes; they think the comfortability degree is the most important factor to the sport shoes. If the shoes have a good quality, they can accept the high price. In addition to the situation, the New Balance should increase propaganda to make the customers know the New Balance deeply. They should push out some fashionable and cheap series shoes for younger customers; produce some high quality and classic vintage for older customers. In some Chinese festival, New Balance could organize some activities and give some discount or gift to the customers.

3.3.2 Analysis of the interview

Interview time: 06th April 2015

Interviewee: Mr. He Xin, manager of New Balance shops in Anhui City

Interviewer: Author

Interviewing method: Skype during the interview.

Time: Skype about one and half hour from 14:00 pm to 15:30 pm.

Mr. He Xin was very busy. He told me that, "New Balance established the '3+1' product strategy of New Balance in Chinese market: jogging series shoes, leisure jogging shoes in vintage style, Britain and the US produces series shoes and children shoes. All the marketing and stores, even all resources of New Balance shoes must focus on the three series product and spare no effort to promote these three series shoes. He emphasized that in addition to customers who doesn't know or have very detailed understanding of the New Balance, in order to attract their attention and accelerate the purchasing decision consequently, the New Balance shop assistant need to introduce the advertisements and history of the New Balance shoes. And in the store counter, there are some pictures of stars and well-known people using New Balance, thus promoting the products vividly.

New Balance exerts all their energies to ascend the retail outlets, training and operational level, and accord with consumer shopping habits to display the products. Mr. He regards as the advantage of New Balance that it advertises everywhere. As

we all know, the South Korean TV soap operas are more and more popular in China, and every actor in the soaps likes wearing New Balance shoes thus making so many Chinese willing to purchase the same New Balance shoes.

However, the disadvantage of New Balance is existing. There are many fake New Balance shoes in Chinese markets especially in Taobao which is the biggest website market in China. The fake New Balance makes a bad impression to the customers, some Chinese think that the quality of the New Balance shoes is not good when they buy fake shoes. So we should make sure that customers can buy real New Balance shoes which have a good availability and quality.

4 LOCALIZATION OF NEW BALANCE MARKETING STRATEGY

4.1 History of New Balance Co. Ltd

New Balance Company was created in 1906 by Mr. William Riley at Boston city in Massachusetts. At that time, the company was specializing in the production of arch supports and orthopedic shoes; the name of the company was New Balance Arch Company at that time.

In 1938, New Balance Company made the first pair of running shoes for customers. Due to New Balance have unique experience advantages in the field of shoe and foot care, during 1950s to 1960s, an increasing number of customers' customized New Balance running shoes. Mr. Paul Kidd bought New Balance company in 1956, and according to growth of the demand, the business of customizing shoes were developed dimension, and product running shoes became New Balance main business. In 1962, New Balance launched the series shoes as Trackster running shoes, and in consequence of the application of the science and technology innovation, it provides more choice of the shoes width and it became a star shoe on the market rapidly. (Fundinguniverse 2005.)

In 1972, the chairman Mr. David James bought the New Balance Company, the Boston Marathon event taking place on the same day, and renamed it New Balance Athletic Shoes Company. After four years, New Balance produced the model of 320 running shoes. The model 320 is awarded the best running shoes by the American authority magazine "runner world". The same year, the New Balance Company began to develop international business and expand the product line including outdoor shoes, training shoes and even more exercise shoes production from running shoes. Meanwhile, the company manufactured sportswear and sports accessories in order to satisfy the multifaceted needs of athletes. (Fundinguniverse 2005.)

In 1998, New Balance purchased the Dunham company and expanded the production line to business casual shoes.

In 2001, New Balance acquired the famous canvas shoes brand PF Flyers and enrich the company products in the field of casual shoes, and in 2004 it released a new business brand women shoes Aravon. (Fundinguniverse 2005.)

In 2004, the world's leading hockey ball, ice hockey brand, the Warrior sporting brand was acquired by New Balance Company. And in 2006, New Balance Company made mergers and acquisitions with the famous American sports brand Brine sporting company which focuses on the football, volleyball, hockey and ice hockey products. (Wikipedia 2014.)

In 2011, according to sales rankings, New Balance is in the United States ranked as third, and it becomes the sixth sport goods brand in the world. Compared with other sports brands, New Balance is the only one which produces the athletic footwear brands in the US every year. There are about 7 million pairs of New Balance sport shoes (about 25 % of shipment in the North America) produced by the New Balance factory production in the US. New Balance also has factories in Flimby, Britain. It mainly produces made in England sport shoes for the European market. (Wikipedia 2014.)

From 2011 to 2013, the New Balance sales amount was growing 17 % increasing speed every year. In 2014, the New Balance sales reached \$3.3 billion. The great majority of its earnings growth came from abroad market. The annual growth rate of overseas business sales was more than 25 %. Currently, the New Balance brand awareness achieves an unprecedented standard by comparison to past few years. The New Balance becomes the third-largest sports equipment manufacturers after Nike and Adidas. (Winshang 2015.)

In February 2015, the New Balance announced its entry into the global football market. New Balance Company has acquired the Rockport Company from the Adidas Group by \$280 million. In this way, "White House shoes" hooked the "Presidential shoes". The Rockport has been recognized by the US President George Bush and George W. Bush thus knowing as the "White House shoes" and the New Balance also gets the political leaders favor, known as the "President of running shoes." (Fashionmag 2015.)

4.2 New Balance in China

Here are the events of New Balance in China from 1990 to 2014.

Year	Event
1990	New Balance enters the Chinese market for the first time.
1998-2002	Due to the agent contradiction, trademark disputes

	withdraw from the Chinese market.
2003	Re-enter Chinese market by the agency.
2009	Recover the agency, and set up a wholly-owned subsidiary in China
2011	Shrink product line, main push “3+1” portfolio and classical vintage series, and implementation of the regional single auto mode.
2012	Continue to integrate dealer.
2013	Implement the direct sales store and achieve 886 stores in China.
2014	Implement the dealer scale strategy, and have more than 1600 stores and increasing market investment professional jogging series.

From 1990 to 2014, these years of New Balance history can be dividing into four stages. The first stage is from 1995 to 2003, the second is 2003 to 2007, then the history is from 2007 to 2010, the fourth stage is during 2011 to now.

The first stage of New Balance history in China during 1995 to 2003

In 1995, New Balance through agents Yang Tian (Hong Kong) Co. exclusive agent, entered the Chinese market. The trademark translation was using New Balance common transliteration “NIU BALUN” from Hong Kong, Taiwan and other Chinese regions. In 1995, January 23, the New Balance and Youlian shoes Co.Ltd (Guangdong province) signed a “Commercial Standard License Contract”. The contract stipulated and authorized that the Youlian shoes Co.Ltd could use New Balance’s of three registered trademark on certain goods (shoes) production and packaging, and New Balance had transacted notarization in the United States. (Openlaw 2002.)

In 2000, New Balance found that Youlian shoes Co. Ltd produced and sold with New Balance sport shoes which had registered trademark without the New Balance permission. The New Balance believed that Youlian shoes Co.Ltd was encroached on their brand and resulted in significant economic losses and loss of reputation. New Balance requested the court to order the Youlian shoes Co.Ltd to stop using their infringement of its registered trademark and to compensate the economic losses. Shenzhen Intermediate People's Court of First Instance showed that Youlian shoes Co.Ltd produced and sold shoes with the New Balance trademark in contract period

being legitimate. During OEM trademark disputed lawsuit, New Balance agency business became shriking gradually and in the end New Balance couldn't but exited the Chinese market for a short-term. (Openlaw 2002.)

The second step of New Balance history in China during 2003 to 2007

In 2003, the "Trademark License Contract" with Youlian shoes Co.Ltd was terminated. The New Balance authorized Taiwan agent "Taiwan New Balance Corporation" become the mainland New Balance products sales, and funded to establish "world run International Trade Co., Ltd.". New Balance Co., Ltd. was established in Taipei, Taiwan by Mr. Ke wenchang, Mr. Ke spare outstanding marketing capabilities thus making the New Balance become the third sports brand in the Taiwan. Summarizing the marketing experience of World run International Trading Company in Taiwan market; New Balance began to open first and second tier cities in mainland China by distributors and directly operated stores. They could sell sale New Balance athletic footwear, apparel and accessories. The Company spared no effort to advertise the New Balance shoe as "presidential running shoes" and it was very popular. Different product lines were divided to three types of stores, leisure cultural product shops, professional sports shops and kid product shops were included. In the end of 2005, New Balance stores number was more than 200 in mainland of China. In 2006, the amount of stores became more than 300. (Finetpat 2007.)

But soon, New Balance experienced its second setback in China mainland areas. With the New Balance brand accepted by domestic consumers gradually, an increasing number of counterfeit goods began to appear in the market. The counterfeit goods imitated the appearance of New Balance shoes, and used familiar brand elements as New Balance, such as Niu Barlun. Although, New Balance provided the trademark "NEW BALANCE" to the China State Administration, but did not registered common transliteration "NIU BALUN" as a Chinese trademark. During this period, a company called "Hong Kong New Balance (USA) shoes company" used "NIU BALUN" Chinese trademark to produce and sell shoes. The Hangzhou court requested that the "Hong Kong New Balance (USA) shoes company" should compensate 300,000 RMB for New Balance. But the court thought the "Hong Kong New Balance (USA) shoes company" could continue to use "NIU BALUN" trademark thus making New Balance to give up the common transliteration "NIU BALUN". The New Balance decided to use transliteration "XIN BAILUN" as a Chinese trademark. (Finetpat 2007.)

The third stage of New Balance history in China from 2007 to 2010

Due to the high attention for Chinese mainland markets, the New Balance registered New Balance Trading (China) Company Ltd in 2007 in Shanghai. In this period, New Balance continued to increase investment in the Chinese market. The main initiatives included increased sports marketing and integrated marketing support. With increased investment in the market, the sales of New Balance in the Chinese market improved steadily. Especially New Balance took over the running world trade in 2007 and 2008 Olympic year. Annual sales growth was in excess of 30 %, but this growth rate and the same period with other sports brand, especially domestic brands (such as ANTA) compared to the growth of New Balance's sales growth was still far behind. Especially in 2009, due to the sales strategy and market strategy having certain failures, resulted in sales of stagnation and even lead to negative growth in 2010 sales. (Scimao 2015.)

In 2010, New Balance began a new round of resource integration. New Balance made great success in the Korean market. Distributor E-land Fashion has strategic cooperation with New Balance Trading (China) Co., Ltd. (Scimao 2015.)

The fourth stage of New Balance history in China from 2011 to now

In July 2011, CEO Zhang Hongwen decided to implement the '3+1' product strategy of New Balance in Chinese market. The New Balance main styles in China included jogging series shoes and leisure jogging shoes in vintage style, Britain and the US produces series shoes and children shoes. All the marketing and stores, even all resources of New Balance shoes must focus on the three series product and spare no effort to promote these three series shoes. Because the Korean television soap operas became more and more fashionable in China, the actors in soaps wore the New Balance shoes. The New Balance was approved by Chinese customers. So many Chinese stars, even the Chinese former Premier Wen Jiabao began to wear the New Balance shoes to attend the events. In the end of 2011, the sales had improved by 14.6 %. (Domarketing 2014.)

In 2012, the New Balance sales were increasing significantly. The New Balance began to enhance the stores. New Balance sales increased 12.5 % in Chinese markets. (Sohu 2014.)

In 2013, the sales compared with 2012 sales increased 14.2 %, and the New Balance had 886 stores in 142 cities of China. (Wshoes 2013.)

New Balance implemented the dealer scale strategy, and had more than 1600 stores and increasing market investment professional jogging series in 2014. However, in the beginning of 2015, New Balance had to face the third setback in China. New Balance had to face the lawsuit because of infringing the trademark in Chinese market. On April 24, the Guangzhou Intermediate People's Court believed that the affiliated Company of US New Balance Company New Balance Trading (China) Co.Ltd had used other registered trademark "XIN BAILUN". It causes the violation of other trademark rights. The New Balance must compensate 98 million RMB to the opposite company. (Baidu 2015.)

4.3 SWOT analysis of New Balance

The Formulation of successful brand marketing strategy must be based on the competitive environment of the company and the analysis of the strengths and weaknesses on the company. SWOT analysis is a strategic analysis of an enterprise which is analyzed according to their own internal conditions, and finding out the advantages and disadvantages, core competitiveness. S is for strengths, W means weaknesses, O represents opportunities and T represents threats. S and W are the internal factors. O and T are the external factors. (Wikipedia 2015.)

1) Strength analysis

- New Balance is an American brand that was established in 1906 and has more than hundred years of history. Considering the entire world leader sports brands, only Reebok (founded in 1895, in 2005 was acquired by Adidas) was founded a year earlier than New Balance. The hundred year history not only endow the New Balance unparalleled brand connotation than the younger brand, but also provides the wealth of theme and topic resources for the product design, store design and brand marketing. (Baidu 2015.)
- New Balance spared no effort and devoted them to produce the sport shoes carefully. Pursuing the comfortable shoes as the goal, and combined with the popular sense of design make the New Balance become the perfect innovation representative. As the world leader in sports brands, New Balance company observes the high standards of the ethics, pays more attention to achieve 100 %

customer satisfaction. The company exerts all their energies to improve the shoes appearance and quality. The difference of other sports brand shoes is that New Balance can diverse the customer choice of shoe size. Only the New Balance can provide the shoes that have different widths for the same size shoes. (Baidu 2015.)

- The brand positioning of New Balance is very accurate in the US market. New Balance has serious standards for the adults and kids shoes comfortable level and spares no effort to achieve that. New Balance firmly believes that there is a part of customers who will shift attention to the shoes comfort and the skill of protecting foot from the shoes appearance. But also the customers have strong purchasing power and brand loyalty. Because the unique and correct marketing position and high comfortability, the New Balance has so many famous customers. The New Balance has had political leaders' customers including US President Ronald Reagan, Bush and Clinton, the Chinese former Premier Wen Jiabao. Business leaders' customers have included the Microsoft Chairman Bill Gates and the previous President of Apple Steve Jobs. He always wore New Balance 992 running shoes in each Apple new product conference. The famous American actor Tom Cruise, Pierce Brosnan, Chow Yun-Fat and Jay Chou. New Balance entered the Chinese market, and the promotional theme was a "presidential running shoes " thus enjoying popular support. (Baidu 2015.)
- New Balance is the only brand of sports shoes factories still employing workers in the United States and developed countries like Britain. It provides more employment opportunities for local people. Although New Balance utilizes the original equipment manufacture like other sports brands, designed in Massachusetts Lawrence Global Design Center and then subcontracted to mainland China, Vietnam, Indonesia and other places of professional foundries. New Balance CEO firmly believed that the United States and Britain should retain the factories. It is New Balance social responsibilities to provide job opportunities. New Balance still retains many British and American factories now. New Balance reflects the support for the American mainstream thought in this way, but also to win the recognition of mainstream American society. New Balance became the American middle class favorite sports brand. Meanwhile, as we all know, China and some Asian countries have cheap and huge labor force. New Balance establishes the factories in Asian countries. New Balance also provides some high-end shoes to the Chinese markets. With the changing of domestic

consumption, the demand of high-end running shoes is steadily increasing, and most of people can afford the price of high-end products. (Baidu 2015.)

- New Balance is popular in Chinese market. The question five asks the respondents what is favorite sport shoes in their minds. From Figure 5, “New Balance” occupy a certain proportion. 35 participants think New Balance sports shoes is their favorite shoe and the total respondents are 130. New Balance is the second highest choice. Although the highest rate is Nike, and there are 41 participants choosing Nike. New Balance beats the very famous sport shoes brand Adidas and a lot of well-known domestic sports brands such as Li-Ning and Anta.
- New Balance has a good public praise of good quality and fashion design. From Figure 9, there are 48 % respondents who think New Balance has a modern style, and they prefer to choose New Balance shoes. Meanwhile, a good quality is one indispensable reason why 25 % participants’ decide to buy New Balance shoes. In addition, the New Balance is admitted into 12 % respondents’ fullest confidence. They choose New Balance just because they ardently love the brand. In a word, New Balance is a challenging and competitive brand.

(2) Weakness analysis

- The time is too late to enter the Chinese markets. Although the New Balance came to Chinese market in 1995, and invested resources to generalize. But at that time, the New Balance faced several lawsuits and had no energy to develop market. New Balance began to enhance and operate the mainland market in 2003, however, this time Nike, Adidas and other international brands had entered the Chinese market more than 10 years before. (Baidu 2015.)
- New Balance marketing approach is not conducive to open up new markets and attract younger customer base. Starting in the 1980s it has been following the brand principle without celebrity spokesperson. It is a low-key marketing approach, but the customer accepts this approach even it is very slow in emerging markets. (Baidu.com 2015) From Figure 7 we know that there are only 14 % of participants knowing the New Balance brand by radio or television. New Balance hasn’t had very much TV advertising. The most impressive force is internet and second is hearing from friends. In China, the most powerful transmission is TV. In addition, the television has so many advantages, such as

rapid spread and the influence is huge, making the customers have intuitive sense and they can remember the advertisements for a long time. Because of this, the New Balance advertising, word-of-mouth and reputation is far behind the market leading brand, and so many Chinese don't know the New Balance very well. Just as Figure 6 shows, the Chinese customers know New Balance history and products very well and the percentage rate takes up 17 %. However, more than half of the respondents (57 %) know the New Balance quite much. There are 26 participants who do not know New Balance very well and even 8 respondents who don't know what the New Balance is. If the advertising is not enough and New Balance Company don't find the most useful and suitable publicity of Chinese market, it will influence the sales of New Balance shoes. In other words, if the customers don't familiar with the sport brand, maybe they will not purchase the shoes. There are so many respondents don't know New Balance brand so well, thus making them who do not buy the shoes. In order to deal with this problem, New Balance should enhance the advertising.

- New Balance product line is imbalance. As a sport brand, New Balance pays too much emphasis on performance footwear, and ignores to develop clothes and accessories. New Balance clothing and accessories almost became the foil of the footwear. It can not promote the store sales effectively, thus creating a vicious circle that dealers set up the store that only sell shoes directly, or reducing the counter area and minimizing clothing display. This situation lead to two serious consequences, one of which is New Balance counters become smaller (due to footwear sales can occupy little exhibition space), and on the other hand, the clothing sales become more and more shrunk. The main reasons for clothing poor sales of clothing must be found, because the domestic consumers do not fully understand who New Balance uses the American style mechanically and completely. There is no doubt that the American style quality is very good but it maybe not fashion in China. Other is that the body shape which is very big different between Chinese and American, thus making the size and length not suitable for Chinese. (Baidu 2015.)
- New Balance business integration has been frequent in the past several years; it consumes a lot of valuable corporate resources. For example, in 2011, New Balance reduced the number of stores and the types of the products. In addition, it enhanced the main city store area at the same time. (Baidu 2015.) We can find, from Figure 8, New Balance distribution channel is too simple. The main purchasing channel of New Balance is from the online shop and the percentage

rate gets 49 %. There is 51 participants who buy New Balance shoes from New Balance brand stores. New Balance sole marketing channel has so many disadvantages.

- From Figure 14, we can see that in China, there is so many fake New Balance shoes, it will make a bad impression of New Balance shoes to the customers. In the research, there is more than a half of respondents (52 %) hoping that New Balance Company can provide and promise the products to be reliable. A part of customers think New Balance should provide more choices for types and color, thus reflecting that the New Balance shoes can't satisfy some customers to some extent. They wish the New Balance Company can provide some new design to meet their demands.

(3) Opportunities

- The stock pressure is not big. Because New Balance promote the regular chain model.

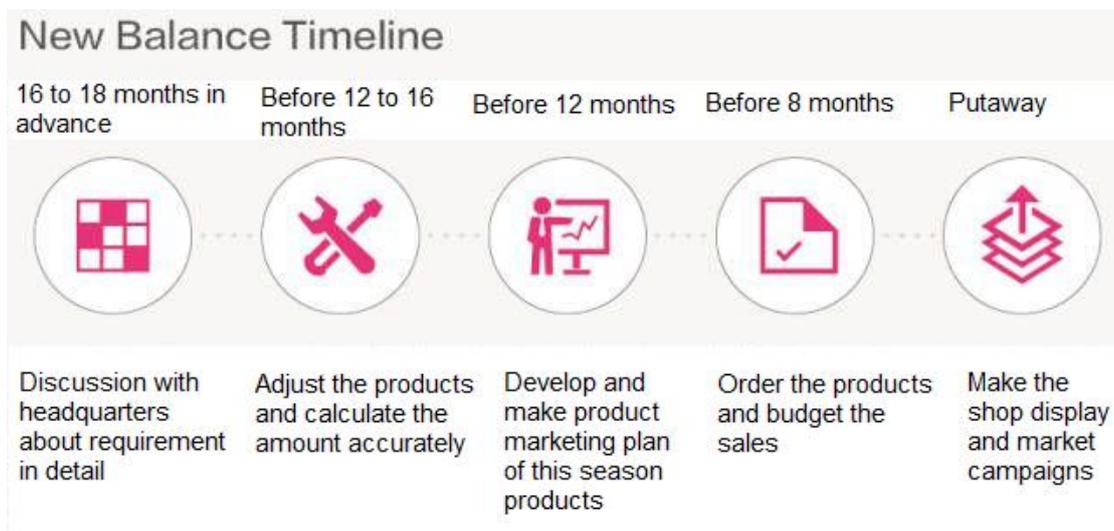


IMAGE 1. Regular chain model (Domarketing 2014.)

16 to 18 months in advance, there are discussion with headquarters about products and colors, the theme of the quarterly products considered, and order quantity for each SKU is calculated. Before 12 to 16 months, the product department must be adjusted for seasonal goods precisely, and communication with the headquarters about the special needs in China takes place. Before 12 months, the market department starts to develop and make product marketing plan of this season products. Before 8 months, the supplier should order the products and according the

requirements to calculate as precisely as possible the most suitable product portfolio dealer and order quantity. The store should put new arrival. According to the direct regular chain model, the store requires the shop display and communication for the marketing campaigns. (Domarketing 2014.)

- New Balance still has not too many stores, from the point of view of the number of stores. Up to 2014, the domestic sport brand Li-Ning has more than 5000 stores in China, but New Balance only has more than 1600 stores. There are no stores in some areas, which are a potential market. From 2014, the international sport brand Nike, Adidas or the domestic brand Li-Ning, 361° have not have very good sales, even the Li-Ning has closed several stores. It is a rare opportunity for New Balance. (Baidu 2015.)
- The Chinese market is a precious deposit to New Balance. As Figure 3 shows the most respondents (49 %) of the survey purchase the sport shoes twice a year. Even some Chinese participants (12 %) show that they buy four pairs of sport shoes in a year. As we all know, the population of China is very large. The markets have too many requirements for the sport shoes. With the society developing, the people increasingly emphasize the health. Everyone has the work stress and life stress. They like doing exercise to relax, thus making a huge market for sporting goods, especially the shoes which are the basic sport goods. Recently, the walking and running is more and more popular in our life. It also improves the sport shoes sales, undoubtedly. (Baidu 2015.)
- The vintage style sweeps around the world and China is no exception. The New Balance main style is classic vintage shoes. It caters to the Chinese taste and is popular. In Figure 10, we can see that the top-selling sport shoes of New Balance are Vintage 574. This option has been chosen by 39 % respondents. The second popular type is Evergreen model and it takes up 32 %. The New Balance shoes are becoming more and more popular in Chinese market.
- New Balance should seize the opportunity and produce suitable goods for Chinese customers. The most important thing is to satisfy the Chinese customer's requirements of New Balance sport shoes. Figure 13 illustrates that the Chinese customers pay most attention to the quality of New Balance shoes. If the New Balance shoes have bad quality, they will give up purchasing the shoes. The second significant factor is the style. There are 28 % respondents who think the style is an important factor. 25 % of the respondents think if the shoe price is

over their own budget, they will not buy the shoes. So New Balance should put the high quality, fashion style and suitable price as a priority when producing the sport shoes.

(4) Threats

- Too many international sport brands are in Chinese market, Nike and Adidas have the absolute preponderance in China. They have high-profile and long history. Other sport brands such as Converse, Puma, and Vans also have a lot of loyal customers. The Chinese domestic brands Li-Ning and Anta also have a good quality and lower price to attract a lot of Chinese customers. As the domestic brand, to some extent, the Chinese government and department will give some priority for the Chinese sport events and campaigns. (Domarketing 2014) As Figure 5 shows Nike has support of most respondents (32 %), and many domestic sport brands such as Li-Ning, Anta, 361 and Hongxi Erke also get some support from 130 respondents. Because of local brand, some Chinese activities and even Chinese government will choose and support these domestic brands. Due to New Balance has almost no cooperation with the large agents, the strength of provincial agency is limited. The funds are not strong enough. The development capacity of the business is weak and development of shop is slow, thus restricting the increase of the number of brand retail outlets. The Chinese market is huge. There is also some international sport brand, including Vans, Adidas and Converse. There are the fierce competition in Chinese sport shoes market.
- Intellectual property protection is not enough, piracy and counterfeit still exists serious. In the Chinese market has so many counterfeit New Balance shoes. It will influence the sales of the New Balance products and destroy the impression of the New Balance. Maybe someone buys a fake New Balance shoe and the quality is bad. He will think New Balance is not comfortable; he will give up buying the New Balance anymore. (Domarketing 2014.)
- There is a serious problem of New Balance. Figure 12 indicates whether the respondents will continue to choose New Balance shoes or not. In 130 respondents, there are 29 % respondents who think they must continue to buy New Balance shoes. More than half respondents (55 %) think maybe they will continue to purchase New Balance shoes. But 15 respondents probably do not continue to choose New Balance shoes and even 4 % respondents will not buy

the New Balance shoes anymore. To some extent to make the customers become regular customers is a tough nut to crack. Taking some measures to attract customers is of great importance.

- Because of the foreign exchange fluctuation, the New Balance has certain financial risks. By the sales impact of the experience, sales agents emphasize too much on footwear products, especially popular retro footwear sales. Each quarter orders concentrates on the retro footwear, and running shoes New Balance representatives of such major brand connotation of product orders insufficient, leading New Balance running shoes image is not fully present. (Domarketing 2014.)

4.4 New Balance marketing strategy localization

Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives. (Wikipedia 2015.)

New Balance stage of brand marketing strategy is to spread and establish high-quality international sports brand image, develop and adapt the localization experience. Not only to allow more runners wearing “presidential running shoes”, but also to satisfy the normal customers comfort and fashion needs. (Domarketing.org.2014)

In enterprise marketing management process, establishing the corporate marketing strategy is the key. Developing corporate marketing strategy is reflected in the design of the marketing mix. To meet the needs of the target market, the enterprise should optimize the combination of the various marketing elements such as quality control, packaging, price and advertising, sales channels and so on. (Domarketing.org 2014)

4.4.1 Product strategy

New Balance will focus on providing for running to the traditional theme of sports and leisure footwear and apparel for the domestic market, specialized functions running shoes and clothing, to retain the current market development of better kids shoes,

small-scale classification of products to try other sports, such as outdoors and training function shoes and clothing, continue to seek the possibility of other sports classification market entry. (Domarketing 2014.)

Because China has a huge market acceptance of differences and the different sports categories from the United States, New Balance in the Chinese market, product categories constitute only three categories, namely: motor function series, sports fashion series, and kids series. The US market is more different, the sports fashion series are New Balance's sales in China's most important and largest classification. (Domarketing 2014.)

In the most important footwear products, New Balance will use the experience and lessons accumulated in the past five years, and select products which are suitable for the Chinese market from the global product line. In each quarter, New Balance makes sure that there is sufficient running shoes series. New Balance will increase the professional running shoes series in the Chinese market. For the field of sports shoes, New Balance will expand in the Chinese market with great success in the 574 product lines, providing more stylish fabric with color and updates. Meanwhile, New Balance continues to expand an important supplement to imports from the UK and the US athletic footwear market, as a sense of brand value built. This will constitute the three main New Balance footwear products over the next five years. (Domarketing 2014.)

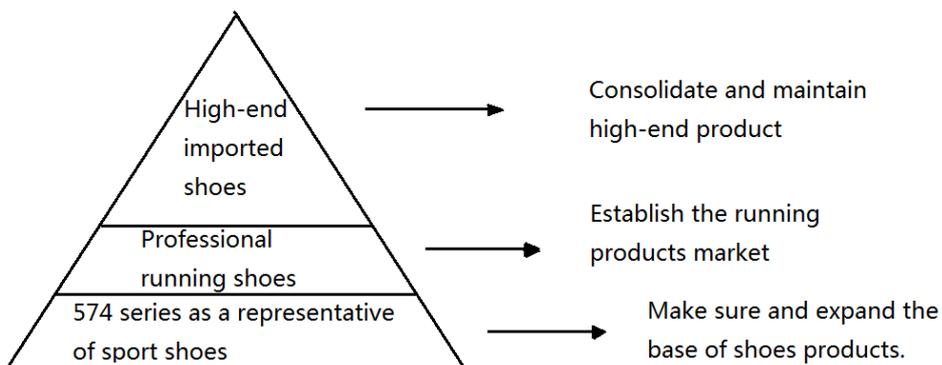


IMAGE 2. The New Balance product model

4.4.2 Pricing strategy

Price positioning is an important factor in the success of marketing strategy. For the Chinese customer who pays more attention to the quality and price, the price can

influence the purchasing behavior directly. At first, the product price should get agreement of the potential customers. Secondly, the value of product should be same as the price of same type product. The third is that after determining the selling prices, profit margin should be resembled with operating same type's product proprietor. (Domarketing 2014.)

➤ Sport shoes

The price of New Balance high-end imports footwear products is between 1000 RMB and 2499 RMB, and it will be accounted for 8 % of the annual number of footwear. The intermediate layer of professional running functional shoes priced between 700 RMB to 999 RMB is about 19 % of the total number of products. The product is located at the bottom of the series of sport shoes priced at between 499 RMB to 699 RMB and accounting for 54 % of the product of the whole. In addition, a part of the products such as the summer sandals and slippers have a lower price (199-399 RMB), accounting for about 18 % of the total products. (Doc88 2014.)

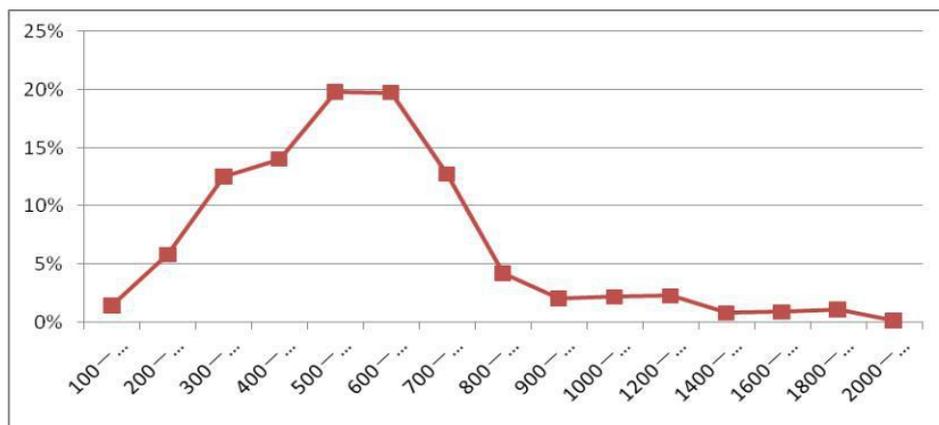


IMAGE 3. New Balance shoes price distribution (Doc88 2014.)

➤ Sport clothing

New Balance clothing is lacking of market competitiveness. Currently, price positioning strategy pays attention to how to have advantages when compared with the same material and clothing styles such as Puma. The summer clothing price is about 100-299 RMB, and spring and autumn price is between 300-899 RMB, while the winter clothing price is between 900-2599 RMB. (Doc88 2014.)

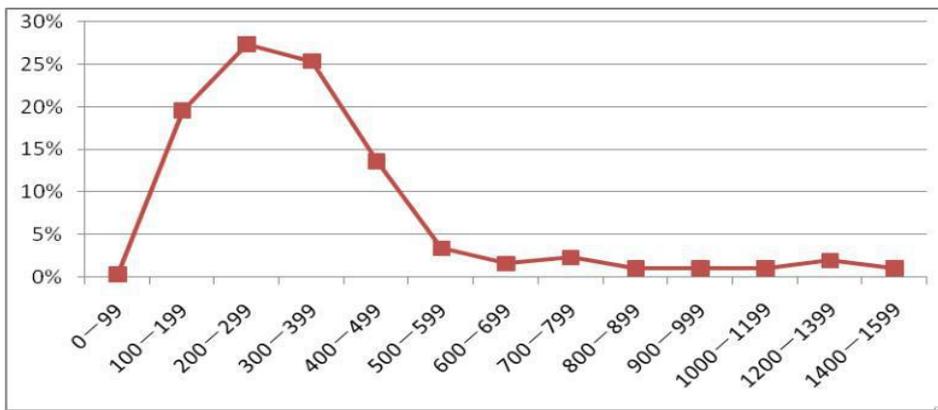


IMAGE 4. New Balance clothing price distribution (Doc88 2014.)

4.4.3 Place strategy

The New Balance channel terminals are mainly through the forward motion integrated chain in the US market. For example, the Sport Authority, Foot Locker, the Athletics' Foot sells to ordinary consumers in recent years. To gradually increase the turnover of sales channels also include mainstream websites like Amazon.com, Shoeshow.com, and Zappos.com, etc. While New Balance sells also through their e-commerce site including shopnewbalance.com, some self-stores and brand factory stores also sell products. (Kidsnet 2015.)

In Chinese market, New Balance devotes them to develop the physical stores. There is more than 1600 stores in China. New Balance attaches importance to the physical store which is located in big cities, for instance, Beijing and Shanghai. The emphatic cities have large population and they have abundant economic foundation. (Kidsnet.com 2015)

In addition, with the internet developing, New Balance begins to have cooperation with shopping website including okbuy.com, yintai.com and Amazon.cn. The most popular shopping website is Taobao. New Balance Company established technical department to manage the flagship store in Taobao. (Kidsnet 2015.)

Meanwhile, New Balance found some reliable cooperative partners. New Balance has cooperation with Zhongwei (Guang dong) commodity limited company. They will have responsibility for the New Balance kids shoes and clothing. (Kidsnet 2015.)

New Balance has cooperation with Fingercroxx, and they created the Fingercroxx and New Balance MT580. It becomes the representative of fashion classic sport shoes. (Baidu 2014.)

4.4.4 Promotion strategy

As a traditional sports brand, New Balance attaches great importance to sports marketing activities. Sports marketing is a method that sports enthusiast as the target customer groups through the organization of sports events, sponsorship and naming, etc to promote sales. It can attract sports fans attention to the tournament that will be held, at the same time, it can broadcast the corporate brand and increase the brand awareness and favorability, thus achieving the effect that sell the products and enhance their reputation. (Mbalib 2015.)

In the aspect of sponsorship, New Balance has sponsored the sports clubs. In February 2015, New Balance has sponsored a series of top-level clubs. Liverpool, Stoke City, Porto and Sevilla Football clubs were covered. These teams will be stationed in international football sponsorship market of New Balance, and these will be a representative of attracting international customers. (Ytsports 2015.) and New Balance replaces Nike as Official Kit Sponsor For Celtic, and New Balance have bagged another big football name by agreeing a deal to be Celtic's official kit sponsor from next season onwards. (Talkingbaws 2015.)

Except to sponsoring a club, New Balance also announced its sponsorship list of players, they are Aaron Ramsey, Vincent Kompany, Nasri, Maro Ani, Fellaini and Tim Cahill, Negredom, Jesus Navas, Fernando Regis and Jelavic. However, New Balance also signed top athletes including US Middle Distance champion Jenny Simpson and other athletes. They are called as "Team New Balance". (Ytsports 2015.)

The New Balance exerts all their energies to sponsored Marathon events including 2009 Korean Seoul Marathon, 2013 Boston Marathon and etc. Even New Balance has worked out the Marathon series (3hk 2013.) In March 2015, England Athletics Official determined collaboration with New Balance. New Balance will provide the sports equipment for the athletics of England Athletics Association. (Ytsport 2015.)

New Balance is willing to sponsor the Chinese marathon events. New Balance has organized the Color Run in Shanghai every year and 2014 marathon sponsor is New

Balance. New Balance organizes, names and sponsors sport events as much as possible. This way, it can attract more and more people to join and to buy the New Balance products. (Blog 2014.)

The New Balance product design is mix into the more fashion elements. In 2015, every quarter New Balance will also introduce neon and detective series, and it is when the spring festival, it will design some Chinese traditional elements. This way, it can helpfully enhance the product story. (Linkshop 2015.)



IMAGE 5. New Balance dragon festival 574 series product (Baidu 2014.)

Advertising

To promote the New Balance shoes, except inviting famous Chinese stars are invited to represent New Balance to promote purchasing. New Balance Company log in a Sina Weibo and design some mini movies as the advertisements. By the story movie to broadcast the New Balance 574 series shoes. RGB Sherlock mini film tells the love story of two young people as an example. Watson asks his girlfriend Sherlock wearing a white dress standing in front of a white wall, the projector image constantly changing actresses' Sherlock clothing, while her foot is always wearing the New Balance gray 574 shoes.

This mini film has spread by internet and been watched over 12 million times. The film not only agrees with the young consumers love, but makes the focal points stand out so that New Balance products can match all kinds of clothing. The most important is that it estimates the customers purchasing desire. (Linkshop 2015.)



IMAGE 6. RGB Sherlock mini film (Baidu 2015)

Personal selling

New Balance Company has so many stores in different cities. New Balance will cultivate the store waiters. They should insight into every series New Balance shoes thus recommending and choosing the favorite suitable shoes for the customers. The store waiters and online shop waiters provide the consult services. It can help customers understand the New Balance shoes deeply.

Sales promotion

The New Balance direct selling stores try their best to choose the best display in order to accelerate the purchasing. They take the famous series shoes such as 574 in the most prominent place in the store. Sometimes, some shoes which are not particularly well known or have poor sales will have certain extent discount. On Chinese online shopping days (11 Nov and 12 Dec), there is some discount of some shoe series in the Taobao website. But most of the time, New Balance doesn't have any discount and gifts to the customers.

5 SUGGESTIONS FOR NEW BALANCE

On the basis of the development of New Balance in China some suggestions is given, in order to help the New Balance get better sales and enhance the business. According to the research results, from Figures 1-5, we know that the sports shoes customers prefer that sports brands have their own characteristic. Meanwhile, most of them often buy the sports shoes two times a year, thus showing that the Chinese sports market demand is considerable. There are some suggestions below for New Balance in detail.

5.1 Adoption of new media and new channels of publicity

From the research results, only 17 % respondents know New Balance brand and shoes very well. 57 % respondents are familiar with New Balance quite well. 28 % respondents don't know New Balance very well; some of them even don't know what New Balance is. In order to deal with this problem, the only useful way is enlarging marketing communication work. Figure 7 show that respondents know New Balance by friends and internet. It means advertising influence of newspapers, magazines, radio and television is useless. Combined with the Chinese situation, TV is the most powerful popularization media. New Balance should invest capital to shoot commercials. It can improve awareness and exposure and to let more people understand New Balance brand.

5.2 Focus on the market positioning

As we all know, and as Figure 10 shows, the popular New Balance shoes series are Classic vintage shoes and Evergreen shoes. New Balance should keep promoting and spare no effort to design these two series shoes. There are 48 % respondents choosing the New Balance shoes because of shoes' style. It means New Balance has the right and lovely characteristic to attract customers for purchasing. So New Balance should focus on the characteristic. In conclusion, New Balance must choose and persevere in the right market positioning. However, 25 % respondents think if New Balance lack of their favorite style, they will give up on buying New Balance shoes. New Balance not only should keep the main series going, but also should create more new style to satisfy customers' needs. According to Figure 11, New Balance should pay attention to formulate the suitable price (about 300-800 RMB) to meet the major customers. 25 % respondents express that if the price is over their

own budget, they will not to continue to purchase the New Balance shoes. So the appropriate price is of great importance.

5.3 Promise the product reliability and improve the quality

29 % respondents will give up buying New Balance, if the shoes have bad quality. 25 % respondents indicate the reason why they prefer or buy the New Balance shoes to be the quality. The research results emphasizing quality are the most significant reason to make New Balance shoes become increasingly popular. New Balance Company should keep the good quality and devote them to improve the product quality. New Balance should pay more attention to the materials research and development of high-tech features, and meanwhile, creating different wide footwear is also important. I think the New Balance should provide better services. On the one hand, according to different characteristic and style customers, New Balance should provide the comfort level of shoes. The waiters should provide the suggestion and consultation service. On the basis of requirement and income level to offer personal tailored shoes should be offered. The customers can design the color and their personal signature on shoes. On the other hand, the after-sales service should be improved. If the shoes have some problem of quality, the New Balance should provide a measure, such as change a pair for the customer.

With New Balance becoming more and more fashionable, there are so many counterfeit New Balance shoes in Chinese market. The promise the products' reliability must admit without delay. New Balance Company should take some measures, such as anti-fake labels.

Everything is changing and the person is choices are covered. With the lifestyle and income developing, New Balance should establish the marketing positioning with the times and fashion standard. They should ensure the developing basic series shoes and increase other series sport shoes entering to the market and stores.

6 CONCLUSIONS AND PROJECT EVALUATION

This research was aiming at finding out the strengths and weaknesses in the business process of New Balance Company, analyzing the New Balance brand localization and marketing strategy, and give some suggestions to improve the marketing of the case company. The thesis report contains six parts; the main contents of the six parts are described as follows.

Introduction part

This part contained three sections. The first section was the introduction of Chinese sports industry. The second section presented the purpose and meaning of the thesis. The last section showed the research objective and method.

Theoretical part

This part contained information on brand, brands marketing strategy and research. There are four sections including: the role of brand, the effect and significance of brand in marketing, brand marketing strategy and brand marketing research. The most important section in this part is marketing strategy. In general, strategic management contains four key factors: strategic analysis, strategic decision, strategic implementation and strategic evaluation and adjustment (MBAlib 2014.)

Research part

This part included the implementation of the research and analysis of the research results. Qualitative research and quantitative research were used as the research methods in the research processes. The qualitative research, the manager of New Balance shops in Anhui City was interviewed by Skype. And the quantitative research included publishing the questionnaire on the research website. The results of the questionnaire have been presented by Figures. New Balance is very popular and has good quality and fashion style. The market strategy is relatively accurate. But the sale channel is simple and many fake New Balance shoes bring bad impression to the customers.

Marketing processes

Marketing processes contained localization of New Balance marketing strategy. This part was introducing the history of New Balance Co.Ltd. The second section described the development of New Balance in Chinese market from 1990 to 2014. Then, analysis of New Balance in China was based on strengths, weaknesses, opportunities and threats. In the end of this part, New Balance localization marketing strategy was included, and it was divided into four aspects: product strategy, pricing strategy, place strategy and promotion strategy.

Suggestion part

The suggestion part concluded the research results and was combined with the information on Chinese markets. The author gives some suggestions to help the New Balance Company become better. The aims are promoting the sales and keeping the customers. Suggestions were divided into three aspects. New Balance should adopt new media and new channels of publicity, focus on marketing localization and promise the products' reliability and improve the quality. The main leading series classic vintage shoes and evergreen model shoes should be kept on production, and some new types and some Chinese art elements. The last but not the least, formulate a suitable price for different kind of shoes should be set, thus providing more choice to the customers.

Conclusion

It took the researcher almost half of year to finish the thesis report. In the beginning, the researcher had no idea what to do and what to write. The process went slowly. Then she accepted the suggestions and guidance from the thesis's supervisor, and lent other thesis report from library, everything became better. In this thesis, the theoretical part is difficult to write. Because the thesis is not only with respect to the brand and brand strategy, but also have some brand localization contents. The researcher spared no effort and paid most attention to finish the thesis. Due to the thesis was direct at the Chinese New Balance customers, the research was hard to implement. When the researcher faced the trouble, the thesis supervisor gave the help about the choice of questionnaire and interview questions. The target of the thesis was New Balance Co.Ltd. The strengths and weaknesses in business processes of New Balance were found after research and the suggestions were given

to the New Balance to improve its business sales in Chinese market. The thesis report will be given to the manager of Chinese New Balance later. The researcher wishes the suggestions will be really helpful.

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QUESTIONNAIRE ABOUT NEW BALANCE ON CHINESE MARKET (IN ENGLISH)

Start by presenting the survey.

I am studying International Business in SAVONIA UNIVERSITY OF APPLIED SCIENCES. My thesis topic is NEW BALANCE OF CHINESE MARKETING STRATEGY, in order to understand the situation of New Balance sport brand in Chinese market comprehensively and consumer awareness of the New Balance sports brand, I designed this questionnaires and I hope you take a moment to fill in this questionnaire. Please click the optimal selections in accordance with your conditions. Thank you.

1. What is your gender?

- Male
- Female

2. What is your age group?

- Under 18 years old
- Between 18 and 24 years old
- Between 25 and 35 years old
- Over 35 years old

3. How often do you usually buy sports shoes?

- Four times a year
- Two times a year
- Once a year
- Every second year

4. How much you like sport shoe stores that have their own characteristic and leading products?

- Very much
- Quite much
- Not much
- Not at all

5. Which one of the following sports brand is your favorite brand?

- Adidas
- Nike

- New Balance
- Li-Ning
- Anta
- Other, what? _____

6. How well you know the New Balance brand?

- Very well
- Quite well
- Not very well
- Not at all

7. Through what channel did you learn to know about New Balance sports brand?

- Newspaper or magazine
- Radio or television
- Internet
- Friends
- Other, what? _____

8. Through what channel did you buy New Balance shoes?

- Store
- Outlet
- Online
- Other, what? _____

9. What is the main reason you prefer or buy the New Balance shoes?

- Brand
- Price
- Quality
- Style
- Service
- Other, what? _____

10. Which type New Balance shoes do you purchase or prefer?

- Classic vintage shoes
- Professional jogging shoes
- Outdoor cross-country shoes
- Evergreen model shoes
- Other, what? _____

11. What price group of New Balance shoes you can accept?
- 300-500 RMB
 - 600-800 RMB
 - 900-1100 RMB
 - Over 1100 RMB
12. How probable it is that you continue to choose the New Balance shoes?
- Very sure
 - Quite sure
 - Probably not
 - Not
13. What situation will make you give up to buy New Balance sports shoes?
- Assistant poor attitude
 - Poor after-sales service
 - Bad quality
 - Poor availability
 - Lack of the favorite style
 - Price over your own budget
 - Other, what? _____
14. How do you expect to New Balance to change in Chinese market?
- Promise the products reliably
 - Improve shoes quality
 - Provide more color or style to choose
 - Add some Chinese art elements

THANK YOU FOR YOUR CO-OPERATION!

新百伦市场调查问卷

我是来自萨沃尼亚的一名大学生，我论文题目是新百伦品牌的中国本土化营销战略。为了全面了解 New Balance 运动品牌在市场中的情况和消费者对 New Balance 运动品牌的认知，我设计了这份问卷，请按实际情况填写，谢谢。

1. 请问您的性别？

- 男
- 女

2. 请问您的年龄？

- 18 岁以下
- 18-24 岁
- 25-35 岁
- 35 岁以上

3. 您一般多长时间购买一次运动鞋？

- 一年四次
- 一年两次
- 一年一次
- 两年一次

4. 您喜欢有主题有自己特色的运动鞋专卖店吗？

- 非常喜欢
- 喜欢
- 一般
- 讨厌

5. 在以下运动品牌中，您最爱的品牌是？

- 阿迪达斯
- 耐克
- 新百伦
- 李宁

- 安踏
- 其他, 请填写_____

6. 您听说过 New Balance 这个品牌吗?

- 很熟悉
- 了解
- 不是很了解
- 不知道

7. 您是通过哪些渠道了解到新百伦 (New Balance) 运动品牌的?

- 报刊或者杂志
- 广播或者电视
- 网络
- 朋友介绍
- 其他, 请填写_____

8. 您购买新百伦运动鞋的渠道?

- 专卖店
- 折扣店
- 网购
- 其他, 请填写_____

9. 您选择购买或者偏爱新百伦运动鞋的主要原因?

- 品牌
- 价格
- 质量
- 款式
- 服务

10. 您购买或者偏爱新百伦哪些类型运动鞋?

- 经典复古
- 专业跑鞋

- 户外越野
- 常青款
- 其他, 请填写_____

11. 您能接受一双新百伦运动鞋的价格是?

- 300-500 元
- 600-800 元
- 900-1100 元
- 1100 元以上

12. 您觉得您还会继续选择新百伦的运动鞋吗?

- 确定会继续购买
- 也许会继续购买
- 也许不会继续购买
- 不会继续购买

13. 以下那种情况会使您放弃购买新百伦运动鞋?

- 售货员服务态度欠佳
- 售后服务不佳
- 质量不好
- 实用性不高
- 没有自己喜欢的款式
- 价格超过预算
- 其他情况, 请填写_____

14. 您觉得新百伦在中国市场有什么需要改进的?

- 假货太多
- 提高鞋子质量
- 有更多颜色或者款式可供选择
- 添加中国艺术元素

感谢你的配合!

INTERVIEW QUESTIONS FOR THE STORE MANAGER OF NEW BALANCE IN AN HUI CITY.

Hello, my name is Yang Ting. I am studying International Business in SAVONIA UNIVERSITY OF APPLIED SCIENCES in Finland. I am writing my thesis report which is to realize the New Balance of Chinese marketing strategy. This interview is one of the research parts of the thesis report.

I will appreciate it very much if you can take your time to answer these questions.

This is really important to me. Thank you for your co-operation!

1. What are the advantages of New Balance?
2. What are the disadvantages of New Balance?
3. What is the New Balance product marketing strategy in Chinese market?
4. What is the New Balance brand positioning in China?
5. What are select conditions of the New Balance store location?
6. What are the leading types of New Balance shoes in China?
7. What kind of sales channel does New Balance use to attract customers?
8. What is the concerning competition and opportunities in Chinese market?

对新百伦安徽分区实体店的管理者的采访问题:

您好，我叫杨婷，现在正在芬兰塞文尼亚应用科技大学就读国际商务。我正在写一篇关于新百伦中国营销策略的论文。这份调查问卷是论文的调查部分。这份调查对我很重要，如果您能花点时间回答一下我的采访问题，我将不胜感激。多谢您的配合！

1. 新百伦的优势是什么？
2. 新百伦的劣势是什么？
3. 新百伦在中国市场的营销策略？
4. 新百伦的中国品牌定位？
5. 新百伦的实体店的店址选择？
6. 新百伦在中国的主打运动鞋类型？
7. 新百伦用什么销售渠道来吸引顾客？
8. 新百伦在中国有什么竞争和机遇？