

BRAND NEW CHINA

ADVERTISING, MEDIA,
AND COMMERCIAL CULTURE



JING
WANG

BRAND NEW CHINA

BRAND NEW CHINA

Advertising, Media,
and Commercial Culture

JING WANG

HARVARD UNIVERSITY PRESS

Cambridge, Massachusetts

London, England

2008

Copyright © 2008 by the President and
Fellows of Harvard College
All rights reserved
Printed in the United States of America

Many of the designations used by manufacturers and sellers to distinguish their products are claimed as trademarks. Where those designations appear in this book and Harvard University Press was aware of a trademark claim, the designations have been printed in initial capital letters (for example, Kotex).

Library of Congress Cataloging-in-Publication Data

Wang, Jing, 1950 July 5–
Brand new China : advertising, media, and
commercial culture / Jing Wang.
p. cm.

Includes bibliographical references and index.

ISBN-13: 978-0-674-02680-3 (cloth : alk. paper)

ISBN-10: 0-674-02680-2 (cloth : alk. paper)

1. Advertising—China. 2. Marketing—China.
3. Brand name products—China. I. Title.

HF5813.C5W37 2007

659.10951—dc22 2007027501

To
Bruce Oltchick

Contents

Preface	<i>ix</i>
Introduction: Framing Chinese Advertising	<i>1</i>
1 Local Content	<i>36</i>
2 Positioning the New Modern Girl	<i>68</i>
3 The Synergy Buzz and JV Brands	<i>108</i>
4 Storytelling and Corporate Branding	<i>144</i>
5 Bourgeois Bohemians in China?	<i>180</i>
6 Hello Moto: Youth Culture and Music Marketing	<i>211</i>
7 CCTV and the Advertising Media	<i>247</i>
Conclusion: Countdown to the Olympics	<i>288</i>
Notes	<i>315</i>
References	<i>357</i>
Acknowledgments	<i>393</i>
Index	<i>399</i>

Preface

My interest in writing a book about contemporary Chinese advertising began in the late 1990s. While putting together another project, I stumbled upon a fascinating phenomenon in the history of Chinese popular culture: the colorful outburst of corporate logos in the urban centers of south and north China around 1988. It was then merely a decade since the return of commercial advertising after the Cultural Revolution, and television commercials as well as print advertising still carried socialist baggage.

Imagine a health-drink manufacturer who suddenly discovers the cash value of visual symbols. The relationship between “invisible assets” and a figurative image becomes clear, which in turn triggers a sharp visual turn of the corporate culture. The health-drink maker was Apollo (*Taiyang shen*), based in Guangdong province. In 1988 the company adopted a corporate identity management system, imported from Japan, which emphasized a firm’s philosophy of management, organizational strategies, and visual identity. In China, it was the concept of visual identity that initially attracted the most attention.

Apollo’s famous logo, an icon resembling the Chinese character of “humans” set against a bright red disk, and its sentimental theme song, “when the sun rises, our love for you is eternal,” helped turn the health drink into a household name. By 1992 Apollo had transformed itself from a township village enterprise with assets of five

million yuan (\$625,000) into a huge corporation with one billion (\$125 million). The tremendous success of its corporate identity strategy set off an emulative fever among other enterprises. “Image design” (*xingxiang sheji*) became part of the corporate vocabulary and a trendy social discourse. China’s consumer public gained a heightened awareness of the value of commercial signs, insignia, icons, design patents, and, of course, company logos.

The link between corporate logos and the visual medium had a creative impact on advertising and the social landscape. Almost overnight, the huge red-and-white billboards on Beijing’s Avenue of Eternal Peace advertising socialist virtues were upstaged by the more colorful ones promoting commercial goods. I suggest that Apollo’s imported means of establishing its corporate identity was a watershed event not only for a commercial culture takeoff but also for a visual culture renaissance in post-Mao China. I want to call attention to a conceptual habit of ours: whenever we study contemporary Chinese commercial images, we automatically turn to media and advertising, bypassing the corporate sector altogether. How can we comprehend the rise of popular references to “culture as capital” (*wenhua ziben*)—that is, the transformation of cultural-symbolic capital into economic capital—in post-1992 China without giving due recognition to the visual turn of the corporate sector? My first goal in this book is to provide the missing link between corporate interests and marketing credos and the study of advertising and branding in contemporary China.

The challenges of writing such a book are many. My initial hurdle was to gain access to the ad industry, a world usually shut off to academic researchers. My plan got even more complicated as I realized that the “field” consisted of more than the advertising sector, which stands at the intersection of the media and the corporate sectors. I thus look at these two adjacent sectors as well and chart the complex dynamics that arise among them—the second goal of my book.

My third goal is to cultivate a cross-fertilization between academia and the advertising sector, and to write from an in-between, fluid perspective. Prior to 2002, I surveyed the literature on brands and branding as taught in U.S. business schools and waded through pioneering theoretical work in the field of cultural studies that treats ads as if they are nothing more than single-authored “texts.” I also had the luxury of seeing thousands of Asian print ads and television commercials. These rigorous exercises gave me a strong textbook-based approach to advertising. But I was left craving the field knowledge that only an advertising agency can provide. By mere fluke, I was given the opportunity to work at the transnational advertising agency Ogilvy & Mather in Beijing for two summers, in 2002 and 2004. I went to Ogilvy to gain hands-on experience in branding a product from start to finish. I also took advantage of my privileged position at the agency to hunt for issues that galvanize the professionals on the front lines. I lived a double life as an academic critic immersed in the crisis-ridden daily routine of an agency.

My fourth and perhaps most challenging goal is to move those in the discipline of cultural studies from a focus on the ad as an authorial “text,” flattened out for content analysis, to a focus on the ad as a “product,” an assembly line output whose dynamics can only be captured through onsite fieldwork. I make production-centered issues—the processes of branding, specifically—my priority rather than the interpretation of how culture is represented in advertisements. This methodological emphasis is crucial if we want to explore the possibilities of moving advertising research and, by extension, pop culture studies in general beyond the staple question of representation into the domain of cultural production.

A long intellectual tradition has prided itself on critiquing commercial culture as “debased” and condemning consumption as “mass deception.” But how can one undertake a genuine appraisal of commercial culture if it is already assigned an overwhelmingly

negative value before we even begin our study? Is it possible to be a cultural critic while making room for industry frames of reference? I hope to join those who, in search of methodological renewal, go beyond the 1960s paradigm of “producers (as deceivers)” versus “consumers (as victims).” The institutional and social structure of control that underlies and legitimizes commercial culture is beyond my scope here. But by focusing on the site of production (in this case, the advertising industry), I seek to turn fieldwork into a tool with which to debunk the conventional dichotomies drawn between the local and the global, consumers and producers, and resistance and domination.

The integration of industry perspectives into advertising research enables us to mitigate problems arising from the conventional textual approaches to advertisements in more than one way. Analyzing the content of ads is problematic in markets like China’s, where ads are, as elsewhere, increasingly made for target audiences to which the academic interpreter does not belong. An academic critic’s like or dislike of an ad may thus matter very little in the final analysis. Seen in this light, while advertising studies in the humanities have long been built on canonical work in cultural criticism and social theory, it is time we also experiment with methods that give voice to the producers of ads (who are savvy consumers as well). Let us not forget that the best planner in an ad agency is often the most avid and smartest shopper of all. Equally important, an agency provides multiple access to real-life consumers. Not only do agencies rely heavily on regular focus group meetings, but strategic planners themselves—a subdivision of expertise within full-service agencies—are also privy to consumer insights gleaned from a variety of product categories. The bigger the agency is, the larger the number of its accounts, the more diversified these categories are, and the greater the scale of consumer insights provided. Full-service agencies can also afford to commission companies for multi-tiered marketing research (which is essential for an uneven market like

China's), bringing more consumers from diverse localities into contact with the planners.

A production-centered methodology, then, delivers more than just the producers' standpoint. It provides an easy way to enter the consumers' world and their points of view. When coupled with cultural analysis, this approach has several advantages. It remedies the short-term perspective of the trade literature on advertising by providing an integrative approach that brings all three fields (media, advertising, and the corporate sector) into the cultural equation simultaneously. It also goes beyond treating advertising as a mere psychoanalytic shorthand for the "discourse of desire," a theoretical hallmark of the humanities literature on the subject.

In the United States, advertising research on China has been dominated by case studies, practical tips about branding, and anecdotal literature. Euphoric in spirit and mostly focused on campaigns in TV and print media, these books fall short of probing more deeply into popular culture trends, largely ignore the impact of the digital revolution on marketing strategies and advertising platforms, and make blanket assumptions about market segments that blur gender, age, socioeconomic, and geographical divides in China. The best discussions of these topics, which this book taps substantively, have been published in Chinese.

I have written *Brand New China* for industry, advertising, media, academic, and general readers interested in gaining an in-depth understanding of the rise of China from the vantage point of branding and marketing culture. A total immersion in the rich worlds of producers, marketers, and consumers will also open up new ground for those who want to bridge the gap between theorists and practitioners.

I began this study as a "pure" academic. But frankly, after pulling all-nighters as a strategic planner in an ad agency, I can no longer think like the straight scholar I once was. It is my hope that this book will speak to all those in the multifaceted worlds I explore.

BRAND NEW CHINA

Introduction: Framing Chinese Advertising

Commercial advertising returned to the People's Republic of China in 1979. What was once a young, unstable sector has taken big strides since then, turning into an industry with total billings of \$18 billion by 2005, up 12 percent from the previous year, making up 0.78 percent of China's gross domestic product (GDP), and accounting for an impressive 1.92 percent of the country's tertiary sector (Guang 2006, 38–39).¹ The sheer size and scale of the Middle Kingdom lie behind its growth miracle. As of 2005, there were 84,272 ad agencies and approximately 9,650 advertising media. The total number of personnel employed increased from 700,000 in 2001 to 940,415 in 2005 (*ibid.*).

Commercial advertising in China was nipped in the bud during Mao's era. And few would disagree that the rampant consumer culture in China today is a mockery of the Communist revolution. But a facile exaggeration of the "discontinuity" between Mao's China and reform China has a drawback: we risk losing sight of the intangible link between China's socialist persona and its capitalist face that lies behind many success stories in corporate China. Channel distribution strategies like leading beverage producer Wahaha's "spider warfare" (that is, "countryside surrounding the city") are at the very heart of marketing with Chinese characteristics. Corporate branding of star enterprises like Lenovo and Haier relies

heavily on the disciplining power of corporatized Mao-speak and the Chairman's famed ideology of the "permanent revolution." Those business models have flourished and prepared ambitious Chinese superbrands to go global, reminding us of the stubbornness of the Chinese socialist legacy. Those who overlook socialism's deep roots in contemporary China and underestimate its ideological flexibility will find its market hard to crack.

Brand New China brings us to a close encounter with that market: its idiosyncrasies as well as its parallels to what has taken place in affluent Western societies. With an analysis that includes topics like the bobo fever and the single-child generation in pursuit of "safe cool," this book takes a critical look at contemporary Chinese advertising and examines branded phenomena in China—from product brands to corporate brands—how they have been created and what kind of challenges they pose to international advertising and to cultural *and* business globalization. Opinions are sharply divided on what the "new China" is like now that it is a member of the WTO. Some predict the "demise of the authoritarian state"; others consider China's ascent to the world stage to be a global self-promotion that will hardly put a dent in the state's capacity to control (Keane and Donald 2002, 208). With few exceptions, such as Zhao Yuezhi's longer view of China's integration into global capitalism (Y. Zhao 2003), critical literature on the WTO challenge is prone to reinforce a mentality dating from the Cold War in its treatment of the globalizing China either as the Communist "other" or as a foe involuntarily losing its own identity to become one of "us."² Post-2001 China is neither. It is heavily influenced by the ideology of global partnership while struggling not to become a mirror image of the United States. "Country branding" is more challenging than ever, and the emerging brand "new China" eludes ideological preconceptions.

New China, however, should be taken metaphorically rather than literally. Although the Chinese have captured their new vision

in the catchphrase “created in China” (Keane 2007), the country is still seen as a world factory rather than as an innovators’ heaven. The China of yesterday did not disappear simply because Shanghai has grabbed the attention of the world’s luxury marketers. The number of the “Chinese middle class” is greatly exaggerated, and “new China” remains a highly stratified society, with a total of 26.1 million households living in poverty, where annual per capita income was less than \$77 in 2004 (National Bureau of Statistics 2004; Zhu Qingfang 2004, 87–88). The gaps in disposable income between the city and the countryside jumped from 2.51:1 in 1998 to 3.23:1 in 2003 (Lu Xueyi 2004, 176). During the same year, although peasants made up 70.8 percent of the national population, they consumed only 35.1 percent of national goods output, with the result that the consumption capacity of the rural population is falling behind urbanites by at least ten to fifteen years (*ibid.*, 177). All these statistics indicate the harsh reality of a deeply divided China, which is indeed brand new on the one hand, but still stubbornly old in countless ways, not least in its struggle with poverty and other social ills that have plagued the country for centuries.

Although I track the rising importance of rural consumers for advertisers, the new China treated in this book is primarily the urban face of a country in its integration into the global economy. By urban, however, I do not mean only the first-tier cities of Beijing, Shanghai, and Guangzhou that most Western watchers focus on. Due recognition must be given to cities on the second tier (for example, Hangzhou, Nanjing, Shenyang, Tianjin, Wuhan, and other affluent provincial centers) and to the third-tier, sizable, and relatively affluent county towns (*zhongxin cheng*) like Changzhou and Wuxi.

“Brand new China” and “branded phenomena in China” constitute two topical axes of this book. The third axis—the construction of the “local”—is indispensable to both academic and corporate discussions about international advertising in the new century. The