Luck of the Draw: Creating Chinese Brand Names

In the Asia-Pacific region, supernatural beliefs traditionally are believed to have a strong influence on product sales performance. In particular, name-giving—whether to a person or a product—has a strong perceived connection to fate. This study examined the relationship between branding practices and supernatural beliefs in China. In more than 50 percent of the cases we studied, the creation of brand names was based, in part, on a “lucky” number of total strokes drawn in creation of the characters that spelled out the brand name. Reinforcing that finding was the discovery that brand names comprising a lucky total-stroke number were more common in high-uncertain than low-uncertain market environments.

INTRODUCTION

The “Chinese commonwealth” (including China, Hong Kong, Macao, Singapore, and Taiwan) not only is the fourth-largest global economic power (trailing only Europe, Japan, and the United States; Kao, 1993), but is also one of the world’s largest consumer markets. Global enterprises cannot afford to ignore the Chinese market. An effective means of creating and maintaining a successful and profitable position in a global market is to establish reputable brands (Aaker, 1996) in different key markets. Consequently, developing a powerful brand in the Chinese commonwealth is essential for enterprises with global aspirations.

In China, names often are closely linked to destiny. Selecting an auspicious name for a newborn baby, for instance, can help that baby live a fortunate life (Lip, 1988; Schmitt, 1995). The name-giving tradition has been extended into Chinese business. Numerous studies of branding have demonstrated that Chinese prefer names with positive and fortunate implications, and they often wish to obtain “luck” based on supernatural beliefs (see Ang, 1996; Chan and Huang, 2001a, 2001b; Francis, Lam, and Walls, 2002; McDonald and Roberts, 1990; Schmitt and Pan, 1994).

For those who believe in the supernatural connection between names and luck, the “total stroke number” (literally, the number of strokes used in the creation of the characters that make up a name) is a common indicator of the luckiness of that name (Ang, 1996; Schmitt and Pan, 1994). However, the correlation between lucky total-stroke numbers and Chinese brand names seldom has been addressed.

CHINESE BRAND NAMING, LUCKY NAMES, AND SUPERNATURAL BELIEFS

Four issues are critical in the consideration of Chinese brand-naming practices (Chan and Huang, 1997; Huang and Chan, 1997) there are four critical considerations: First, written Chinese is logographic and very different from alphabetic English. Second, terms or names in Chinese daily life (people, places, brands, or enterprises) are complex. A morpheme is the smallest meaningful unit in the grammar of a language and everyday Chinese actively uses some 3,500 meaning morphemes. Third, the pronunciation of Chinese characters is very simple with only two general compositions: consonant-vowel and consonant-vowel-consonant. Each character comprises just one syllable. Finally,
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the Chinese language is a tonal language, which means that both tone and pronunciation determine meaning.

Because of the differences between Chinese and English, Chinese brand-naming behavior differs significantly from that in English-speaking countries. Chinese people are accustomed to using the 3,500 most common morphemes to name their brands, and each of those names most often has a special meaning. Because Chinese words are comprised of a number of potentially meaningful characters, the underlying meanings of the combined characters in a name are highly valued. Finally, the combination of tones in a name can add another subtle layer of meaning that, in theory, can connote good (or bad) luck.

Chan and Huang (2001a) proposed four general principles for Chinese brand-naming practices. First, a strong Chinese brand name should be a two-syllable word complex. Second, the tone of the second syllable should be high-pitched. Third, the structure of the complex name should have a “modifier-noun” form—more specifically, it should have a noun-noun, adjective-noun, number-noun, or verb-noun form. Lastly, the complex brand name should have positive or lucky implications, as defined in traditional cultures (Chan, 1990; Chan and Huang, 1997; Huang and Chan, 1997). Huang and Chan (2005) further investigated more than 5,000 brand names and found that they used a total of 1,213 Chinese characters; a smaller group of 136 characters appeared in more than 50 percent of the brand names. Among those common characters, 70 percent have meanings that are related to nature, luck, or fortune—a strong suggestion of a positive link between luck and name-giving.

Something is supernatural when it is “beyond the observable universe and transcends the laws of nature” (Bosco, 2003). Chinese people who believe in the supernatural generally expect it to function via various traits of their daily life, including addressing fate, pursuing good fortune, having religious commitment, believing in coincidences, etc. (Pepitone and Saffiotti, 1997). Besides selecting a lucky name with literal meanings, numerous Chinese enterprises try to tap into supernatural beliefs to increase the “luckiness” of their name (Ang, 1996; Francis, Lam, and Walls, 2002; McDonald and Roberts, 1990; Schmitt and Pan, 1994; Tsang 2004a). For example, the traditional principles used by Chinese in selecting baby names (total stroke number and the yin-yang nature—roughly, feminine and masculine) are some of the most valuable and accepted supernatural customs (Ang, 1996; Lip, 1989; Schmitt, 1995).

In Chinese business culture, according to The Economist, “Superstitions remain an important part of business life in both Hong Kong and Taiwan—not to mention China (where Communist rule has failed to wipe them out) and among overseas Chinese in America. The supernatural beings involved come in several forms, including gui (ghosts and devils), a smattering of ji tong (witchcraft), and feng shui (wind and water). Few Taiwanese purchase property or open a new business without consulting both the lunar calendar timing and a feng shui expert location” (Economist, 1993, p. 80).

LUCKY NUMBER OF STROKES AND CHINESE NAMING

Because Chinese people strongly believe the selection of a name is closely related to individual fortune, serious rituals support the practice (Lip, 1988; Schmitt, 1995). Traditional Chinese culture believes that fate is predestined at the time of birth and that a person’s future is determined by the exact year, month, date, and hour of birth. A second tenet, however, holds that an auspicious name can compensate for a lack of luck at birth. So, once a baby is born, its birth time is sent to a specialist in numerology for help in choosing an auspicious name. The methodology stems from the I-Ching (also known as the Book of Change), a work that remains very popular in China, Hong Kong, Japan, Macao, Korea, Singapore, and Taiwan.

There are five main name-selection principles (Li, 2005; Lip, 1988, 1995; Ruan, 2003; Schmitt, 1995; Yu, 2003). First, the name should be meaningful. (Names representing wealth, health, or welfare are particularly popular.) Second, it should also be easy, smooth, and agreeable to read. Third, mathematical calculation can help construct a name that contains an appropriate combination of characters in terms of strokes and yin-yang balance. Fourth, the yin-yang balance must be harmonious. Finally, every Chinese character incorporates a unique composition of the five elements (metal, wood, water, fire, and earth); their alignment within a name in every character is intended to match the elemental alignment at the time of birth.

The same five principles also can be applied to the naming of a brand, with
The name-giving tradition has been extended into Chinese business. Numerous studies of branding have demonstrated that Chinese prefer names with positive and fortunate implications, and they often wish to obtain “luck” based on supernatural beliefs.

one important addition: the arrangement of the five elements for a brand name also must harmonize with the industry to which it belongs, its product properties and its manufacturer’s location. Total stroke number is one of key considerations for Chinese in selecting a lucky name for an enterprise or a brand (Schmitt, 1995); whether the total stroke number is auspicious is always the first consideration (see Ang, 1996; Lip, 1989).

Based on the arithmetic principles involved in luck-related naming theories, 81 different categories of auspicious/inauspicious total stroke numbers exist. If the total stroke number exceeds 81, the number should be divided by 80, with the remainder then used to determine auspiciousness/inauspiciousness (see Table 1). Among these numbers, “1, 3, 5, 6, 7, 8, 11, 13, 15, 16, 17, 18, 21, 23, 24, 25, 29, 31, 32, 33, 35, 37, 39, 41, 45, 47, 48, 52, 57, 61, 63, 65, 67, 67, 81” denote the lucky total stroke number for brand names. Taking “吉利” (Ji Li, auspiciousness), for example, the number of strokes for “吉” (Ji) is 6, while that for “利” (Li) is 7. Adding these two numbers together yields a sum of 13, an auspicious total stroke number.

**TABLE 1**

Auspicious/Inauspicious Number of Strokes

<table>
<thead>
<tr>
<th>Number of Strokes (Auspicious or Inauspicious)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (O)</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>10 (X)</td>
</tr>
<tr>
<td>19 (X)</td>
</tr>
<tr>
<td>28 (X)</td>
</tr>
<tr>
<td>37 (O)</td>
</tr>
<tr>
<td>46 (X)</td>
</tr>
<tr>
<td>55 (H)</td>
</tr>
<tr>
<td>64 (X)</td>
</tr>
<tr>
<td>73 (H)</td>
</tr>
</tbody>
</table>

*O = auspicious; H = bring lucky, but incomplete; X = inauspicious.
Source: Li (2005).
Because of the differences between Chinese and English, Chinese brand-naming behavior differs significantly from that in English-speaking countries. Chinese people are accustomed to using the 3,500 most common morphemes to name their brands, and each of those names most often has a special meaning.

George (1980) indicated that most people find it difficult to make decisions in the face of uncertainty. In Chinese societies, most people display high uncertainty avoidance (Yates and Lee, 1996), evidencing a low tolerance for high-uncertainty situations. Accordingly, Tsang (2004a, 2004b) proposed that Chinese managers are more likely than non-Chinese to seek guidance from supernatural beliefs when making decisions in an uncertain, unpredictable operating environment. This study thus hypothesized that the influences of lucky total stroke number on Chinese brand-naming decisions should be more evident in uncertain market environments.

H2: The outcomes of brand-naming decisions based on lucky total stroke number of Chinese characters are more evident in an uncertain market environment.

RESEARCH DESIGN AND METHOD
This study basically operationalized two variables: lucky total stroke number and market environmental uncertainty.

Lucky total stroke numbers for a lucky brand name are 1, 3, 5, 6, 7, 8, 11, 13, 15, 16, 17, 18, 21, 23, 24, 25, 29, 31, 32, 33, 35, 37, 39, 41, 45, 47, 48, 52, 57, 61, 63, 65, 67, 68, and 81. Strokes are calculated using the contents of the Kangxi Zidian (an official dictionary published by the Ching Empire in 1716) that contains specific counting regulations used in Chinese nomenclature. For instance, when the total stroke number is exceeds 81, the figure is divided by 80; the remainder then determines the lucky/unlucky measure of the brand name.

Additionally, this study classified items into “domestic oriented” and “overseas oriented” products. A domestic-oriented product is said to face less uncertainty than an overseas-oriented product. Some of the considerations have little to do with tradition or the supernatural: Kotler (2002) contended that products entering overseas markets face higher exchange rate, political interference, customs duties, cultural conflict, and other risks. Furthermore, global competition creates additional challenges in maintaining product competitive advantages (Balabanis, Theodosiou, and Katsikes, 2004; Yip, 2003). Consequently, this study considered export-oriented brands as facing relatively high market environmental uncertainty.

Brand-name samples were obtained from two databases. An “Ideal Brand Investigation” conducted by Breakingthrough, a Taiwanese marketing magazine started in 1986 and is still running. Every year, the publication selects more than 100 domestic products, including home supplies, appliances, kitchen-and-lavatory utensils, drinks, food, leisure articles, services, etc. With the lists in front of them, consumers are then asked to choose their preferred brands. The magazine reports the first three ideal brands in each product category. In the first 20 years of data gathering, the study recorded only one instance in which a brand name was repeated in multiple reports. After checking on the “Brand Logo Searching System” of the Intellectual Property Office of the Ministry of Economic Affairs, R.O.C. Taiwan, 655 valid names were selected.

“Branding Taiwan,” our second source for brand-name information, is a directory assembled by the Ministry of Economic Affairs to encourage innovation. Participating products are listed from buyers’ catalogues and compact disks. This study gathered another 547 brand names from 1991 to 2005 on the website “Branding Taiwan” (http://www.brandingtaiwan.org/public/prizeSearch.asp). The research team studied the combined offerings from the two sources and found that no one brand name was reported throughout the entire sample of 1,202 brand names.

The “Ideal Brand Investigation” database consisted entirely of domestic products; items from the “Branding Taiwan” primarily were export-oriented, thereby operating in a highly uncertain market environment.

We used the Goodness of Fit Chi-Square and Binomial tests for hypothesis testing. Regarding the second hypothesis, Pearson Chi-Squared statistics were examined to test the relationship between lucky brand names and market environmental uncertainty.

DATA ANALYSIS AND RESULTS
The number of strokes in each of the 1,202 sampled brand names were calculated and coded by three graduate students.
who were unaware of the purpose of the study. The students were simply asked to use the described procedures to identify lucky/unlucky brand names. One of the authors double-checked the work of the three students. The sample contained 715 and 487 lucky and unlucky brand names, respectively.

The number of existing brands with lucky brand names differed significantly from the number that would have been expected to exist if the names had been selected randomly (X^2 [1] = 43.248; p < 0.001), with more than 50 percent of the 1,202 surveyed brands having lucky names (see Table 2). When 59 percent (p < 0.001) of the sample comprises lucky brand names, the first hypothesis is supported; namely, over 50 percent of Chinese brand names have a lucky total stroke number.

The test of independence, as well as the Chi-Square test of lucky brand names by market environmental uncertainty, resulted in a Pearson X^2 [1] = 4.034 (p = 0.045 < 0.05). The result is just statistically significant, but not strongly significant (see Table 3). This phenomenon indicates that the variable of lucky brand names is associated with the other variable of environmental uncertainty. Table 3 also shows that the proportion of lucky brand names under the highly uncertain market environment is 62.6 percent, exceeding the 56.9 percent found in the relatively low uncertainty environment. Consequently, the second hypothesis is also supported in this study—the influence of lucky total stroke number on Chinese brand names is more evident under high uncertainty market environments.

**DISCUSSION AND SUGGESTIONS**

Supernatural beliefs are an important part of the Chinese world culture. In spite of their common acceptance, however, some managers may be reluctant to admit publicly that they make decisions based on supernatural beliefs. This article analyzed supernatural-belief behavior in Chinese businesses communities without using questionnaires or personal interviews. By doing so, the research team avoided the possibility of getting unethical answers from individuals in response to sensitive questions (Babbie, 2004). Furthermore, this study attempted to empirically examine the relationship between supernatural beliefs and marketing strategic decisions—a scientific investigation that can identify deep associations between traditional nomenclature and brand-naming practices.

This study also found that brand names with a lucky stroke number are more common in high-uncertainty environments. If belief in supernatural beliefs is a response to uncertainty (Malinowski, 1948; Vyse, 1997), one reason why people resort to lucky stroke number in brand naming may an attempt to control the uncontrollable. Personal characteristics—specifically, reducing anxiety reduction and compensation for ignorance—also may influence

### TABLE 2

<table>
<thead>
<tr>
<th>Test Frequency 0.50</th>
<th>Lucky Brand Names</th>
<th>Unlucky Brand Names</th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
<td>Observed Frequency</td>
<td>Significant Level (One-tailed)</td>
<td>Cases</td>
</tr>
<tr>
<td>Lucky brand names</td>
<td>715</td>
<td>0.59</td>
<td>***</td>
</tr>
<tr>
<td>Total</td>
<td>1,202</td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001

### TABLE 3

| **Contingency Table for Lucky Brand Name and Environmental Uncertainty** |
|--------------------------|--------------------------|--------------------------|
|                         | Lucky Brand Names        | Total                    |
|                         | No                       | Yes                      |                         |
| Low environmental uncertainty | 282                      | 372                      | 654                     |
|                          | 43.1%                    | 56.9%                    | 100.0%                  |
|                          | (57.9%)                  | (52.0%)                  |                         |
| High environmental uncertainty | 205                      | 343                      | 548                     |
|                          | 37.4%                    | 62.6%                    | 100.0%                  |
|                          | (42.1%)                  | (48%)                    |                         |
| Total                    | 487                      | 715                      | 1,202                   |
|                          | (100%)                   | (100%)                   |                         |
Auspicious Chinese brand names can create positive brand equity by integrating traditional beliefs and modern techniques. Managers must team marketing personnel with nomenclature specialists to assess, design, and execute brand-naming projects that can successfully create a locally acceptable brand name.
Taiwanese market. Future studies can examine other Chinese markets such as Hong Kong, Mainland China, or Singapore.

One other issue worthy of further analysis is the difference between traditional and simplified Chinese characters and how lucky numbers are impacted by the use of these two different character sets.

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