

Original Research Article

Research on marketing strategies and brand building of multinational corporations in the Chinese market*Enzhe Li**Taylor's university, Selangor Darul Ehsan, 47500, Malaysia*

Abstract: This paper conducts an in-depth study on the marketing strategies and brand building of multinational corporations in the Chinese market. By sorting out relevant theories, analyzing the development status of multinational corporations in the Chinese market, this paper details their marketing strategies in terms of product, price, place, and promotion, as well as brand building strategies such as brand positioning, communication, and maintenance. It also analyzes the practical effectiveness through successful cases. At the same time, the study points out that multinational corporations face challenges such as cultural differences, changes in policies, regulations, and the market environment, and digital transformation. Subsequently, optimization suggestions are put forward, including strengthening cultural integration and localization, adapting to environmental changes, and accelerating digital innovation. The research aims to provide theoretical support and practical references for multinational corporations to further penetrate the Chinese market and for the development of local enterprises.

Keywords: Multinational corporations; Chinese market; Marketing strategies; Brand building

1. Introduction

In the wave of economic globalization, China has attracted numerous multinational corporations with its huge market scale, continuously improving consumption power, and continuously optimized business environment. The development of multinational corporations in the Chinese market not only profoundly affects the pattern of the Chinese economy but also injects strong impetus into global economic growth.

Marketing strategies and brand building are key elements for multinational corporations to succeed in the Chinese market. Effective marketing strategies can help multinational corporations accurately meet market demands and achieve the efficient promotion of products and services^[1]. Successful brand building can shape a unique brand image, enhance brand awareness, reputation, and loyalty among consumers, and thus build a strong market competitive barrier.

2. The current development situation of multinational corporations in the Chinese market

In today's globalized economy, multinational corporations (MNCs) have a significant presence in the Chinese market, influencing China's economic development in multiple ways.

MNCs have expanded their scale across various industries. Initially focused on manufacturing, they've now diversified into services and technology. In manufacturing, automotive and electronics MNCs like Volkswagen have set up large production bases, meeting domestic demand and exporting globally. The service industry has also seen an influx, with international banks, insurers, and consulting firms like McKinsey bringing advanced products and concepts. In technology, giants like Apple have a vast supply chain and R&D centers in China.

Over time, MNCs' strategies in China have evolved. Early on, they exploited China's low-cost labor and resources, targeting the international market^[2]. As China's domestic market grew and consumption upgraded,

they focused more on local demands, launching tailored products. Recently, with China's rise in digital and green development, MNCs are deepening their strategic layout, collaborating with local firms to explore new business models and drive technological progress.

Overall, MNCs in China are large in scale, widespread across industries, and constantly adjusting strategies. Their development benefits both themselves and China, contributing to economic growth, industrial upgrading, and technological innovation.

3. Analysis of marketing strategies of multinational corporations in the Chinese market

During the initial phase of China's reform and opening-up (1978–2000), multinational corporations (MNCs) positioned China as a “world factory,” capitalizing on its unparalleled cost advantages. Factory workers in the Pearl River Delta earned a monthly wage of just 100—1/20 of their counterparts in New York—while land costs remained below 5147.5 billion, with MNCs contributing over 60%, cementing China's role as the globe's manufacturing backbone through OEM partnerships.

The explosive growth of China's consumer market (2001–2015) prompted MNCs to pivot from pure manufacturing to localized strategies. Automakers like Volkswagen redesigned products for Chinese tastes, exemplified by the 2005 Passat Lingyu with a 100mm-longer wheelbase, which sold 100,000 units in its debut year. Fast-food chains such as KFC localized menus, introducing fried dough sticks and soy milk breakfasts that boosted store sales by 40%. Procter & Gamble's 2008 “Township Project” penetrated lower-tier markets via 100,000 mom-and-pop stores, slashing distribution costs by 18%. By 2015, MNCs had established 1,800 R&D centers in China, with Unilever deriving 12% of global revenue from the market—a shift from “made in China” to “made for China.”

Since 2016, digitalization and sustainability have reshaped MNC strategies. L'Oréal's 2022 partnership with Meituan integrated 12,000 offline stores into 30-minute delivery networks, lifting inventory turnover by 27%, while IKEA's 3D virtual showrooms on Tmall achieved a 28% conversion rate, with AR tools cutting returns by 15 percentage points. On the green front, Tesla's Shanghai Gigafactory reached 95% local sourcing by 2023, reducing Model 3 carbon footprints by 35% versus U.S.-made models. Nestlé's Yunnan coffee project employed drip irrigation to cut water use by 40% per acre while raising farmers' incomes by 1,800 annually. Foreign firms invested 47.8 billion (337.7 billion RMB) in R&D by 2022, Siemens' 75%-automated Chengdu factory achieving a 0.3% defect rate. Apple and Tesla dominated 72% of China's premium smartphone and 23% of EV markets, respectively, showcasing the success of “in China, for global” innovation.

This strategic evolution—from cost-driven manufacturing to value-creating localization—fueled a 19.3% annual revenue growth for MNCs in China between 2001 and 2023. Simultaneously, it accelerated China's industrial upgrade, fostering a symbiotic relationship where global expertise and local innovation drive mutual advancement. The journey reflects not just corporate adaptation but a dynamic redefinition of globalization within the world's most transformative consumer market.

4. Analysis of brand building strategies of multinational corporations in the Chinese market

Multinational corporations (MNCs) have crafted sophisticated, data-driven brand strategies to navigate China's dynamic consumer market. Their success hinges on precision brand positioning tailored to China's multi-tiered market structure. Luxury brands such as LVMH's Louis Vuitton leverage Chinese consumers' growing

demand for status symbols, with sales of high-end handbags in China surging 22% year-on-year in 2023. In contrast, mass-market brands like Procter & Gamble's Tide detergent dominate through hyper-localized pricing strategies—its 9.9 RMB (\$1.4) “value packs” captured 63% of China's laundry detergent market in 2022. Automotive brands also adapt: BMW extended the wheelbase of its 5 Series sedans by 133mm exclusively for the Chinese market, driving a 17% sales increase in 2021. This segmentation allows MNCs to target premium consumers in Shanghai's luxury malls while simultaneously appealing to budget-conscious shoppers on platforms like Pinduoduo.

Omnichannel brand communication is critical in capturing consumer attention. While traditional media like CCTV prime-time ads remain influential (a 30-second slot during the Spring Festival Gala costs 1.4million), MNCs now allocate over 451.4million, MNCs now allocate over 4516.5 million in gift card sales. Offline activations also play strategic roles: Coca-Cola's AI-powered vending machines at Chengdu's Taikoo Li mall boosted foot traffic by 30% through personalized packaging. MNCs further embed brands into China's cultural fabric—Uniqlo's collaboration with the Palace Museum on UT collections sold out within three hours, blending global design with Chinese cultural heritage.

Agile brand innovation ensures relevance in China's fast-paced market. Rigorous quality control remains paramount—Audi's 2022 recall of 120,000 vehicles due to software issues, resolved within 45 days, helped maintain its 21% share of the luxury car market. Innovation drives growth: L'Oréal's 2023 launch of collagen-boosting serums tailored for Asian skin types captured 18% of China's premium skincare market within six months. Digital integration is key—IKEA's metaverse store on Taobao, featuring AR furniture placement tools, reduced return rates by 28% while increasing average order value by 15%. Sustainability has also become a differentiator: Tesla's Shanghai Gigafactory achieved 95% battery material recycling in 2023, resonating with China's eco-conscious Gen Z, who account for 58% of its buyers.

Through this triad of strategies—segmented positioning, culturally resonant engagement, and tech-driven innovation—MNCs like Apple (holding 72% of China's premium smartphone market) and Nestlé (achieving an 8.3% CAGR in China since 2018) have evolved from foreign brands into localized icons. These efforts underscore a critical lesson: thriving in China's \$6.3 trillion consumer market demands not just adaptation, but relentless reinvention.

5. Case analysis of the successful marketing strategies and brand building of multinational corporations in the Chinese market

Take Apple Inc. as an example. Its marketing strategies and brand building in the Chinese market are exemplary. In terms of marketing strategies, Apple accurately grasps the demand trends of Chinese consumers for high-end technology products. By creating sleek, fashionable, and highly technological product designs, from the thin and light iPhones to the delicate MacBooks, it meets consumers' pursuit of quality and aesthetics. At the same time, Apple adopts a scarcity marketing strategy. Before the release of new products, it reveals a small amount of information through various channels, triggering strong curiosity and anticipation among consumers. During the release period, products are supplied in limited quantities, further fueling the rush to purchase. In terms of sales channels, in addition to official direct stores, Apple also cooperates with major high-quality distributors in China to expand its sales network, making its products accessible to a wider range of consumer groups.

In terms of brand building, Apple focuses on shaping a unique brand image. It emphasizes innovation, simplicity, and user-friendliness, positioning itself as a leader in the technology industry. Through advertising

campaigns, it highlights the powerful functions and unique experiences of its products, conveying the concept that “technology changes life,” so that consumers recognize that Apple products are not just tools but also symbols of a lifestyle. In addition, Apple actively organizes brand activities. For example, it holds developer conferences to attract local Chinese developers to participate, enriching the application ecosystem and enhancing user stickiness. Through continuous brand investment and construction, Apple has established a high-end, innovative, and reliable brand image in the hearts of Chinese consumers, becoming a brand that many consumers aspire to own.

Another successful case is The Coca-Cola Company. In terms of marketing strategies, Coca-Cola has a deep understanding of Chinese culture and consumption habits and conducts localized marketing. For traditional Chinese festivals, it launches products with packaging featuring festival elements. For example, during the Spring Festival, the packaging is printed with traditional Chinese patterns and blessings, narrowing the emotional distance with consumers. At the same time, it actively carries out online and offline interactive marketing activities. It uses social media platforms to hold creative topic activities, encouraging consumers to share and participate, thereby increasing the brand’s topic popularity and exposure. In terms of product flavors, it has also made some local adaptations, launching products that meet the taste preferences of Chinese consumers. In terms of brand building, Coca-Cola has long adhered to conveying brand values of happiness and vitality. By sponsoring sports events, music activities, etc., it closely links the brand with a positive attitude towards life. Its iconic red packaging and unique brand logo have extremely high recognition in the Chinese market, making Coca-Cola a leading brand in the beverage market and deeply loved by consumers of different age groups.

6. Conclusion

This study systematically analyzes the marketing strategies and brand building of multinational corporations in the Chinese market. It is found that they show a large scale, wide industry distribution, and diverse characteristics in different development stages. Multinational corporations have taken a variety of effective measures in marketing strategies and brand building, and successful cases have also verified the effectiveness of these strategies. However, multinational corporations face challenges such as cultural differences, changes in policies, regulations, and the market environment, and digital transformation. Therefore, corresponding optimization suggestions have been put forward. Nevertheless, this study has certain limitations. For example, the case analysis does not cover all types of enterprises, and the data collection is not comprehensive and in-depth enough. In the future, with the development of the Chinese market and changes in the international economic pattern, multinational corporations in China will face more new opportunities and challenges. Further in-depth research is needed on accurately grasping the needs of consumers at different levels, using new technologies to innovate marketing and brand communication methods, and the coordinated development of multinational corporations’ investments in China and their global strategic layouts.

References

- [1] Wu Qian. Research on the Marketing Strategy of Wood Coatings of Company A [D]. Jilin University, 2024. DOI: 10.27162/d.cnki.gjlin.2024.005298.
- [2] Pang Wenying. Research on the Localization of Multinational Corporations’ Marketing Strategies — Taking KFC as an Example [J]. *International Brand Observation*, 2023, (15): 34-43.
- [3] Feng Fei. Research on the Social Media Marketing Strategy of Foreign Enterprise G [D]. Central University of Finance and Economics, 2023. DOI: 10.27665/d.cnki.gzcju.2023.000453.