

Japan Brand Equity & Architecture

A. Background & Business Context

Hitachi, a longstanding Japanese consumer brand, has been acquired by Bosch, a German corporation. This acquisition creates both a strategic opportunity and a critical decision point: **How should the combined entity position itself in the Japanese market- particularly across the residential air conditioning category?**

Both brands carry significant heritage. Hitachi has deep recognition in Japan. Bosch, while globally prominent, is not a prominent AC brand in Japan. However, Bosch does have a presence in the automotive, power tools and limited home appliance footprint in Japan. The spillover of Bosch brand equity specifically to the AC category is unknown.

An additional dimension involves *Shirokuma-kun*, a polar bear mascot associated with Hitachi's AC business. It is currently an active marketing asset and a product brand name. There is an internal discussion about whether *Shirokuma-kun* could serve a stronger role- potentially as a standalone product brand- given its potential affinity and recognition among Japanese consumers.

Critically, any brand architecture decision must be evaluated in the context of a highly competitive AC market dominated by Japanese brands. This research needs to address a full competitive picture alongside brand equity and consumer perception.

B. Business Objectives

1. Bosch Brand Equity and Baseline in Japan

What do Japanese consumers know and think about Bosch? Does any recognition exist from automotive or other categories, and does it transfer to residential AC category?

2. Brand Architecture Decision

Should the Japan AC market operate under Hitachi only, Bosch only, or both brands- and how does this compare to what consumers expect from competing brands?

Scenarios for Japan:

- a) Keep status quo. Only have Hitachi - Shirokuma-kun brand
- b) sell both Hitachi – Shirokuma-kun and Bosch
- c) withdraw Hitachi, sell Shirokuma-kun only
- d) withdraw Hitachi – Shirokuma-kun, sell Bosch – Shirokuma-kun only
- e) withdraw Hitachi-Shirokuma-kun, sell Shirokuma-kun and Bosch separately

3. **Consumer Ethnocentrism & Country-of-Origin**

To what extent does country-of-origin influence Japanese consumers' AC purchasing decisions, and how does this affect receptivity to a German brand vs. Chinese brands vs Japanese brands alternatives?

4. **Shirokuma-kun Assessment**

What is awareness, affinity and trust associated with Shirokuma-kun?

Do consumers connect it to Hitachi, and does that connection transfer brand equity?

Could it credibility stand as a product brand in its own right?

C. Research Objectives & Key Questions

1. **Bosch Brand Equity Baseline in Japan**

Establishing Bosch's starting point in Japan is the most critical outputs of this study. Whether cross-category equity is meaningful, positive, or transferable to AC to be measured.

- Spontaneous and aided awareness of Bosch among Japanese AC buyers- including whether the brand is recognised in a consumer context.
- The primary source of any recognition: automotive, power tools, home appliances. Do consumers even know Bosch sells consumer products?
- Brand image and associations where awareness exists – and whether a “German engineering” halo is relevant or meaningful in the AC category specifically.
- Whether any sub-segments (e.g. younger homeowners, internationally exposed or premium-oriented buyers) show meaningfully higher awareness of affinity for Bosch. >
- Customer reaction to learning that Bosch has acquired Hitachi's AC business- does this change perceptions of either brand, or in which direction?

2. **Consumer ethnocentrisms & Country-of-origin effects**

Japan has a strong domestic brand heritage in electronics, household appliances, including Residential AC. To understand the dynamic of ethnocentrism to provide

批注 [DS1]: To see if there are any existing studies internally related to sub-segments in JP that has a preference for the Bosch brand? Then we can have some hypotheses and recruit accordingly.
If we don't have such data, let's use this survey to identify the results. We can have some profiling questions, and we filter/analyze the results of those who prefer Bosch to see if there are any sub-segments identified.

the context for interpreting the Bosch equity findings and the brand architecture options.

- Measure the degree of consumer ethnocentrism, test against sub-segments (younger, internationally-exposed or premium-oriented buyers)
- Determine whether country-of-origin effects are particularly pronounced in the AC category
- Examine how ethnocentric tendencies vary across age groups, household types, and levels of international exposure
- Assess how German origin is perceived relative to Japanese and Chinese origin (or other key countries from the list of Res AC brands prominent in JP). The countries should be tested separately, not grouped together as “foreign”. The German-Japanese dynamic may be distinct from other foreign brands.
- Explore whether a “German engineering precision” narrative could offset domestic brand preference- or whether it is simply not salient to how Japanese consumers choose AC brands.

Given the nature of this topic, suggest measurement tool to measure both conscious and unconscious consumer beliefs.

Examples:

Conscious testing such as: CETSCALE

Unconscious testing with neuromarketing tools such as: Implicit Association Test, ERP/EEG

3. **Shirokuma-kun Assessment**

Assess Shirokuma-kun potential for a stronger brand role and how it interacts with the brand architecture question:

- Awareness: Spontaneous and aided recognition of Shirokuma-kun
- Affinity: Emotional associations and sentiment of Shirokuma-kun
- Do consumers intuitively connect Shirokuma-kun to Hitachi specifically for AC category? What does this connection do to perception of each- and does it transfer trust?
- Branding potential: Would consumers trust an AC branded “Shirokuma-kun” as much as one branded “Hitachi”? Is it seen as a credible AC brand or firmly as a

marketing character?

D. Existing Research & Data Available

Sato san to include what brand-related studies we have related to Hitachi and competitors so that we can build on top of those findings

E. Target Audience

- Japan (nationally representative)
- Age: 25 and above
- Recent purchasers of Res AC unit (within the past 24 months) OR consumers intending to purchase a Res AC within the next 12 months.
- may want to change age and purchase qualifier criteria considering that this brand architecture may affect those who are purchasing AC later in the timeline

F. Proposed Methodology

Agency to propose and justify recommended design, considering the existing research that will be made available.

Timeline: Report findings to be out by end August

Below is directional for discussion:

Qualitative Phase (Exploratory)

To explore:

- Instinctive reactions to Bosch in a consumer and AC context (cross-category equity transfer, emotional response to country of origin)
 - Reactions to Shirokuma-kun stimuli and brand architecture concept pairings; how consumers describe trust in their own language
- E.g. Stimulus cards, staged probing, disclosure of exercise, etc. Possible to explore scenario immersion for Bosch or brand narrative for Shirokuma-kun too. To be discussed and recommended.

Quantitative Phase (Evaluative)

- Bosch brand equity baseline module- source of awareness probing and cross-category transfer measurement

- Brand architecture scenario testing – (concept testing, paired comparison/conjoint, implicit association test, etc. To be discussed and recommended)
- Country-of-origin and ethnocentrism module
- Shirokuma-kun module: awareness, affinity, Hitachi linkage, trust transfer, and strategic fit with brand architecture scenarios
- Contextual Hitachi and competitive benchmarking – lite version to allow Bosch equity scores to be interpreted against existing competitive baseline