

Analysis on the Strategic Brand Competition Path of Foreign-funded Enterprises from the Perspective of Economic Globalization

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Abstract: In the context of economic globalization, it is an irresistible trend for countries to strengthen ties in all aspects; especially economic ties. Foreign enterprises gradually start to go to other countries, including building factories in other countries, making investment, buying local brands and so on. This phenomenon of globalization greatly promotes the development of global economy. However, there are some problems when foreign enterprises invest in local development. Therefore, this paper expounds the development status of foreign-funded enterprises in the perspective of globalization and the existing problems in strategic brand competition, and puts forward relevant suggestions for the future development path.

Keywords: Economic globalization; Foreign-capital enterprises; Strategic branding; Competition in the path

1. Introduction

Economic globalization has been an irresistible trend and trend, so it is necessary to strengthen ties with various countries, especially economic ties. Foreign-funded enterprises have also developed, but there are still many problems in the process of development. For example, mergers and acquisitions of joint ventures or disguised mergers and acquisitions of local brands bring great threats to local brands. To achieve better development, foreign-funded enterprises must formulate reasonable business strategies and fully understand and solve the existing problems.

Therefore, in order to explore the foreign capital enterprise in the economic globalization under the perspective of strategic path of brand competition, this article mainly studies the foreign capital enterprise development present situation and the problems in the process of development. And according to the current situation of development and existing problems, the paper puts forward relevant countermeasures for foreign enterprises getting better development of constructive suggestions.

2. The Development Status of Foreign-Funded Enterprises in the Perspective of Economic Globalization

Economic globalization is an irresistible trend and trend at present, and the economic relations among countries are getting closer and closer. Only through mutual cooperation and mutual learning can an economy achieve

better development [1]. Under the background of current economic globalization, foreign-funded enterprises have achieved rapid development, greatly promoting the development of corresponding countries and strengthening the links between countries. After investigating the development status of a country, foreign-funded enterprises invest capital and technology in the country by way of investment, merger and acquisition, so that their industries have branches in different countries. According to the market characteristics of different countries and the differences of consumers, different schemes have been designed in terms of products, marketing channels and sales means, so that foreign-funded enterprises have certain popularity in other countries and their brands have begun to be known by people all over the world. Under the background of economic globalization, the foreign capital enterprise got rapid development. However, with the subsequent development, a series of problems have been gradually exposed, including different degrees of problems in the aspects of sales channels, brand awareness and publicity cost. In order to achieve development, foreign-funded enterprises must pay attention to the problems in the development process.

3. Problems Existing in Strategic Brand Competition of Foreign Enterprises

When foreign brands enter the market of the host country, local residents are not familiar with foreign brands and corresponding foreign brands, and foreign enterprises are not familiar with the local market environment, leading

to relatively large barriers to entry, that is, great difficulties in the early stage of entering the market of the host country. However, as time went on, other problems began to emerge. Here are the main ones.

3.1. Consumer differences lead to entry barriers for foreign brands

Consumers tend to have a strong preference for a certain brand. Some local brands have been around for a long time, and consumers have had a full understanding of local brands, so consumers prefer local brands in preference. When foreign brands enter, consumers do not know the corresponding foreign brands, and consumers in different countries are also different, so foreign brands have certain entry barriers, which makes foreign brands occupy a small market share and do not have competitive advantages. That is to say, when foreign brands enter a country, it is difficult for them to break the existing market situation in a short time. The existence of consumer differences makes it difficult for foreign brands to enter the market of other countries, and they need time to cushion.

3.2. The high cost of publicity

When foreign brands first enter a country, consumers in that country are not familiar with the corresponding foreign brands, so the cost of publicity is relatively high in the early stage of entry [2]. When foreign enterprises invest in a certain country, they need to spend a large amount of money on advertising. Only after a wide range of advertising, can consumers gradually understand the relevant brands. On the other hand, it takes quite a long time to build a brand. Foreign enterprises will enter the market of other countries through joint ventures or mergers and acquisitions, and gradually form their own brands. There are some loyal consumers of some brands in the market, and it is difficult for them to change their preferences, so they have to spend a lot of money on publicity.

3.3. Inadequate sales channels

As foreign-funded enterprises have just entered the market of other countries, they are not familiar with the market, so the sales channels are not perfect, and the sales channels are relatively single. Local enterprises have sound distribution channels and extensive online and offline sales channels, while existing local enterprises control corresponding sales channels by forming relationship networks and providing high-quality services. And the existing local enterprises through the formation of the relationship network and high quality service control the corresponding sales channels. And many manufacturers have banded together to control the distribution channels, especially unaffiliated companies such as foreign companies unfamiliar with such an environment.

Therefore, corresponding foreign-funded enterprises must establish brand new sales channels, establish their own customer groups, and conduct sales through Internet, WeChat and offline publicity, so as to expand the popularity of corresponding brands and increase the sales volume of products.

3.4. The slow development due to information asymmetry

To master perfect information, including information about market preferences, consumer preferences and product sales data, a company's products in order to achieve long-term development in the same product market, it must timely and fully understand the relevant information. However, due to information asymmetry, foreign-funded enterprises cannot master perfect information, so their development is relatively slow. There are certain obstacles for foreign-funded enterprises to obtain information of the country to be invested, because it is not a local country and it takes time to obtain information through certain channels, which will inevitably cost a lot of money. It costs a lot for foreign-funded enterprises to obtain information of local products and local consumers, and consumers cannot obtain information of relevant products of foreign-funded enterprises in time. Therefore, products of foreign-funded enterprises are updated slowly and have a certain time lag with the development of the existing market.

4. Analysis on Strategic Brand Competition Path of Foreign-Funded Enterprises Under the Background of Globalization

Foreign-funded enterprises have developed in the context of economic globalization. Economic globalization brings opportunities for foreign-funded enterprises to drive the economic development of the investing countries and the invested countries. Therefore, economic globalization promotes the development of global economy. However, in the process of development, many problems inevitably appear. Therefore, in order to solve the problems and make foreign-funded enterprises get better development, the following Suggestions are put forward.

4.1. Enhance the market power of enterprises by product differences

Differences in products can enhance the market power of enterprises. Implementing differentiated product strategies can make corresponding products have greater market competitiveness in the market, and consumers can choose different products according to their economic status and preference [3]. When selling their own brand products, foreign-funded enterprises must not deliberately pursue the similarity of the brand reputation that has

been relatively large in the market, and must develop the differences between their own brand products and other brand products. In addition, different product categories should be divided according to different consumer groups, so that consumers can buy corresponding products according to their own needs. Therefore, in the process of development, foreign-funded enterprises can implement product differentiation strategy to enhance the market power of their own products and enhance the competitiveness of their brand products, so that they can have an unshakable position in the market.

Product differentiation strategy can enhance the competitiveness of products in the market. We can focus on product differentiation, so that products have a greater advantage when compared with other products, so that products are different from other companies, including product quality, product taste, product packaging and so on. In particular, the products of foreign-funded enterprises should be differentiated from those of other local brands in order to attract more consumers and occupy a large market share. Therefore, different competitive strategies can be adopted to enhance the competitiveness of foreign-funded enterprises in the market.

4.2. Publicity must be well done

When foreign enterprises enter the market of other countries, they are faced with unfamiliar market environment and different consumer groups. It is impossible for them to achieve great development in a short time. Since consumers are not familiar with the corresponding foreign-funded brands and enterprises, in order to deepen local consumers' understanding of foreign-funded brands, it is necessary to carry out corresponding publicity and do a good job in advertising [4]. Although the initial advertising will cost relatively high costs, which means that foreign-funded enterprises will face losses at the early stage, in the long run, more advertising efforts will enable more consumers to know and understand the corresponding foreign-funded brands. After consumers have a better understanding, they will start to try to buy the brand products of foreign enterprises, and the publicity cost will be greatly reduced in the later stage, because the publicity work in the early stage has paved the way for the later work. Therefore, the necessary publicity work must be done well, so as to enable more consumers to know and buy the brand products of foreign-funded enterprises and increase the sales volume.

4.3. Expand sales channels

The sales channels of foreign-funded enterprises are relatively single and the sales network is not perfect. In order to occupy a large market share and increase product output, foreign-funded enterprises must expand the sales channels. Only when the sales channels are perfect, the sales volume of corresponding products will increase and

foreign-funded enterprises will develop in the invested countries [5]. By expanding sales channels in various and different ways, foreign brands will gradually be known by more and more people, and consumer groups will gradually expand. Expanding sales channels is an important choice for foreign enterprises to open a country's consumer market. Sales channel is a more important aspect of product sales process, we must pay attention to the comprehensive sales channel, expanding different sales channels is necessary for the development of an enterprise, especially for foreign enterprises, we must expand the sales channel. We can promote and sell our own brand products through different channels, either by inviting celebrities to speak for them or through the Internet. In order to occupy a higher market share, we must expand our sales channels.

4.4. Fully understand and communicate relevant information

Information asymmetry leads to the slow development of foreign-funded enterprises, so in order to make enterprises get better development; we must solve the problem of information asymmetry. Foreign companies want to prior to the development of a country, must to the country's market and consumer research, collect relevant data and statistical analysis was carried out on the information obtained, understand the market situation of the country and the present situation of the consumer, and in a timely manner to consumers, transfer the relevant information about the product and the enterprise. It enables consumers and enterprises to know each others' information, that is, foreign-funded enterprises can timely understand the relevant information of consumers and the market, consumers can get the information of enterprises and products in the first time, and foreign-funded enterprises can establish their own brand reputation in a relatively short time.

5. Conclusion

In recent years, foreign-funded enterprises have achieved rapid development, gradually established their own brands in other countries' markets, formed their own brand advantages, and achieved stable development in the market. But in the process of the foreign capital enterprise development still exist certain problems, only solve these problems, the foreign capital enterprise can be in the host country market occupy larger market share, corresponding form their own brand advantages and get the stable customers, foreign-funded enterprises in the process of development and pay attention to prevent vicious competition. It is believed that foreign-funded enterprises will achieve better development after they realize their own problems, find out the causes of the problems and find solutions to the existing problems.

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