

Brand Building of Guochao Sportswear Brands: A Case Study of Hongxing Erke

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Abstract. The "GuoChao" is currently a major trend in China. Consumers are gradually linking local brands with Chinese culture, national pride, modern design, and confidence in local original products. This article mainly explores the establishment of Hongxing Erke's brand image in the national trend sportswear market, as well as its impact on consumers' perception and purchase intentions. The research is based on a literature review and quantitative questionnaire survey. A total of 206 valid responses were received, with 1 incomplete response removed. Finally, 205 valid questionnaires were retained for descriptive and summary analysis. The research shows that Hongxing Erke has a high brand awareness and a unique national trend identity. Consumers typically link the brand with low prices and social responsibility. But this knowledge has not yet entirely transformed into purchase and recommendation, i.e. the quality of the product, the design and the user experience need to be further improved. The research suggests that Guochao identity, fitting prices and social responsibility generate attention and emotional value, but not automatically generates long-term commitment. Hongxing Erke must improve product quality, design, cultural authenticity, and consumer experience to convert its high awareness into repeat purchase and higher recommendation intention.

Keywords: Hongxing Erke, national trend, brand image, consumer perception, purchase intention

1. Introduction

Guochao has become one of the biggest trends in China in recent years. Guochao is not about buying Chinese made stuff. It is related to Chinese culture, local identity, modern design and consumers' rising faith in domestic companies. According to iiMedia Research, the Guochao economy is a consumer movement focused on Chinese culture, Chinese brands, local industries, modern design, and innovative business strategies [1].

The Guochao trend is most evident in the sportswear sector. Many Chinese consumers used to choose international athletic companies such as Nike and Adidas, thinking that they were more professional and fashionable. But Chinese athletic labels such as Li-Ning, Anta, Xtep and Hongxing Erke are becoming popular. According to Fidelity International, the Chinese sportswear market has recorded retail sale value of RMB 386 billion [2]. McKinsey also discovered that some of the

categories that showed a notable resurgence in China's consumer market were sportswear and outdoor products [3].

Hongxing Erke was established on June 8, 2000. According to its official website, the company has grown from a footwear business to a broader sportswear brand, offering shoes, clothing, and accessories [4]. The brand is generally associated with low prices, domestic identity and social responsibility. In 2021, Hongxing Erke's charitable donation attracted great attention on the internet, and many of its products were bought up quickly in this period [5]. However, being temporarily popular online does not always translate to long-term success. A sportswear brand still needs to have good design, reliable quality, brand positioning, and good consumer experience.

This is an important matter because of the local consumption cultural meaning. According to the official website of Hongxing Erke, the company has grown from a footwear enterprise to a comprehensive sports brand covering shoes, clothing, and accessories [4]. This brand is usually associated with low prices, local identity, and social responsibility. In 2021, Hongxing Erke's charitable donations attracted widespread attention on the internet and social media, and many of its products were sold out quickly [5]. However, the short-term online popularity does not always translate into long-term success. A sports brand still needs to have excellent design, reliable quality, clear brand positioning, and good consumer experience.

This is particularly important because it involves the deep meaning of local consumption culture. According to BizBeat of the National University of Singapore, for many Chinese consumers, especially young people, purchasing domestic brands has become an emotional and cultural behavior, which can express identity, national pride, creativity, and self-confidence [6]. This also explains why "national trend" brands can quickly gain attention. At the same time, it highlights the value of authenticity: consumers may reject those that seem overly mechanical or false in cultural promotion. The significance of this study lies in exploring how local Chinese sports brands can use the "national trend" (Guochao) to build consumer trust and enhance market position. It provides important suggestions for Hongxing Erke and other local brands on how to convert high brand awareness into purchase intention, repeat purchase, word-of-mouth recommendations, and long-term loyalty.

This study is mainly conducted from five aspects: local identity, price, product design, perceived quality, and social responsibility. The study adopts two methods: one is the literature analysis method, by analyzing academic papers, industry reports, enterprise materials, and market reviews, to explore the construction of Guochao brands and consumer behavior; the other is online questionnaire survey, collecting first-hand data from consumers on brand perception, purchase experience, brand impression, Guochao perception, and recommendation willingness. This paper first reviews previous research results, then introduces the questionnaire survey method, presents the research results, analyzes the implications discovered, and finally reaches a conclusion and proposes future research directions. The main research purpose is to evaluate Hongxing Erke's brand image construction in the Guochao sports clothing industry and determine the gap between its brand perception and actual purchase behavior. The core research question is: How does Hongxing Erke build its brand image in the Guochao sports clothing industry, and how does this image affect consumers' perception and purchase intention? The study points out that Hongxing Erke's brand image is mainly shaped through national identity, low-price positioning, and social responsibility, but the brand still needs to further improve in product design, perceived quality, and user experience.

2. Literature review

Based on current research and market assessment, "national trend" is a cultural movement and represents a shift in consumer behavior. According to iiMedia Research, Chinese style, traditional aesthetics, and cost-effectiveness are important reasons for consumers to choose domestic trend brands [1]. This means that people purchase national trend products not only because of their "Chinese" attributes, but they also consider design, price, quality, and practical value. NUS BizBeat stated that local consumption is increasingly becoming a way to express personal identity, confidence, and national pride, and cultural relevance and authenticity are becoming important factors in promoting brand loyalty [6]. These materials reveal the emotional basis behind national trend, but they do not directly measure the awareness, purchase history, or recommendation intentions of Hongxing Erke consumers.

Li Cao and Xu studied the impact of brand nationality on Chinese consumers' brand attachment, brand trust, and purchase intentions [7]. Through three empirical studies, they found that domestic identity, political stance, national contribution, market performance, and national culture have a positive impact on purchase intentions. Brand identity and brand trust also play independent and chain mediating roles. This study provides strong support for analyzing the domestic identity and social contribution of Hongxing Erke. However, this research focuses on general issues of domestic brands and does not focus on a specific sportswear brand or compare brand awareness with actual purchase experience.

Diniso studied how brand cognition, brand image, and perceived quality affect the brand satisfaction and brand affection of Generation Y consumers [8]. The study found that these three dimensions have direct and indirect effects on satisfaction, ultimately influencing consumers' emotional attachment to the brand. This research shows that brand cognition is only one component of brand assets; image, quality, and satisfaction must work together to build a stronger relationship. The limitations of this study lie in that it only targets Samsung smartphone users in South Africa, rather than Chinese sportswear consumers. However, the brand asset framework of Hongxing Erke helps to understand the difference between "understanding Hongxing Erke" and "choosing to purchase". Zhang, Liu, Zhang, and Pang studied the relationship between consumer perceived value and repeat purchase intentions [9]. Their research found that there is a correlation between functional value, hedonic value, cognitive value, and social value, and perceived value has a positive impact on repeat purchase intentions. This study is based on online reviews of reciprocal accommodation, rather than reviews in the sportswear field, so the results cannot be directly generalized. However, this research provides important insights for current research: when consumers feel value in product performance, usage experience, novelty, and social connection, they are more likely to make repeat purchases.

Industry information also indicates that Hongxing Erke is in a highly competitive environment. According to "Interface News", national trend sports brands are constantly rising, and brands like Li Ning and Anta have occupied a stable position [5]. McKinsey also pointed out that Chinese consumers are becoming increasingly cautious and pragmatic, with income and actual value increasingly influencing their purchase decisions, rather than just confidence [3]. The results show that competitiveness is still reliant on product design, quality, technology, communication and consumer experience even if attention is generated by domestic identity.

Overall, previous studies explain important parts of the research problem, including cultural identity, brand ethnicity, brand equity, perceived quality, and repeat purchase value. However, the reviewed literature does not provide a consumer-level case study of Hongxing Erke that combines

Guochao identity, brand awareness, actual purchase experience, product perception, and recommendation intention. This paper addresses this gap through a 205-response questionnaire. It contributes to a focused analysis of whether Hongxing Erke's strong public visibility has been converted into product-based value and longer-term consumer support.

3. Methodology

The study employed a quantitative online questionnaire to examine consumer awareness and perceptions of Hongxing Erke. The reason for choosing the questionnaire is that all respondents could answer the same structured questions, which is suitable for the study to compare brand awareness, purchase experience, Guochao perception, and recommendation intention through the numerical data. Additionally, it was a practical method of obtaining a relatively large number of responses in a short period of time.

Recent brand research has applied more sophisticated quantitative methods. Li, Cao, and Xu [7] employed three empirical studies and a chain mediation model, Diniso used structured questionnaires and structural equation modeling, and Zhang et al. used text mining, sentiment analysis and structural modeling [8, 9]. They are useful for testing relationships and mediation. The purpose of the present study is exploratory, and this study aims to identify the main patterns of Hongxing Erke's brand awareness, image and consumer response rather than to prove a causal model, hence a simpler descriptive design is adopted.

3.1. Questionnaire design

The questionnaire was designed based on the main research question, which is how Hongxing Erke builds its brand image in the Guochao sportswear market and how consumers respond to this image. It consisted of 14 closed-ended questions and one optional open-ended question. No usable responses were obtained to the open-ended question, so the final analysis was confined to the closed-ended items.

The first section collected demographic variables such as gender, age and current identity or occupation. The study did not gather information on the region, so it is not possible to compare consumers from different provinces or cities. The second section examined general sportswear purchase frequency, to ensure that the respondents had relevant product experience.

The third part is about brand awareness and consumer experience of Hongxing Erke. Variables included whether respondents were aware of the brand, how they learned about the brand, overall brand impression and whether they purchased the brand's products. The fourth part measured perceptions related to Guochao, such as whether the respondent's thought that Hongxing Erke was a Guochao brand, what characteristics of Guochao they thought were important, whether the support for domestic products increased their willingness to purchase, and whether the identity of domestic brands improved favorability.

The last section measured intention to recommend and possible areas for brand improvement. Improvement options included product design, product quality, Chinese cultural elements, interaction with younger consumers, social media promotion, spokesperson selection, social responsibility and offline store experience.

The questionnaire was dominated by nominal and ordinal categorical variables rather than a multi-item Likert scale. Most of the questions were single answer questions. Attitude questions used ordered response options such as very willing, willing, neutral, unwilling and very unwilling. Some questions permitted multiple answers, so respondents could select more than one communication

channel, Guochao feature or improvement area. For these questions the total percentage can be greater than 100%.

3.2. Data collection and sample

The questionnaire was circulated online. Received a total of 206 response records. The last record had only a few answers and was discarded as incomplete. The valid questionnaires were 205. For the communication-channel question, 198 respondents answered because seven respondents had never heard of Hongxing Erke.

Of the 205 valid respondents, 119 (58.0%) were male and 86 (42.0%) were female. In terms of age, 85 respondents were aged 18–25 (41.5%), 81 were aged 26–40 (39.5%), 26 were aged 40–50 (12.7%) and 13 were over 50 (6.3%). The major identity group was working adults (56.1%), followed by freelancers (17.6%), students (10.2%), other identities (10.2%), and athletes (5.9%). In addition, 93.7% had bought sportswear or sports shoes at least rarely. This demonstrates that the majority of the respondents had experience in the product category.

3.3. Data analysis tools

Responses were organized in Microsoft Excel and analyzed with descriptive statistics. The main measures were frequency counts and percentages. Qualtrics explains that descriptive statistics are used to show how survey data are distributed, while inferential statistics are used to make wider predictions or test hypotheses [10]. Descriptive analysis was therefore suitable because the research aimed to summarise the main patterns in awareness, buying behaviour, brand perception, and purchase intention.

For single-choice questions, each category was divided by the 205 valid responses. For the communication-channel question, percentages were calculated from the 198 respondents who answered it. For other multiple-choice questions, percentages were calculated from the 205 valid respondents, and totals could exceed 100%. The results were presented through response numbers and percentages to identify Hongxing Erke's main brand strengths, weaknesses, and the gap between awareness and purchase.

4. Results

The survey collected 205 valid responses. The sample was mainly composed of young and middle-aged consumers: 41.5% were aged 18–25 and 39.5% were aged 26–40. Most respondents also had sportswear purchasing experience. A total of 38.0% reported buying sportswear or sports shoes frequently, 41.0% bought them occasionally, 14.6% bought them rarely, and only 6.3% had never bought them.

The respondents had a very high awareness about the brand Hongxing Erke. In all, 96.6% had heard of the brand and only 3.4% had not. Among the 198 respondents who answered the question about the information channel, the most common channel was recommendations from friends (54.0%). 49.5% of respondents selected social media (Douyin and Xiaohongshu), 49.0% news events, 46.5% offline stores and 43.9% television advertisements. The percentages add up to more than 100% since this was a multiple-choice question.

Overall, the respondents' impressions reflected that the image of Hongxing Erke was mainly related to price and social responsibility. 32.7% of the most numerous groups opted for low and suitable prices. Strong social responsibility was the choice of another 31.2%. Only 19.0% selected

high product quality and design, and 17.1% said they did not know the brand well enough to have a clear impression. Purchase experience was much lower than awareness. A total of 21.0% had purchased Hongxing Erke products many times and 16.6% had purchased them once. Therefore, 37.6% bought the brand at least once. In contrast, 33.2% had never bought it, 19.0% had not bought it but were willing to consider doing so, and 10.2% had not bought it and did not want to buy it.

Most respondents connected Hongxing Erke with Guochao. A total of 82.4% considered it a Guochao sportswear brand. When asked about the most important characteristics of Guochao brands, domestic identity was selected by 50.2%, reliable product quality by 46.8%, young and fashionable design by 46.3%, suitable prices by 46.3%, emotional identification by 46.3%, Chinese cultural elements by 43.9%, strong social responsibility by 42.0%, and a compelling brand story by 40.0%.

Support for domestic products also affected consumer attitudes. A total of 66.9% were willing or very willing to buy domestic sportswear brands because of their support for local products. In addition, 52.2% said that the domestic-brand label would greatly improve their favourable impression of Hongxing Erke, 35.6% selected a moderate effect, and 12.2% said it would not improve their impression.

Recommendation intention was weaker. Only 32.2% were willing to recommend Hongxing Erke to friends or family, 42.4% were neutral, and 25.4% were unwilling. For brand improvement, the most selected option was inviting suitable spokespersons at 46.3%, followed by strengthening Guochao cultural elements at 45.4%, improving offline store experience at 43.9%, strengthening the social responsibility image at 42.9%, increasing social media promotion at 42.4%, improving product quality at 42.0%, improving product design at 39.5%, and increasing interaction with young consumers at 38.0%.

5. Discussion

The results show that Hongxing Erke is a very well-known brand. Most of the respondents are familiar with this brand, indicating that it has already established a significant position in the hearts of consumers. At the same time, the data also indicates that brand awareness should not be the sole goal of brand building. Diniso pointed out that brand awareness, brand image, and perceived quality can affect consumers' satisfaction and emotional attachment [8]. This is a different product and belongs to a different country, but this foundation helps explain why merely high exposure is not sufficient for Hongxing Erke.

The biggest challenge for Hongxing Erke lies in the gap between awareness and action. 96.6% of the respondents are familiar with the brand, but only 37.6% have purchased it at least once. The willingness to recommend is also very limited, with only 32.2% willing to recommend, and the proportion of neutral attitudes is 42.4%. The results indicate that Hongxing Erke has achieved recognition but has not yet formed a strong consumer relationship. Satisfaction and product-based trust for the brand need to be increased to convert awareness into purchase, repeat purchase and positive word of mouth.

The brand is strong in Guochao identity, that's for sure. Most respondent's thot Hongxing Erke is a Guochao sportswear brand, and domestic identity is the most selected Guochao characteristic. Additionally, 66.9% were willing or very willing to buy domestic sportswear because of support for local products. Li, Cao and Xu found that domestic identity, national culture and national contribution had a positive influence on purchase intention through brand attachment and brand trust [7]. This is in line with the perspective that the Chinese identity and social contribution of Hongxing Erke can create symbolic meaning and emotional support.

The NUS commentary also explains this result. It argues that buying local has become a way of self-expression and national pride for many Chinese consumers, especially the younger generation [6]. Therefore, Hongxing Erke will leverage the "Guochao" to establish a sense of cultural identity and emotional connection with consumers.

However, the same source also indicates that if the brand story appears predictable or deliberately designed, consumers may experience aesthetic fatigue. Therefore, Chinese traditional cultural elements should be integrated into Hongxing Erke's products in a modern and authentic way, rather than simply adding traditional symbols to the products. The most common description of Hongxing Erke was that it was cheap. This can attract price sensitive consumers and maintain a great price performance position. But price alone is not a guaranty of repeat purchasing [9]. Zhang and coworkers found that perceived value positively affected repeat purchase intention, and value was composed of functional, hedonic, epistemic, and social relationship aspects. Hongxing Erke gains functional value from comfort, durability and sports performance; hedonic value from attractive and fashionable design; epistemic value from innovation and new product experience; and social value from Guochao identity and social responsibility.

Another strong element in the brand image is social responsibility. This was the main impression for almost a third of respondents, and 42.9% felt that the brand should build on this image. The donation of Hongxing Erke shows that social contribution can obtain large-scale public support [5]. Li, Cao and Xu also identify national contribution as a dimension of brand ethnicity which may affect attachment, trust and purchase intention [7]. However, this support may be even driven. The brand should keep taking responsible actions continuously and relate it to reliable products instead of using social responsibility to replace product value.

Product-related perceptions remain the biggest weakness. While 46.8% of the respondents indicated that reliable quality is an important feature of a Guochao brand, only 19.0% selected quality and design as their main impression. This difference suggests that consumers have quality expectations for Guochao brands, but not so much for Hongxing Erke. Diniso's findings show that perceived quality is an important component of satisfaction and emotional attachment [8]. Zhang et al. show that functional and hedonic value contributes to repeat purchase intention [9]. Therefore, Hongxing Erke needs to upgrade both the actual performance of the product and the communication of quality, technology, comfort, durability and design.

The improvements in the choices indicate that consumers expect better products and better communication at the same time. Having the right spokesperson can increase the attention, but the spokesperson should match the brand's value and target market. "Don't use stronger cultural elements as decoration, but pair it with contemporary fashion. Social media can communicate product technology, user experience, and brand stories, while offline stores can enhance product trial, display, service, and the overall atmosphere of the brand. These measures help Hongxing Erke to shake off its image that is solely characterized by low prices and donation activities. Overall, the national trend image of Hongxing Erke has brought attention, emotional value and cultural significance. Its domestic identity and social responsibility help consumers identify and support the brand. However, long-term success depends on whether these advantages can be balanced with modern product design, its functional value, user satisfaction and the achievement of the experience. Therefore, the brand must maintain its accessibility position and domestic identity, while creating more distinct product advantages, converting awareness into purchase behavior and loyalty. The discussion should be read with the limitations of the study. A cross-sectional on-line survey and descriptive statistics were used in the study. It did not gather regional data or test statistical relationships between identity, quality, trust and purchase intention. Therefore, the results present

trends among the 205 respondents but do not imply causality and are not representative of all Chinese consumers.

6. Conclusion

This study aims to investigate the brand image building of Hongxing Erke in the Guochao sportswear market. Based on the literature review and 205 valid responses to the questionnaire, the study found that the brand has a very high awareness and a clear Guochao identity. Its main positive associations are low prices, social responsibility and domestic identity. But awareness is much higher than actual purchase and quality and design are not yet the brand's strongest consumer associations.

The main finding is that Guochao provides Hongxing Erke cultural meaning and emotional support, but Guochao identity alone cannot generate long-term loyalty. The brand needs to give greater value to the products for the consumers to buy again. It needs to have greater quality, more comfort, functionality and design, more innovation in the product, better shop experience and better communication. These product attributes should be complemented, not replaced, by social responsibility and cultural narrative.

The present work is of practical and theoretical value. In the case of Hongxing Erke, it describes the gap between knowing and buying/recommending. As for the research of Guochao brands, it is suggested that, beside brand awareness, perceived quality, purchasing experience and recommendation intention, cultural identity should also be taken into consideration. It also provides a consumer-level case to complement larger studies of local brand recognition and perceived value.

Future research should involve a larger and geographically more diverse sample and document region of respondents. It may put Hongxing Erke in the same league as Li-Ning, Anta, Xtep and worldwide sportswear brands. Researchers can also develop multi-item scales for brand trust, cultural identification, perceived quality, satisfaction and loyalty and use regression or structural equation modeling to examine the links among them. Longitudinal studies would be particularly helpful to see if the attention from these donation events or Guochao campaigns translate into long-term purchasing behaviors.

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