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Glocalization in China: An Analysis of Coca-Cola's Brand Co-Creation Process with Consumers in China

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Supervisor: Alison Hearn, *The University of Western Ontario*A thesis submitted in partial fulfillment of the requirements for the Master of Arts degree in Media Studies
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Abstract

In contemporary marketing, corporations often work to induce consumers to participate in cocreating their brand value. Consumers, therefore, can be considered marketers, who are then used by marketing managers to create competitive advantage and market opportunities. Through processes of co-creation, companies also obtain valuable information about consumer preferences and values, which, in turn, can lower production costs. This thesis uses Coca-Cola as a case study to explore the ways international companies work to incorporate elements of Chinese culture and employ Chinese social media platforms in their promotional messages and activities in order to encourage Chinese consumers to co-create their brand value. The thesis contends that the brand value co-creation process has many implications for Chinese society, including accelerating transformations in Chinese consumers' cultural values and identities.

KEY WORDS: Coca-Cola, China, glocalization, co-creation, brand value, immaterial labour

Dedication

This thesis is dedicated to the memory of my grandfather, Wuli Shi, who taught me so much and always believed in me.

Your belief in me made this journey possible.

I will always miss you.

Acknowledgments

There are so many people to thank for helping me during the past two years. Therefore, I would like to extend my sincere thanks to all of them. First and foremost, of course, is my supervisor, Dr. Alison Hearn. I want to thank you from the bottom of my heart for being such a wonderful and inspiring supervisor, and for sharing your time and knowledge with me on the project. It would never have been possible for me to take this work to completion without your incredible support and encouragement. I would also like to thank my second reader, Dr. Daniel Roberson. I benefited greatly from the many fruitful discussions we had. I cannot forget the valuable help and motivation from you.

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To Mom and Dad, I cannot come up with words to express the full depth of my gratitude and love. You have given me so much, and have supported and loved me through all the difficulties. It has been so easy for me to attain my goal knowing that you two will always be there for me and cheer me on.

My final thank-you is to a special person in my life, Siyuan Liu. I want to thank you for encouraging me to take on the internship opportunity at McCann Shanghai last summer, for taking care of me while I was in Shanghai, for helping me become a better person, and for all the good times we had together. It wouldn't be the same without you.

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Introduction

Overview

Contemporary marketing practices increasingly include the participation of consumers as a way to co-create brand value. As Detlev Zwick *et al* note, many companies see consumers as "source(s) of competence," who can then be used by marketing managers to create competitive advantage and market opportunities. Adam Arvidsson also argues that "the market today thrives on consumers"; he claims that consumers circulate "a social relation, a shared meaning, [or] an emotional involvement" around a brand and this "meaning-making activity of consumers" forms, both, the basis of a brand's economic value 2 and "a source of innovation" for capitalist production. Co-creating brand value with consumers helps companies obtain clues about consumers' preferences and values, thereby lowering their overall production costs. This thesis argues that international companies, such as Coca-Cola, work to incorporate elements of Chinese culture and employ Chinese social media platforms in their promotional messages and activities in order to encourage Chinese consumers to co-create their brand value. It speculates that this brand value co-creation process has many implications for Chinese society, most importantly, by accelerating the transformation in Chinese consumers' cultural values and identities.

This thesis makes these arguments through an analysis of the appropriation of Chinese cultural elements and ideologies in Coke's advertising from a critical media studies perspective, focusing specifically on the ways this kind of appropriation constitutes a form of 'glocalization'. It examines the symbols and characters featured in Coke's ads for their cultural meanings and for the ways they are used to celebrate or reinforce Chinese cultural ideologies and values and simultaneously align those values with consumerist ideals. The thesis also works to analyze Coke's brand value co-creation process on the Chinese social media site—Weibo. As social media platforms stimulate more frequent and instantaneous feedback between enterprises and

¹ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting Consumers to Work: Co-Creation and New Marketing Govern-Mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 164.

² Arvidsson, Adam. "Brands: A Critical Perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 237.

³ Ibid., 249

consumers,⁴ this analysis highlights the specific role Chinese consumers play in creating value for a brand. As a result of these two different analyses of brand co-creation as 'glocalization', the thesis provides a broader discussion of the social implications of the rise of consumerism in China, with a specific focus on Chinese urban populations and the rising middle class. While much scholarship has focused on the use of political and ideological symbols in advertising that emerged during China's social transition in the late 1970s and there have been many studies of consumer engagement in online brands communities, this analysis will focus on a specific example of a foreign brands' contemporary 'glocalized' advertising and brand co-creation efforts in China. It is hoped that this thesis can contribute to scholarly research into the 'glocalization' of international brands in the Chinese market and its impacts on Chinese society.

Research Questions

This thesis will be guided by three sets of research questions: 1: How does Coca-Cola appropriate Chinese cultural elements and ideologies in its advertisements to satisfy Chinese consumers' cultural and social aspirations? How does the manipulation of key Chinese cultural symbolism in Coke's ads help to increase Coke brand value and consumption in China? How does this strategy accelerate Coke's process of brand glocalization in China? 2: How does Coca-Cola draw consumers into its brand co-creation production process through Weibo? 3: How does the contemporary advertising of international brands reflect, as well as accelerate, the reshaping of Chinese traditional consumer values?

Chapter Overview

Chapter One provides the theoretical and methodological groundwork for the analysis in the following two chapters. This includes a brief literature review of existing research about the localization of foreign brands in China, a discussion of the central theoretical concepts employed by the thesis, including myth and symbolic consumption, immaterial labor and 'glocalization', and some history and background about advertising in China, the Coca Cola brand in China, and a general description of Chinese cultural values.

⁴ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 30.

Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Mar*keting 30, no. 2 (2016): 143.

Chapter Two analyzes the ways Coca-Cola appropriates Chinese cultural elements and ideologies in its advertisements in order to address Chinese consumers' cultural and social aspirations, and, thereby, sell its product. Using the extended Barthes model developed by Xin Zhao and Russell Belk,⁵ the chapter explores the appropriation of key cultural symbolism in Coke's commercials created for 2017 Chinese Lunar New Year. By satisfying Chinese consumers' social and cultural desires and aspirations through the use of meaningful Chinaspecific symbols, Coke also generates symbolic value for the brand and induces consumers to enter the brand value co-creation process.

Chapter Three looks at how Coca-Cola draws consumers into its value production process through the use of Weibo, increasing its brand value in the Chinese market by engaging the capacity of its online consumers. This chapter considers these questions through the application of the concept of immaterial labor in the context of social media. Coke's City-themed Campaign on Weibo is used as a case study, and the IEPAR model, a five-stage process model of social media-based co-creation developed by Tzu-Yi Kao *et al*, 6 is used to analyze Coke's strategy of engaging its online consumers to increase its sales and popularity in the Chinese market.

The conclusion of the thesis will summarize findings and speculate about the potential impacts of this kind of transnational brand 'glocalization' for the future of China and Chinese cultural values. It will also address some of the consequences of the rise of consumerism in China, such as environmental concerns, an increase in conspicuous consumption, and rising economic inequalities. The limitations of the thesis and future research questions will also be identified.

⁵ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 237.

⁶ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 142.

Chapter One

1.1 Overview

This chapter sets the stage for the analysis of Coca-Cola's brand value co-creation process in the Chinese market by providing a review of selected existing research and a discussion of three important theoretical concepts that inform its analysis: advertising as a mythical institution that produces symbolic value for a brand; the co-creation of brand value by using consumers' immaterial labour to produce symbolic resources; and the tailoring of international brands and messages to a specific cultural context - a process known as 'glocalization'. This chapter will also provide some important historical background on advertising and Coco-Cola in China. The thesis' methodological choices will be explained more thoroughly in subsequent chapters.

1.2 Literature Review

Previous research on the localization of international brands in China focuses primarily on the brand naming process in the Chinese market and name translation methods, highlighting the importance of incorporating both global and local values in the translation of international brand names to Chinese.⁷ Other research has provided a history of early foreign advertisements in China, noting the role they played in transforming China into a consumer society;⁸ the rise of

⁷ A Chan, Allan K. K. and Yue Yuan Huang. "Brand Naming in China: A Linguistic Approach." *Marketing Intelligence & Planning* 15, no. 5 (1997): 227-234.

Alon, Ilan, Romie F. Littrell, and Allan K. K. Chan. "Branding in China: Global Product Strategy Alternatives." *Multinational Business Review* 17, no. 4 (2009): 123-142.

Francis, June N. P., Janet P. Y. Lam, and Jan Walls. "Executive Insights: The Impact of Linguistic Differences on International Brand Name Standardization: A Comparison of English and Chinese Brand Names of Fortune-500 Companies." *Journal of International Marketing* 10, no. 1 (2002): 98-116.

Chiang, Shiao-Yun. "Interformative Meaning of Signs: Brand Naming and Globalization in China." *Social Semiotics* 19, no. 3 (2009): 329-344.

Zhang, Shi and Bernd H. Schmitt. "Creating Local Brands in Multilingual International Markets." *Journal of Marketing Research* 38, no. 3 (2001): 313-325.

⁸ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 231-244.

luxury consumption in Chinese society,⁹ as well as the ways Chinese cultural norms and values are reflected in brand meaning. The majority of these studies have been conducted from a marketing studies perspective. ¹⁰ There is a significant gap in the literature about brand positioning of products in contemporary Chinese advertising from a critical media studies perspective. In an effort to fill this gap, this thesis conducts a critical analysis of two of Coca-Cola's campaigns in China: the *2017 Chinese New Year Campaign* and the *City-themed Campaign* on Weibo, one of the most popular social media platforms in China. Not only do these campaigns work to direct attention toward Coke, this thesis argues that their primary goal is to align a sense of 'Chineseness' with Coke's own brand meaning, deepening Coke's market dominance in China.

Karl Gerth addresses a significant issue in modern China: the dynamic relationship between consumer culture and nationalism in his book *China Made: Consumer Culture and the Creation of the Nation.*¹¹ He specifically highlights the emergence of a "National Product Movement, between the years 1900 and 1937, which worked to restrict access to foreign goods, and enforce nationalistic consumption. Gerth illustrates the ways the movement encouraged Chinese people to practice nationalism and uphold their national identity through consumption. His broader argument outlines the effects this movement, among other developments, had on the creation of modern China, as nationalized products and nationalized consumption contributed to raising a national consciousness. While providing a crucial history of the links between consumerism and Chinese consciousness, the book does not examine in detail the role of advertising and marketing in reinforcing and building Chinese consumer identity. This thesis will take a close look at the role of foreign brand's marketing strategies in aligning Chinese consumers' identity with practices of consumerism.

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⁹ Wong, NY and AC Ahuvia. "Personal Taste and Family Face: Luxury Consumption in Confucian and Western Societies." *Psychology & Marketing* 15, no. 5 (1998): 423-441. ¹⁰ Eckhardt, Giana M. and Michael J. Houston. "Cultural Paradoxes Reflected in Brand Meaning: McDonald's in Shanghai, China." *Journal of International Marketing* 10, no. 2 (2002): 68-82.

Alden, Dana L., Jan-Benedict E. M. Steenkamp, and Rajeev Batra. "Brand Positioning through Advertising in Asia, North America, and Europe: The Role of Global Consumer Culture." *Journal of Marketing* 63, no. 1 (1999): 75-87.

¹¹ Gerth, Karl. *China made: Consumer Culture and the Creation of the Nation*. Vol. 224. London; Cambridge, Mass; Harvard University Asia Center, 2003.

In their article, "Symbolic Value of Foreign Products in the People's Republic of China", Lianxi Zhou and Michael K. Hui analyze the way symbolic values, which reflect Chinese social values, contribute to the success of foreign brands in the Chinese market. They argue that, while international companies are trying to expand into overseas markets, many of them soon discover that the huge market potential in China does not translate easily into opportunities for their continued growth and expansion. Government intervention, the rise of local markets, and the prevalence of counterfeits, make China an especially difficult place for foreign brands to penetrate. Given the distinct nature of the Chinese market, many multinational corporations are forced to compete with local brands by "clothing their brands in local costumes." This thesis will explore the link between contemporary foreign advertising and their creation of local symbolic value in their brand meaning via an investigation of the activities of a multinational brand, Coca-Cola, and its efforts to engage Chinese consumers in the brand co-creation processes.

In a later book, *As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything,* Karl Gerth¹⁵ further examines the rise of Western style consumerism in Chinese society, its consumption patterns and global implications. Starting with the growing power of Chinese consumers in the 1970s, Gerth provides a historical context for the economic transformation in the Chinese market. In the first chapter, Gerth describes the ways leading international car manufacturers designed cars specifically for Chinese consumers, focusing on the example of BMW's special edition, which was introduced in 2009 in honor of the sixtieth anniversary of the founding of the People's Republic of China.¹⁶ This thesis will add to Gerth's

¹² Zhou, Lianxi and Michael K. Hui. "Symbolic Value of Foreign Products in the People's Republic of China." *Journal of International Marketing* 11, no. 2 (2003): 38.

¹³ Zhou, Lianxi and Michael K. Hui. "Symbolic Value of Foreign Products in the People's Republic of China." *Journal of International Marketing* 11, no. 2 (2003): 38.

¹⁴Belk, Russell W. "Wolf Brands in Sheep's Clothing: Global Appropriation of the Local." *Journey of International Marketing* 5, no. 4 (2000): 102.

¹⁵ Gerth, Karl. As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything. 1st ed. New York: Hill and Wang, 2010.

¹⁶ Ibid., 36

perspective, by analyzing a specific example of the brand positioning of multinational companies via processes of glocalization in the Chinese market.

Giana Eckhardt and Micheal Houston 17 use the contemporary example of McDonald's in Shanghai to argue that marketers should be closely involved with the way their brand is interacting with cultural values in transnational markets. They emphasize that brands traditionally have had a clear social purpose in China and their social functions remain important today; Chinese consumers "use a brand name as a tool to build social relationships...[and they] place more emphasis on the social values of brands than Westerners do...[therefore] Chinese consumers can be expected to match their social status with a brand name to a greater extent than Westerners." Their study primarily focuses on the environment of McDonald's restaurants in China and how its dining setting affects Chinese consumers' interpretations of modernity and youth, as represented in its brand name. They argue that McDonald's produces social change through the specific seating arrangements in its restaurants, which are open and allow only two people to sit together, whereas in a traditional restaurant in China, there are more tables for large groups in a private setting. The authors are less concerned with the specific role of advertising however, or the ways McDonald's appropriates and incorporates significant cultural symbols and values in their advertisements. This study is relevant to the study undertaken here, as it discusses the ways advertisements for foreign brands can actually help Chinese consumers define their own cultural values, and, at the same time, lead to transformations in Chinese cultural values overall.

Zhao and Belk¹⁹ provide an analysis of how early advertising in China appropriated a dominant anti-consumerist political ideology to promote consumption during the country's social and political transition in the late 1970s. They take a semiotic approach to examining the role advertising played in transforming China from a communist country to a consumer society. They look at the ways advertising appropriated dominant anti-consumerist ideology to justify its

¹⁷ Eckhardt, Giana M. and Michael J. Houston. "Cultural Paradoxes Reflected in Brand Meaning: McDonald's in Shanghai, China." *Journal of International Marketing* 10, no. 2 (2002): 68-82. ¹⁸ Ibid., 69

¹⁹ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 231-244.

promotion of consumption, how advertising adapted in order to help bridge the ideological tensions between communism and consumerism, and what kinds of representations were employed in advertising to facilitate this ideological transition. By examining advertisements from the *People's Daily* in the late 1990s, they investigate how key political symbolism and communist propaganda were used to soothe ideological conflicts. Their analysis, while helpful, is now outdated, however. The content of contemporary advertising in China is no longer limited to or by political propaganda, and promotional messages are delivered in a wide variety of different formats on various different media channels and platforms. This thesis borrows the authors' extended Barthes model to help demonstrate the ways Coke works to appropriate, not only political, but cultural symbols and values in its Chinese ad campaigns.

John Sinclair²⁰ develops previous arguments that contend, "watching advertisements is a kind of labor to which audiences must submit, analogous to the cultural role of work discipline in bringing about capitalist modernity." ²¹ Via the concept of "consumer discipline", he argues that Chinese consumers must learn how to see themselves as they are interpellated by advertisements, and must learn to interpret the meanings advertising bestows upon goods; many Chinese consumers, unlike their counterparts in Japan or other western countries, do not tend to "regard 'products' as 'brands'—i.e., with distinct benefits, equalities, and emotional associations." ²² The aim of "consumer discipline," as Sinclair argues, is to let Chinese consumers experience the brand and respond to the aura of the brand. Sinclair's concept of consumer discipline aligns well with the view of consumers as 'immaterial laborers' within brand co-creation practices - ideas that will be developed in the coming pages.

Although there is limited academic research on branding on the Chinese social media site Weibo, there is a growing amount of scholarly research that analyzes branding practices on social media

²⁰ Sinclair, John. "Globalization and the Advertising Industry in China." *Chinese Journal of Communication* 1, no. 1 (2008): 77-90.

²¹Ibid., 82

²² Sinclair, John. "Globalization and the Advertising Industry in China." *Chinese Journal of Communication* 1, no. 1 (2008): 82.

in general. Michel Laroche *et al*²³ conduct a survey-based empirical study, which suggests that brand communities established on social media have positive effects on customer/company relationships, and on customers themselves. These positive effects enhance brand trust and brand loyalty in turn. Nina Michaelidou *et al*²⁴ also underscore the benefits of increasing marketing spending on social media channels to enhance brand value. In addition, Sangeeta Singh and Stephan Sonnenburg²⁵ identify the power of digital storytelling to provide meaning to a brand and enhance the relationships between brands and consumers. The emergence of social media has fundamentally changed consumers' role in storytelling, moving them from passive listeners to active participants. This thesis builds on these insights as it stresses the powerful forms of brand value co-creation now taking place via social media marketing in China.

1.3 Theoretical Framework

1.3.1 Mythology and Symbolic Consumption

French semiotician, Roland Barthes, has famously applied semiotics, the science of signs, to advertising. Moving semiotics, developed by Ferdinand de Saussure, beyond a purely linguistic system, comprised fundamentally of signifier and signified, Barthes examines non-linguistic, image-based phenomenon, specifically advertising, and introduces the idea that the power of advertising lies in its ability to create cultural myths. Myth, argues Barthes, "is a type of speech chosen by history: it cannot possibly evolve from the 'nature' of things." He believes that myth is a culturally specific form of signification; it names what results when an established cultural sign and its connotations are re-inflected by a group of 'myth-makers' to serve their political or

²³ Laroche, Michel, Mohammad Reza Habibi, and Marie-Odile Richard. "To be Or Not to be in Social Media: How Brand Loyalty is Affected by Social Media?" *International Journal of Information Management* 33, no. 1 (2013): 76-82.

²⁴ Michaelidou, Nina, Nikoletta Theofania Siamagka, and George Christodoulides. "Usage, Barriers and Measurement of Social Media Marketing: An Exploratory Investigation of Small and Medium B2B Brands." *Industrial Marketing Management* 40, no. 7 (2011): 1153-1159.

²⁵ Singh, Sangeeta and Stephan Sonnenburg. "Brand Performances in Social Media." *Journal of Interactive Marketing* 26, no. 4 (2012): 189-197.

²⁶ Barthes, Roland. *Image, Music, Text*. Noonday Press ed. New York: Farrar, Straus and Giroux, 1990, 33.

²⁷ Şerban, Silviu. "from Marketing to Semiotics: The Way to Marketing Semiotics." *Journal of Self-Governance and Management Economics* 2, no. 2 (2014): 64.

²⁸ Barthes, Roland. *Myth Today*. Hill and Wang. New York, 1984, 218.

business interests.²⁹ To regular people, 'myth' appears as though it is natural, or just the way things are. Barthes argues that individuals are subject to the constructed meaning of myth:

We now know that myth is a type of speech defined by its intention much more than by its literal sense; and that in spite of this, its intention is somehow frozen, purified, eternalized, made absent by this literal sense. This constituent ambiguity of mythical speech has two consequences for the signification, which henceforth appears both like a notification and like a statement of fact. Myth has an imperative, buttonholing character: stemming from an historical concept, directly springing from, it is I whom it has come to seek. It is turned towards me, I am subjected to its intentional force, it summons me to receive its expansive ambiguity.³⁰

People see myths as unproblematic, purely representative of something that is a fact, a reality or an experience. Myths are seen as reflecting truth or the givenness of a situation, rather than as explanations or motivated statements. In the marketplace, products are often wrapped up in mythic meanings and associations in order to 'naturally' appear as answers to consumers' needs, desires and anxieties. Ads often offer to help consumers bridge the gap between themselves and who they want to be, as well as between them and others in society. As a result, consumption overall is figured as a way to construct an aspirational self. As Kritsadarat Wattanasuwan argues:

Basically, we employ consumption not only to create and sustain the self but also to locate us in society...Products that we buy, activities that we do and philosophies or beliefs that we pursue tell stories about who we are and with whom we identify. Certainly, we do not consume products, activities, or beliefs only to satisfy our needs but also to carry out our self-creation project... And it seems that we can symbolically acquire it from our everyday consumption...we will consume things that hold particular symbolic meanings. These meanings may be idiosyncratic or commonly shared with others.³¹

However, the meanings advertising attaches to products are not intrinsic to the product at all, rather, the meanings attributed to the product are purposefully and carefully constructed and motivated by marketers. ³²

³⁰ Barthes, Roland. Myth Today. Hill and Wang. New York, 1984, 235.

²⁹ Ibid., 224

³¹ Warranasuwan, Kritsadarat. "The Self and Symbolic Consumption." *Journal of American Academy of Business* 6, no. 1 (2005): 179.

³² Elliott, Richard. "Existential Consumption and Irrational Desire." *European Journal of Marketing* 31, no. 3/4 (1997): 286.

The production of myth creates the power and symbolic value of a commodity; advertisers work to create this symbolic value, via myth-making, in order to produce and maintain markets of consumers. In capitalist consumption, the intrinsic function of a product has become less important to consumers, whereas the symbolic value of a product has increasingly come to satisfy people in both social and emotional ways. In his article "Symbols For Sale", Sydney Levy points out that buyers are not logical about why they buy; they do not buy for the product's use value, rather they buy to address their desires and pleasures. Levy argues that, "consumers still talk about price, quality, and durability, since these are regarded as sensible traditional values. But at the same time, they know that other factors affect them, and they believe these to be legitimate influences". Therefore, marketers work to create symbolic value for their products and services that address consumers' identities, desires and anxieties. The products and services that address consumers' identities, desires and anxieties.

As we have seen, the importance of consumer goods, then, "rests largely in their ability to carry and communicate cultural meaning." ³⁵ Grant McCracken argues that cultural meaning does not reside or inhere in consumer goods, but is transferred to them via the behaviors and practices of their consumers, who act within and according to the beliefs and assumptions of their cultures. Advertising, of course, is one of the major instruments responsible for the creation and transfer of cultural meanings to and from commodities; they do this by "bringing the consumer good and representation of the culturally constituted world together within the frame of a particular advertisement." ³⁶ Images and signs in advertisements have connotations that represent particular culture meanings generated from the culturally specific context, so that the viewer/reader can easily connect to the properties of the product being advertised. Marketers and advertisers take advantage of established connotative meanings of cultural signs (for example, a diamond as a symbol of love) and use those connotations strategically to enhance their own promotional messages. Advertising is, therefore, a type of mythical speech, as it contains signifying elements

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³³ Levy, Sidney. "Symbols for Sale." *Journal of Marketing* 33, no. 1 (1969): 13.

³⁴ Holt, Douglas B. How Brands Become Icons: The Principles of Cultural Branding. Boston: Harvard Business School Press, 2004, 7.

³⁵ McCraken, Grant. "Culture and Consumption: A Theoretical Account of the Structure and Movement of the Cultural Meaning of Consumer Goods." *Journal of Consumer Research* 13, no. 1 (1986): 71.

³⁶ Ibid., 73

such as language, discourse, images, to convey interested, or politically/economically motivated information and draws on already established cultural meanings to do so.

Barthes's concept of connotation, or the second order of meaning, and of mythic, or third order meaning, can be applied to any investigation of myth in advertising. The connotative meaning of an image in an advertisement goes beyond its literal and original cultural meaning; that is to say, the denoted or representational meaning of the sign is supplemented by culturally determined, symbolic meaning, which is used by marketers and turned into mythic meaning.³⁷ Marketers use the established connoted meaning of a sign in the ad design process, and audiences often reinscribe these meanings in and through their use and interpretation of the advertisements.



Figure 1: The Second Order of Signification: How Myth is Produced³⁸

1.3.2 Immaterial Labour

Italian sociologist and philosopher Maurizio Lazzarato coined the concept of immaterial labour in his 1996 essay "Immaterial Labour". The term refers to labour that "produces immaterial goods such as a service, a cultural product, knowledge and communication." Lazzarato notes that there are two different aspects of this type of labour:

On the one hand, as regards the 'informational content' of the commodity, it refers directly to the changes taking place in workers' labor processes in big companies in the industrial and tertiary sectors, where the skills involved in direct labor are increasingly skills involving cybernetics and computer control (and

³⁷ Barthes, Roland. *Image, Music, Text*. Noonday Press ed. New York: Farrar, Straus and Giroux, 1990, 19.

³⁸ Barthes, Roland. *Myth Today*. Hill and Wang. New York, 1984, 224.

³⁹ Hardt, Michael and Antonio Negri. *empire*. Cambridge, Mass: Harvard University Press, 2000, 292.

horizontal and vertical communication). On the other hand, as regards the activity that produces the 'cultural content' of the commodity, immaterial labor involves a series of activities that are not normally recognized as 'work' - in other words, the kinds of activities involved in defining and fixing cultural and artistic standards, fashions, tastes, consumer norms, and, more strategically, public opinion. Once the privileged domain of the bourgeoisie and its children, these activities have, since the end of the 1970s, become the domain of what we have come to define as 'mass intellectuality'. ⁴⁰

Michael Hardt and Antonio Negri develop Lazzarato's argument, also identifying two types of immaterial labour. The first type involves problem-solving and analytic activities associated with professional service and management, ⁴¹ for example, individuals who design or create applications and software. The other kind of immaterial labor is "the affective labour of human contact and interaction," which involves the creation and manipulation of affect; the products of this labour "are intangible, [such as] a feeling of sense, well-being, satisfaction, excitement, or passion," for example, a waiter's demeanor and positive attitude. Affective labour is now directly productive of capital and has become generalized across wide sectors of the economy. The changes in capitalism due to the dominance of new communication technologies are making forms of human interaction more central to its processes of accumulation. Has Hardt and Negri note, affective labour produces "social networks, forms of communities, biopower" that can be directly exploitable by capital; "instrumental economic production has been united with the communicative action of human relations. As a result, we can see how the participation of contemporary consumers in promotional activities is a kind of immaterial labour; they are no longer simply consumers, but are also working for, or, at best, in a form of productive

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⁴⁰ Lazzarato, Maurizio. "Immaterial Labour." In *Radical Thought in Italy: A Potential Politics*, edited by P. Virno and M. Hardt. Minneapolis MN: University of Minnesota Press, 1996: 140. ⁴¹ Hardt, Michael and Antonio Negri. *empire*. Cambridge, Mass: Harvard University Press, 2000,

^{292. &}lt;sup>42</sup> Hardt, Michael and Antonio Negri. *empire*. Cambridge, Mass: Harvard University Press, 2000,

⁴³ Hardt, Michael. "Affective Labor." Boundary 2 26, no. 2 (1999): 92.

⁴⁴ Gill, Rosalind and Andy Pratt. "In the Social Factory?: Immaterial Labour, Precariousness and Cultural Work." *Theory, Culture & Society* 25, no. 7-8 (2008): 8.

⁴⁵ Hardt, Michael and Antonio Negri. *Empire*. Cambridge, Mass: Harvard University Press, 2000, 293.

cooperation with producers, as they make meanings and circulate those meanings for consumer brands, products and services. 46

A number of studies⁴⁷ have identified the work of consumers as a form of immaterial labour that can generate surplus value for capitalist production. Arvidsson⁴⁸ proposes that consumers now work as 'symbolic analysts', a new kind of marketer who generates value for enterprises through their social relations of consumption. This view that consumers help to co-create the symbolic value (or mythic meanings) of a brand in turn shifts a brands' strategic focus away from selling their products to building relationships with consumers.⁴⁹ Brand value, defined by Arvidsson, is an important immaterial asset in contemporary capitalism, which "represents the present value of predictable future earnings generated by the brand."⁵⁰ He argues that the immaterial assets of a brand are produced, not only through advertising, marketing, and strategic events, but also by consumers.⁵¹

Nicholas Carah claims that consumers add symbolic value to a brand by circulating the cultural meanings that it has adopted:

Cova, Bernard, and Daniele Dalli. "Working consumers: The next step in marketing Theory?" *Marketing Theory* 9, no. 3 (2009): 315-339.

Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer engagement in online brand communities: A social media perspective." *Journal of Product & Brand Management* 24, no. 11 (2015): 28-42.

Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-creating value with consumers through social media." *Journal of Services Marketing* 30, no. 2 (2016): 141-151. Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting consumers to work: Co-creation and new marketing govern-mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 163-196.

⁴⁶ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting consumers to work: Cocreation and new marketing govern-mentality". *Journal of Consumer Culture* 8, no. 2 (2008): 167.

⁴⁷ Arvidsson, Adam. "Brands: A Critical Perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 235-258.

⁴⁸ Arvidsson, Adam. "Brands: A critical perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 237.

⁴⁹ Zwick, Detlev and Julien Cayla. *Inside Marketing: Practices, Ideologies, Devices*. New York; Oxford: Oxford University Press, 2011, 213.

⁵⁰ Arvidsson, Adam. "Brands: A critical perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 238.

⁵¹ Ibid

one way brands create value is by engaging the capacity of cultural labourers to animate affective connections with consumers. Affective labor involves not only the capacity of individuals to produce specific meanings and feelings, but also the open-endedly social capacity to stimulate and channel attention and recognition. This affective labor does not always depend on making particular 'authentic' representations, but on facilitating a general circulation of meaning......[Specifically] affect is not the property or creation of the laborer, but is found in the capacity of the laborer to channel and modulate social connections, ideas and feelings. Affect refers to ideas, thoughts and feelings that we can access, embody and circulate through our place in the social body. The affective laborer might narrate specific affects, but more generally they stimulate and channel the attention of others. Affective labour is the irreducibly social and relational capacity to affect and to be affected.⁵²

These cultural labourers clearly help to produce the cultural content of a brand in the form of social relationships, and the creation of shared meanings that add to the economic value of a good. ⁵³ Practices of consumption, then, can be conceptualized as one manifestation of immaterial labour. ⁵⁴ In addition however, companies utilize the knowledge of consumers and their creative interests to better understand and leverage the desires of a vast and changing market for a profit. ⁵⁵ In this way, consumers, who are seen as the source of cultural and social knowledge that is constantly being updated and reproduced in society, contribute to the economic value of products. ⁵⁶

The co-creation of brand value has only intensified in the age of social media. Platforms like Facebook and Instagram, for instance, solicit and facilitate interactions between people in an ostensibly 'free' and enjoyable environment. Companies, in turn, can easily monitor, mine,

⁵² Arvidsson, Adam. "Brands: A critical perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 348

Hardt, Michael and Antonio Negri. *empire*. Cambridge, Mass: Harvard University Press, 2000, 293.

Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer engagement in online brand communities: A social media perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 30.

165.

⁵³ Ibid., 239.

⁵⁴ Lazzarato, Maurizio. "Immaterial Labour." In *Radical Thought in Italy: A Potential Politics*, edited by P. Virno and M. Hardt. Minneapolis MN: University of Minnesota Press, 1996, 141. ⁵⁵ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting consumers to work: Cocreation and new marketing govern-mentality." *Journal of Consumer Culture* 8, no. 2 (2008):

⁵⁶ Ibid

intervene in, and direct these forms of participation. In this way, we can see how social media platforms facilitate the unwaged immaterial work of participants. By positioning themselves as 'friends' on these sites, brands provide the means and resources to support and encourage consumers to create their brand value, instead of delivering value directly to consumers. ⁵⁷ Bernard Cova and Daniele Dalli⁵⁸ illustrate the ways that consumers' resistant behaviors, which can keep them away from mainstream goods, trends or companies, may also help to enhance the market; their resistant contributions can help companies to identify new business opportunities, address problems and evolve. As a result, brands do not simply attribute a series of qualities to a product or service but also aim to generate a whole relay of social affects in relation to their brand through the participation of consumers and other cultural actors.

Even though consumers appear to be fully involved in the value co-creation process, they are not producers in the full sense because producers profit from the market surplus, while consumers do not. ⁵⁹ Arvidsson argues that consumers do not actually have the power to subvert market structures because "brand management works by enabling or empowering the freedom of consumers so that it is likely to evolve in particular directions." ⁶⁰ The fusion of social communication and social production as a new strategy of marketing allows companies to continue to thrive through their exploitation of consumers, and their control over consumption practices in the marketplace.

It is clear that companies such as Coke benefit in many ways from engaging consumers, both directly and indirectly. However, firms are also legitimately threatened by co-creation, and by the abdication of control around their brand that can come from open comments on social media platforms, for example. Co-creation always comes with risks. Siwarit Pongsakornrungsilp and Jonathan Schroeder argue that co-creation may damage the meaning and value of the brand when

⁵⁷ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting consumers to work: Cocreation and new marketing govern-mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 165.

⁵⁸ Ibid

⁵⁹ Cova, Bernard, and Daniele Dalli. "Working consumers: The next step in marketing Theory?" *Marketing Theory* 9, no. 3 (2009): 320.

⁶⁰ Arvidsson, Adam. "Brands: A critical perspective." *Journal of Consumer Culture* 5, no. 2 (2005): 244.

consumers decide to resist marketing efforts, ⁶¹ or "give voice to their dissatisfaction and perceived unfair company decision." ⁶² What might initially be a positive co-creation experience for a brand can change into a negative one for a variety of reasons. Just like positive commentary, consumer negativity can appear in many ways, from relatively benign negative word of mouth to more damaging YouTube videos, or boycotts, etc. Consumers are unpredictable and co-creation practices do not come without significant risks to the brand. As a result, most major brands utilize social media intelligence, or reputation management services to mitigate these risks online. In China, brands on Weibo often turn off the comments under the posts that they think may damage their brand images and reputation.

1.3.3 Immaterial Labour 2.0

In the era of Web 2.0, social media platforms have brought enormous business opportunities for enterprises and their customers, and they are fundamentally changing the interactions between both parties. ⁶³ The collaborations and interactions between enterprises and consumers, and among consumers themselves, have become more instantaneous and more frequent. Even though social media surveillance raises serious concerns with regards to privacy for example, online platforms can also provide an environment that stimulates idea exchange, social cooperation and innovation, and promotes "social bonding and social bridging." ⁶⁴ Since social media-based communications are so ubiquitous and are now woven into every aspect of our lives, marketers and companies have had to adapt to make their campaigns and tactics online ever more personalized and intimate. Of course, compared to traditional communication channels, social media platforms provide marketers "much higher efficiency, lower cost, more direct scope to

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⁶¹ Pongsakornrungsilp, Siwarit and Jonathan E. Schroeder. "Understanding Value Co-Creation in a Co-Consuming Brand Community." *Marketing Theory* 11, no. 3 (2011): 319.

⁶² Gebauer, Johannes, Johann Füller, and Roland Pezzei. "The Dark and the Bright Side of Co-Creation: Triggers of Member Behavior in Online Innovation Communities." *Journal of Business Research* 66, no. 9 (2013): 1517.

⁶³ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer engagement in online brand communities: A social media perspective." *Journal of Product & Brand Management* 24, no. 11 (2015): 35.

⁶⁴ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-creating value with consumers through social media." *Journal of Services Marketing* 30, no. 2 (2016): 142.

end-consumers."⁶⁵ They also provide the means for companies to engage more directly with their consumers to co-create the brand value with them. Consumers, performing in the brand value co-creation process are defined as an emerging kind of immaterial labor 2.0, "a more accelerated, intensified, and indeed inscrutable variant of the kind of activity initially proposed by Lazzarato." ⁶⁶ The immediacy of the Internet accelerates the circulation and accumulation of attention that can be devoted to a brand. Its open environment is ideal for consumers to participate in product innovation as well as brand co-creation. Active online activities, then, foster the process of brand identity development and are effective strategies for international companies, that are increasingly eyeing overseas opportunities and having to adapt their brand co-creation processes to different cultural markets.

1.3.4 From Globalization to Glocalization

Globalization is the term used to describe the growing interdependency of the world's economies, cultures, and populations.⁶⁷ Factors such as advanced science, technologies, and communications have played central roles in making globalization possible.⁶⁸ Globalization addresses:

a variety of economic, cultural, social, and political changes that have shaped the world over the past 50-odd years, from the much-celebrated revolution in information technology to the diminishing of national and geo-political boundaries in an ever-expanding, transnational movement of goods, services, and capital. The increasing homogenization of consumer tastes, the consolidation and expansion of corporate power, sharp increases in wealth and poverty, the 'McDonaldisation' of food and culture, and the growing ubiquity of liberal democratic ideas are all, in one way or another, attributed to globalization.⁶⁹

As a result of globalization, it is argued, the world is moving toward an increasingly standardized common culture. This involves the integration of all economic activity (local, national and

⁶⁵ Jiao, Yongbing, Myung-Soo Jo, and Emine Sarigöllü. "Social Value and Content Value in Social Media: Two Paths to Psychological Well-being." *Journal of Organizational Computing and Electronic Commerce* 27, no. 1 (2017): 19.

⁶⁶ Mark Coté and Jennifer Pybus. "Learning to Immaterial Labour 2.0: MySpace and Social Networks." *ephemera* 7, no. 1 (2007): 89.

⁶⁷ Albrow, Martin, Elizabeth King, and International Sociological Association. *Globalization, Knowledge, and Society: Readings from International Sociology*. Newbury Park; London: Sage Publications, 1990, 5.

⁶⁸ Guttal Shalmali. "Globalisation." Development in Practice 17, no. 4-5 (2007): 524.

⁶⁹ Guttal Shalmali. "Globalisation." *Development in Practice* 17, no. 4-5 (2007): 523.

regional) into a global marketplace, where standardized consumer products are being produced on a previously unimagined scale.⁷⁰ Globalization, therefore, is widely thought of as involving cultural homogenization, and, even more specifically, as involving the increasing domination of one societal or regional culture over all others.⁷¹

British sociologist Roland Robertson introduced the concept of 'glocalization' in order to identify the "heterogenising" aspects of globalization, or the persistence of differences in national or regional preferences. Robertson argue that questions of specific "locality" are being ignored in studies of globalization, as people are often raising concerns from a global scale, but tend to overlook the differences among nations. As Robertson argues, the term 'glocalization' is derived from the Japanese notion of 'dochakula', are ferring to the agricultural principle of adapting farming techniques to local conditions. In the 1980s and 1990s, Sony Corporation employed the concept of 'dochakula' in their corporate advertising and brand strategies in order to promote their products in line with local tastes and interests. Robertson translated' dochakula' into English as 'glocalization' in the late 1980s. Robertson "could not help noticing that many of the social categories and practices assume a local flavor or character despite the fact that" many "products were invented elsewhere."

Many scholars in business and marketing recommend a homogenized global strategy, by which they encourage international companies to "sell a standardized product, employing the same strategy throughout the world." These practices tend to ignore the national and regional differences and the discrepancies of consumers' tastes and purchasing motivations, instead focusing only on the similarities between different cultures. Numerous business practices,

⁷⁰ Ibid., 524

⁷¹ Robertson Roland. "Globalization or Glocalization." *The Journal of International Communication* 1, no. 1 (1994): 191.

⁷² Ibid., 192

⁷³ Roudometof, Victor. "Theorizing Glocalization: Three interpretations1." *European Journal of Social Theory* 19, no. 3 (2016): 392.

⁷⁴ Ibid.

⁷⁵ Ibid

⁷⁶ Maynard, Michael and Yan Tian. "Between Global and Glocal: Content Analysis of the Chinese Web Sites of the 100 Top Global Brands." *Public Relations Review* 30, no. 3 (2004): 287.

however, have proven that "homogenization is an overly simplistic view of globalization." In contrast, the concept of 'glocalization' points out "the dialectics of the global and the local, convergence and divergence, homogenization and heterogenization, universalism and particularism…not only coexist, but [also] interact, and are synthesized in fluid, dynamic ways."

In his article "Disjuncture and Difference in the Global Cultural Economy", Arjun Appadurai argues that the central problem of modern day globalization is the tension between cultural homogenization and cultural heterogenization. ⁷⁹ He points out that the outdated argument for homogenization often assumes the interrelationship between Americanization and commodification, noting American culture has had control over other cultures. However, Appadurai stresses that, within the global cultural economy, cultural elements are adapted to and indigenized to local cultures. So, the fear of cultural invasion is not limited to Americanization but also includes "cultural absorption by polities of smaller scale, especially those that are near by." Appadurai also proposes the concept of 'deterritorialization', which names the process whereby cultural groups living away from their home territory change or create hybrids from their adopted local culture. The inventive combinations of different cultural phenomena from across the world is now a common feature of people's modern lives. Although Robertson's argument about "glocalization" aligns partially with Appadurai's concept of deterritorialization, it is inflected more toward economic trends, and the ways in which global businesses are expected

http://oxfordre.com/international studies/view/10.1093/acrefore/9780190846626.001.0001/acrefore-9780190846626-e-139?print=pdf

cultural heterogenization or multicultural society, which means region culture was widely disseminated and accepted by other societies and cultures and meanwhile enhance the cultural diversity in local society.

See: https://millseblog.wordpress.com/2016/05/06/global-cultural-homogenization-vs-cultural-heterogenization/

⁷⁷ Ibid., 288

⁷⁸ Maynard, Michael and Yan Tian. "Between Global and Glocal: Content Analysis of the Chinese Web Sites of the 100 Top Global Brands." *Public Relations Review* 30, no. 3 (2004): 288.

⁷⁹ Cultural homogenization is understood as a state-led policy aimed at cultural standardization and the overlap between state and culture. See:

⁸⁰ Appadurai, Arjun. "Disjuncture and Difference in the Global Cultural Economy." Theory, Culture & Society 7, no. 2-3 (1990): 295.

to differentiate themselves in local markets on the basis of particular culture values and consumer demands.⁸¹ The concept of 'glocalization' is applied in this study to demonstrate how Coca-Cola, as an international company, promotes the culture of consumption in Chinese society by appropriating Chinese cultural symbolism, and adapting Chinese social media in its marketing strategies. However, it is crucial to bear in mind that, while these advertisements have a local face, their underlying purpose and effect is to deepen processes of commodification and propagate capitalist values in Chinese society overall.

1.4 History of Advertising in China

The history of advertising in China can be traced back to the Song Dynasty where merchants started to use words and signs to advertise services and products. ⁸² In the early twentieth-century (1900-1930), with the rise of The National Product Movement, consumerism played a growing role in defining Chinese nationalism. ⁸³ In the 1920s and 1930s, advertising in Shanghai was already a dynamic industry, with foreign advertising agencies and brands competing with Chinese counterparts before WWII. ⁸⁴ After the Chinese Communist Party takeover in 1949, the government gradually eliminated advertising and the country's dependence on capitalist countries in the belief that the culture of consumption would jeopardize the government's political power. ⁸⁵ With the establishment of the People's Republic of China, Chairman Mao Zedong announced that China had "stood up" after being dominated by imperialist powers for more than hundred years, and would develop its own "industrial economy with as little integration into [other] capitalist economies as possible". ⁸⁶ While consumerism was rising in

⁸¹ Robertson Roland. "Globalization or Glocalization." *The Journal of International Communication* 1, no. 1 (1994): 195.

⁸² Wang, Jing. *Brand New China: Advertising, Media, and Commercial Culture*. Cambridge, Mass: Harvard University Press, 2008, 41.

⁸³ Gerth, Karl. *China made: Consumer Culture and the Creation of the Nation*. Vol. 224. London; Cambridge, Mass; Harvard University Asia Center, 2003: 3.

⁸⁴ Li, Hongmei. "Advertising in China." China Research Center. January 11, 2017. Accessed April 13, 2019. http://www.chinacenter.net/2017/china_currents/16-1/advertising-in-china/.

⁸⁵ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008):232.

⁸⁶ Gerth, Karl. As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything. 1st ed. New York: Hill and Wang, 2010, 6

market economies from America to Japan, the Chinese government used its sovereignty to restrict consumer spending by limiting the availability of consumer goods in China. This was not simply because of the country's need to develop its own material resources, but also because traditional Chinese cultural values promoted a frugal way of living and rejected the worship of material possessions.⁸⁷

In the late 1970s, China officially announced a resumption of commercial advertising. ⁸⁸ Followed by economic reforms and the door-open policy, the Chinese market attracted various foreign companies to China and the newly middle-class urban Chinese consumer began to catch up with their counterparts in the leading consumer countries. ⁸⁹ Gregory Chow ⁹⁰ proposes several different reasons for the acceleration of economic reforms in China, including the fact that changes were needed after the death of Mao Zedong, the end of the Cultural Revolution and the new leadership of Deng Xiaoping; neighboring economies, such as Hong Kong, Taiwan, Singapore, and South Korea, were benefitting from a market economy; and Chinese people were clamoring for access to more diverse markets and more freedom of choice. Given all of these reasons, it is likely that economic reform was inevitable.

Deng decided to "open the door" to the world at the start of the Reform Era in 1978, in order to secure "the technology and investment necessary to develop" the economy of China. ⁹¹ Under the open-door policy, the promotion of domestic exports and imports was encouraged. By 1987, "the volume of foreign trade increased to 25 percent and by 1998 to 37 percent of gross domestic product." Different forms of advertising emerged in the 1980s and 1990s as well. The first

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⁸⁷ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008):231.

⁸⁸ Ibid

⁸⁹ Gerth, Karl. As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything. 1st ed. New York: Hill and Wang, 2010, 3.

⁹⁰ Gregory Chow. "Economic Reform and Growth in China." *Annals of Economics and Finance* 5, no. 1 (2004): 128-129.

⁹¹ Gerth, Karl. As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything. 1st ed. New York: Hill and Wang, 2010, 6.

⁹² Thornton, Patricia H. *Markets from Culture: Institutional Logics and Organizational Decisions in Higher Education Publishing.* Stanford, Calif: Stanford Business Books, 2004, 131.

domestic TV commercial post-Mao, the first advertising-driven magazine, and many advertising billboards heralded the arrival of "commercial culture and commercial speech ... into China's popular culture and social landscape." By joining the World Trade Organization in 2001, China signaled a "shift from a centrally controlled command economy toward a consumer economy."

During the financial crisis in 2008, China was finally seen by the Western world, as "the new motor of global economic demand and growth;" the high demand from Chinese consumers would go on to create jobs and economic growth in the U.S and other capitalist countries. On the domestic side, Chinese governments implemented policies that made consumption easier and more accessible for Chinese citizens in all areas, including simplifying money-lending processes at banks, and subsidizing the cost of cell phones and televisions. The motive behind these policies was to encourage domestic demand to facilitate long-term economic growth in the country, building "international power and [ensuring] the leaders' own power politically." 96

1.5 Coca-Cola in China

Coca-Cola provides a salient case study for an analysis of the reconfiguration of cultural symbols and ideologies in advertising in China, and the role of Weibo in advancing processes of brand co-creation because of its successful track record marketing in different cultural markets around the globe. Coke is currently one of the most popular carbonated beverages in China. In 1993, a total of 93.18 million metric tons of Coke were produced in China; that amount grew to almost 480 million metric tons in 2013. In 2015, Coca-Cola was the largest player in the beverage market in China, with a total market share of 14%.

⁹³ Wang, Jing. *Brand New China: Advertising, Media, and Commercial Culture*. Cambridge, Mass: Harvard University Press, 2008, 8.

⁹⁴ Gerth, Karl. As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything. 1st ed. New York: Hill and Wang, 2010, 7.

⁹⁵ Ibid., 10

⁹⁶ Ibid

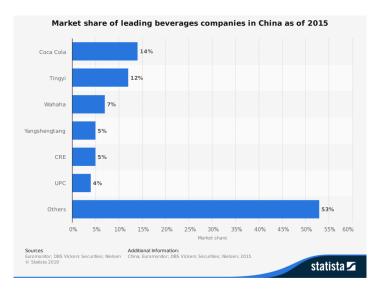


Figure 2: Market share of leading beverages companies in China as of 201597

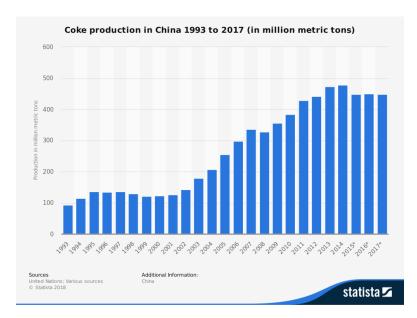


Figure 3: Coke production in China 1993 to 2017 (in million metric tons)⁹⁸

China initially proved a difficult market to penetrate for Coke, because Chinese consumers found the taste of Coke odd and because most of the Chinese prefer their drinks warm instead of cold.⁹⁹

⁹⁷ DBS Group Research. *Market share of leading beverages companies in China as of 2015*. https://www.statista.com/statistics/753313/china-major-beverages-players-market-share/ (accessed 5/13/19, 9:12 PM).

⁹⁸ Statistik der Kohlenwirtschaft. *Coke production in China 1993 to 2017 (in million metric tons)*. https://www.statista.com/statistics/267887/coke-production-in-china-since-1993/ (accessed 5/13/19, 9:17 PM).

Much of the success Coke has achieved in China, therefore, can be credited to its marketing strategies, including the unique branded experiences it has created for Chinese consumers. Coca-Cola was the first international brand to re-enter the Chinese market in 1978 after the Cultural Revolution¹⁰⁰ and the restoration of diplomatic relations between China and the U.S.¹⁰¹ However, 1978 did not mark the company's first work in the country. The brand came to China in 1927, and, by the 1940s, Coke was selling over a million crates a year in Shanghai. The company was forced to leave the market in 1949 when the Communist Party took over.¹⁰² The first 2,000 cases of Coca-Cola arrived in Beijing post-Mao in January 1979, ¹⁰³ after the company signed an agreement with the Chinese government to only sell Coke in international hotels and 'Friendship' stores for foreign tourists taking an advantage of the newly established open-door Policy. At the beginning of its market re-entry, bottles of Coke were shipped from Hong Kong and were only sold in Beijing, Shanghai, and Guangzhou.¹⁰⁴ In the 1980s, Coca-Cola reached an agreement with the Chinese government to sell Coke to Chinese consumers.

When Coca-Cola was originally sold in 1927, it translated its name into *ke kou ke le* in Chinese, which means "to let the mouth rejoice" or "delicious happiness". After Coke began to sell its

⁹⁹ "Celebrating 35 Years of Coca-Cola in China." The Coca-Cola Company. November 24, 2014. Accessed April 13, 2019. https://www.coca-colacompany.com/stories/celebrating-35-years-of-coca-cola-in-china.

See: Thornton, Patricia H. *Markets from Culture: Institutional Logics and Organizational Decisions in Higher Education Publishing*. Stanford, Calif: Stanford Business Books, 2004, 697. ¹⁰¹ "Celebrating 35 Years of Coca-Cola in China." The Coca-Cola Company. November 24, 2014. Accessed April 13, 2019. https://www.coca-colacompany.com/stories/celebrating-35-years-of-coca-cola-in-china.

¹⁰⁰ The Cultural Revolution (1966-1976): Launched by Chairman Mao Zedong to remove those "representatives of the bourgeoisie who have sneaked in to the Party, the government, the army, and all spheres of culture". The purpose of this movement was to promote Chairman Mao's thought as the dominant ideology of China and to strengthen his political power. History has shown that the movement negatively affected the economy, culture, and society to a significant degree.

¹⁰² Cendrowski, Scott. "Opening Happiness: An Oral History of Coca-Cola in China." Fortune. September 12, 2014. Accessed April 13, 2019. http://fortune.com/2014/09/11/opening-happiness-an-oral-history-of-coca-cola-in-china/.

¹⁰³ Ibid

¹⁰⁴ "Celebrating 35 Years of Coca-Cola in China." The Coca-Cola Company. November 24, 2014. Accessed April 13, 2019. https://www.coca-colacompany.com/stories/celebrating-35-years-of-coca-cola-in-china.

products to Chinese consumers in the 1980s, it was three time more expensive than "Arctic Ocean," the beverage that was widely popular in Beijing at the time, so only a few people were willing to give Coke a try. ¹⁰⁵ To make Coke more popular, the staff of Coca-Cola went to shopping malls in Beijing to promote the beverage in 1983. They gave away Coca-Cola balloons and chopsticks for every bottle of Coke sold. This initiative has been cited as the first overtly promotional commercial activity in contemporary China. ¹⁰⁶ In 1985, Coca-Cola was officially allowed to sell its products to Chinese consumers. ¹⁰⁷ In 1986, Coca-Cola's aired the first foreign advertisement on China Central Television (CCTV), the only national TV network in China.

1.6 Chinese cultural values

Chinese traditional cultural values appear to be antagonistic to consumerist ideology, therefore making the 'glocalization' process more challenging for foreign brands. Lei Tang identifies the core beliefs of Confucianism, Taoism and Buddhism as three important doctrines that have shaped Chinese society. Often characterized as a social and ethical philosophy rather than a religion, the founder of Confucianism, Master Kong-fu-zi, established an ethical and moral system that values the relationships between family members and friends and promotes virtues such as benevolence, honesty, trustworthiness, etc. ¹⁰⁸ One of the most important concepts of Confucian doctrine is the need to exist in a group and to always act in favor of the group's interests. ¹⁰⁹ Taoism encourages people to live with "passivity, calmness and non-strife", and is based on having few desires, preferring a life of total inactivity, and being in harmony with one's nature, ¹¹⁰ Buddhism, which was introduced to China from India between 58 and 76 AD, ¹¹¹ emphasizes that "desire is the source of all pain and that pain can be overcome by suppressing desire through meditation." ¹¹² All three doctrines, then, focus on collective identity, group

¹⁰⁵ Cendrowski, Scott. "Opening Happiness: An Oral History of Coca-Cola in China." Fortune. September 12, 2014. Accessed April 13, 2019. http://fortune.com/2014/09/11/opening-happiness-an-oral-history-of-coca-cola-in-china/.

¹⁰⁶ Ibid

¹⁰⁷ Ibid

¹⁰⁸ Tang, Lei. *The Chinese Consumer Market: Opportunities and Risks*. Oxford: Chandos Pub, 2009, 3.

¹⁰⁹ Ibid., 7.

¹¹⁰ Ibid., 4-5

¹¹¹ Ibid., 5

¹¹² Ibid., 6

harmony, suppressing desire and living a simple life. These values align well with China's more recent political history of communism and its collectivist ideals.

Researchers Ge Xiao and Jai-OK Kim have argued that societies that pursue individualism value achievement, hedonism, self-direction, stimulation, and have self-serving interests; on the contrary, societies that value collectivism celebrate tradition, conformity, benevolence and focus on promoting the interest of others. ¹¹³ The authors further demonstrate that the dominant cultural-social values in a country greatly affect the country's consumerist values. Cross-cultural studies have labeled China collectivistic society. ¹¹⁴ Compared to consumers from an individualistic society then, who tend to buy a commodity based on whether it is able to bring them happiness and represent their social status and wealth, Chinese consumers are motivated to purchase in order to achieve their in-group goals and realize their collective cultural aspirations. That is to say, Chinese consumers tend to give fewer considerations to personal, individual desires. ¹¹⁵

1.7 Methodology

The methodology employed in this thesis draws on the extended Barthes model, developed by Zhao and Belk¹¹⁶ in their study, "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition," and on IEPAR model, a five-stage process model of social media-based co-creation established by Kao *et al*¹¹⁷, in their essay, "Co-creating Value with Consumers through Social Media." These two models will be explained in detail in the subsequent chapters.

¹¹³ Xiao, Ge and Jai-Ok Kim. "The Investigation of Chinese Consumer Values, Consumption Values, Life Satisfaction, and Consumption Behaviors." *Psychology and Marketing* 26, no. 7 (2009): 615.

¹¹⁵ Xiao, Ge and Jai-Ok Kim. "The Investigation of Chinese Consumer Values, Consumption Values, Life Satisfaction, and Consumption Behaviors." *Psychology and Marketing* 26, no. 7 (2009): 620.

¹¹⁶ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." Journal of Consumer Research 35, no. 2 (2008): 236.

¹¹⁷ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." Journal of Services Marketing 30, no. 2 (2016): 141.

¹¹⁴ Ibid

Chapter Two

Appropriation of Cultural Elements in Advertising

2.1 Overview

In Chapter One, I provided background information regarding the history of advertising in China, and Coca-Cola's efforts in particular. The previous chapter also introduced the brand value cocreation process and the role of immaterial labour in that process. In this chapter, I will examine Coke's work to induce Chinese consumers to engage with its brand co-creation process via a case study of its 2017 TV commercial created for the Chinese Lunar New Year. I will borrow the extended myth analysis model developed by Zhao and Belk to analyze the reconfiguration of key cultural symbolism in Coke's New Year ad and analyze how the strategic use of Chinese cultural elements contributes to the overall success of the ad. I will seek answers to the following questions: 1) how does incorporating Chinese cultural elements in advertising induce consumers to participate in Coke's brand value co-creation process? 2) how does Coke naturalize the relationship between Chinese consumers' brand-related desires and their social and cultural aspirations by adapting Chinese cultural elements in advertising? 3) how does the co-creation process enhance the overall promotion of Coke consumption in China?

2.2 Chinese Lunar New Year

The Chinese Lunar New Year is the most important Chinese festival, celebrating the beginning of a new year on the traditional Chinese calendar, also known as the Rural Calendar or the Chinese lunar calendar. The Chinese calendar is 'lunisolar', meaning it shows elements from both the lunar and solar calendars. Chinese people use the Gregorian calendar (also known as the solar calendar) for their daily lives and the lunar calendar for their traditional festivals and for conducting their cultural rituals and folk activities. ¹¹⁸ The Chinese New Year falls on a different date every year during January and February, and the celebration of the festival lasts 15 days. The Chinese New Year derives from well-known Chinese folklore about a monster called *Nian*, who emerges on the Chinese New Year Eve and preys on living creatures, especially humans.

¹¹⁸ Yuan, Haiwang. "Yuan Haiwang The Origin of Chinese New Year." *SMS-I-Media Tourism Express* 1, no. 1 (2016): 1. Accessed April 8, 2019.

One year, on the eve of the New Year, a god in the form of a white-bearded old man appears to protect people from the monster's attack. After helping everyone escape, the old man puts on a red cloak and puts red paper on the frames of doors and windows. Upon the arrival of *Nian*, he sets a fire with bamboo chopsticks, which crackles loudly. The monster is frightened by the noise and the red color and is soon subdued by the old man, who then rides away on its back. As a result of this well known folktale, the Chinese have a tradition of putting up red decorations and setting off fireworks in memory of their hero and saviour. 119

Like Christmas, the festive atmosphere and the preparations for the Chinese New Year usually start several days before New Year's Eve. Chinese households begin to clean up their houses, hoping to sweep away illness and make way for coming good luck. House cleaning is not allowed on New Year's Day, however, because people do not want to sweep the good luck away. Instead of putting up Christmas trees and lights, the Chinese like to decorate their houses with Chinese paper cuttings, ¹²⁰ including Spring Festival couplets and red lanterns. The most common decoration is red paper with the text *fu*, which means 'many blessings in the coming new year.'

As on Thanksgiving and Christmas in the West, Chinese people return home for the family reunion dinner no matter where they are. During this time (also known as *chunyun*), billions of people in the country travel from one city to another. This round-trip journey has been called the largest annual human migration in the world. The celebration usually last 3-5 days and most working people enjoy a 7-day paid vacation. After feasting together at home, families usually sit together to watch the 5-hour long TV gala, produced by China Central TV. When midnight comes, people celebrate the New Year by setting off fireworks and eating *Jiaozi* (dumplings) or *Niangao* (fried rice cakes). Given weather and crop conditions in the country, Southerners usually consume rice, while Northerners prefer wheat; so *Niangao* (fried rice cake) has become the featured dish for the Southerners, and *Jiaozi* (dumpling) is the most significant dish of the

¹¹⁹ Yuan, Haiwang. "Yuan Haiwang The Origin of Chinese New Year." *SMS-I-Media Tourism Express* 1, no. 1 (2016):5. Accessed April 8, 2019.

See: http://www.xacto.com/projects/artists/detail/history-of-paper-cutting

¹²⁰ Paper cutting is a type of Chinese traditional art. The artworks are made of red paper, and always symbolize good luck and happiness.

¹²¹ Bristow, Michael. "China's Holiday Rush Begins Early." BBC News. January 07, 2009. Accessed April 09, 2019. http://news.bbc.co.uk/2/hi/asia-pacific/7813267.stm.

north on the Chinese New Year. Unlike Christmas, Chinese children do not wake up to unwrap their presents, instead they receive a red pocket with fortune money from their parents, grandparents, and other senior relatives. In return, children kneel in front of their relatives, touching the ground with their hands and foreheads to show their respect. The holiday reaches another climax on the 15th day, which is the last day of the Chinese New Year—the Lantern Festival. At night, lanterns can be seen everywhere and children usually bring their favourite lanterns to show off in the neighbourhood. There are all kinds of activities throughout this day, including the dragon dance and riddle guessing. At the end of the day, people again set off fireworks to announce the end of the festival and the New Year Season.

2.3 Chinese New Year Campaign 2017

In December 2016, Coca-Cola launched a new advertisement for the Chinese Lunar New Year 2017. This ad has the classic holiday feel of Western Coke ads, but there is no reference to Christmas and no Santa or polar bears. The ad depicts a traditional Chinese New Year Eve, with a cozy winter atmosphere, red lanterns and other red festive decorations. In the ad, the two animated clay dolls featured on Coke's label in China come to life and help a young boy build a family of snow people for a lonely snowman on the New Year's Eve. The ad emphasizes the overall theme of "Sticking Together", the subject of Coke's overall "Taste the Feeling" campaign at the time. 124

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Yuan, Haiwang. "Yuan Haiwang The Origin of Chinese New Year." SMS-I-Media Tourism Express 1, no. 1 (2016):8. Accessed April 8, 2019.
 Ibid 9

¹²⁴ "Chinese New Year Campaign Serves Up Refreshing Take on Family Togetherness." The Coca-Cola Company. January 30, 2017. Accessed April 09, 2019. https://www.coca-colacompany.com/stories/chinese-new-year-campaign-serves-up-refreshing-take-on-family-togetherness.



Figure 4: The First Scene of Coke's Chinese New Year Commercial 125

Cia Hatzi, regional business director at McCann Worldgroup for Coca-Cola explains that the story of this campaign centers on family togetherness:

In this endearing tale, the Clay Dolls help a young boy bring a smile to a lonely snowman. The young boy empathizes with the snowman because he recognizes that everyone deserves to be with family during important celebrations. The Clay Dolls that have become synonymous with Coca-Cola CNY undertake the noble mission to 'build' a family for our lonely snowman, hence delivering the message of a special moment of family bonding. 126

Chinese New Year, as the most significant festival in the Chinese culture, is a clear opportunity for brands to communicate with their Chinese consumers and attempt to establish relationships with them on a personal level. Richard Cotton, Coke's content and creative excellence director, points out that this ad connects with its audience by encouraging consumers to associate the family-centered celebration of Chinese New Year with drinking Coke. As he states:

CNY is a celebration of family, a celebration that we stick together no matter what. And with the simple pleasure of drinking a Coca-Cola, we are always there to make the moment special, celebrating this unbreakable bond with your loved ones. 127

He acknowledges that creating campaigns for Chinese New Year is challenging because brands need to stand out from their competitors, that often touch on similar themes, such as family and

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¹²⁵ Coca-Cola, prod. "Coca-Cola Chinese New Year 2017 TVC." In *YouTube*. December 20, 2016.

¹²⁶ Chan, Tracey. "Coca-Cola's New CNY Campaign Celebrates Family Reunion." Marketing. March 1, 2017. https://www.marketing-interactive.com/coca-colas-new-cny-campaign-celebrates-family-reunion/.

¹²⁷ Ibid

togetherness; as he notes, "[the content] cannot veer too far from traditional Chinese New Year values, or consumers will reject it...There's a very small parameter you can play with in terms of creative ideas, but at the same time because it's so cluttered, you've got to stand out more." ¹²⁸



Figure 5: Scene of the Reunion Dinner in the Commercial 129

2.4 A Fu and A Jiao: Chinese Folk Art and the "Chinese Dream"

The two animated clay doll figurines in this campaign, A Fu and A Jiao (see Figure 4.) were first introduced in Coke's commercials in 2001^{130} by McCann China. By using these two animated characters, inspired by Chinese traditional clay folk art figures, Coke builds on Chinese consumers' cultural knowledge in just the same way it uses polar bears or Santa Claus at Christmas time to attract Western consumers. ¹³¹ The characters of A Fu and A Jiao were designed based on Da A Fu, meaning 'great good fortune,' which is the most well-known representative work of the Huishan clay figurine, inspired by a folk legend originating in Wuxi

¹²⁸ Doland, Angela. "Why Coke Is Sticking With These Giggling Characters For Chinese New Year." AdAge. January 19, 2016. https://adage.com/article/advertising/coke-sticking-giggling-characters-chinese-year/302163/.

¹²⁹ Coca-Cola, prod. "Coca-Cola Chinese New Year 2017 TVC." In *YouTube*. December 20, 2016.

¹³⁰ "Chinese New Year: Popular Clay Dolls Make a Comeback in Coke Campaign." 2015. Coca-Cola Journey. February 17, 2015. https://www.coca-colacompany.com/stories/chinese-new-year-popular-clay-dolls-make-a-comeback-in-coke-campaign.

¹³¹ Ibid

City. 132 Da A Fu is a figure of a boy who can allegedly defeat evil and bestow good fortune. The legend states that there was a monster living around Hui Shan (Hui Mountains) that hurt children. A child named Shan Haier (the son of the mountain) fought against it and protected people living in the village. Since then, people create clay figurines to honor this boy and his bravery. 133 A Fu and A Jiao have been used often in Coke's holiday campaigns because of their deep connection to Chinese folklore. As Cia suggests, "originally human characters that warded off evil monsters from the forest...over time they came to symbolize good luck and blessing during the Chinese New Year and other festive moments." 134



Figure 6: A Fu and A Jiao in Coke's Commercials 2001-2006¹³⁵

A Fu and A Jiao were reintroduced by Coke China specifically for the Chinese New Year in 2015. At this time, the images of the dolls that embody the customary rituals for Chinese New Year were also packaged as emoticons on WeChat, the most popular social media platform in China. During the holiday season, people could share these branded emoticons as Chinese New

¹³³ Sophie. n.d. "Clay Figurine." Tour-Beijing.com. Accessed April 8, 2019. https://www.tourbeijing.com/china_travel_guide/culture/handicrafts/clay_figurine/#.W_R6-qfMy8o.

¹³² Sophie. n.d. "Clay Figurine." Tour-Beijing.com. Accessed April 8, 2019. https://www.tourbeijing.com/china_travel_guide/culture/handicrafts/clay_figurine/#.W_R6-qfMy8o.

¹³⁴ Doland, Angela. "Why Coke Is Sticking With These Giggling Characters For Chinese New Year." AdAge. January 19, 2016. https://adage.com/article/advertising/coke-sticking-giggling-characters-chinese-year/302163/.

¹³⁵ Doland, Angela. "Coca-Cola's Chinese New Year Campaign Blends a Folk Art Tradition With AR and Mobile Payments." AdAge. January 28, 2018. Accessed April 17, 2019. https://adage.com/creativity/work/coca-cola-clay-dolls/53705.

Year greetings to their family and friends via WeChat.¹³⁶ Through these promotional uses, Coke worked to associate the two branded dolls and their well-established cultural meanings, not only with Chinese New Year, but with the Coke brand itself, just as it did in North America with Santa Claus more than 80 years ago.¹³⁷



Figure 7: Scene of the Doll Characters¹³⁸

The clay figurine is a type of traditional Chinese folk art, combining both sculpture and painting, that can be traced back 3,500 years to the Shang Dynasty. This traditional Chinese art form constitutes a significant part of Chinese culture and is appreciated by people around the world. Recently, clay figurines were used in a Communist Party propaganda campaign, entitled 'Chinese Dream', launched by President Xi Jinping in 2013. The most popular image of this campaign is of "a clay figurine of a chubby peasant girl in a red smock, her chin resting on her

¹³⁶ Chan, Jenny. "Coca-Cola Gives Chinese New Year Characters the Santa Treatment." Campaign US. January 15, 2015. https://www.campaignlive.com/article/coca-cola-gives-chinese-new-year-characters-santa-treatment/1329332.

¹³⁷ "The True History of the Modern Day Santa Claus." The Coca-Cola Company. January 1, 2012. https://www.coca-colacompany.com/holidays/the-true-history-of-the-modern-day-santa-claus.

¹³⁸ Coca-Cola, prod. "Coca-Cola Chinese New Year 2017 TVC." In *YouTube*. December 20, 2016.

¹³⁹ "Clay Figurines and Animals." Beijing Tourism. June 27, 2016. http://en.visitbeijing.com.cn/a1/a-XCB5UO362CB916E721A725.

¹⁴⁰ Johnson, Ian. "A Chinese Folk Artist's Descendants Are Split by the Government's Use of Their Family Legacy." The New York Times. The New York Times. January 19, 2018. https://www.nytimes.com/2015/12/06/world/asia/a-chinese-folk-artists-descendants-are-split-by-the-governments-use-of-their-family-legacy.html.

folded hands, her eyes cast upward," ¹⁴¹ with the text saying 'My Dream. Chinese Dream.' President Xi introduced the concept of the 'Chinese Dream' in November of 2012 and further elaborated on the campaign in March 2013, stressing that it "means the great rejuvenation of the Chinese nation. It embodies achieving prosperity for the country, renewal of the nation and happiness for the citizens. Only when the country is doing well, can the nation and people do well." ¹⁴² Xi identified five dimensions of the concept: national, personal, historical, global and antithetical. The 'national Chinese dream' constitutes a general orientation for the Chinese nation and reinforces the idea that the future and destiny of every Chinese citizen is connected to those of the country and nation. The 'historical Chinese dream',

embodies prosperity for the country, historical renewal of the nation and happiness for the citizens. The concept implies that Chinese people who live at this great time have the opportunity to enjoy a successful life, to realize one's dream and to grow and progress together with the country. 143

Xi states that the Chinese Dream will change the global landscape, which has been shaped by Western countries over the past two centuries. This new global landscape will be established through international rules and the input and experiences of both developed and developing countries. The goal of the Chinese Dream, underscored by Xi, is to realize it in a Chinese way, without being Westernized (or Americanized). China must aspire to be itself in an inclusive way. Lastly, the 'personal Chinese Dream' promotes the achievement and respect for Chinese traditional values, such as family togetherness and social harmony, and focuses on "the primacy of the collective over the individual." As they are widely recognized as representative of Chinese traditional values, the use of Chinese traditional art in the form of clay figurines in Xi's initiative is especially powerful. Indeed, the use of clay figurines in general is not only a crucial

¹⁴¹ Ibid

^{142 &}quot;Background: Connotations of Chinese Dream - China Daily." ChinaDaily. March 5, 2014. http://www.chinadaily.com.cn/china/2014npcandcppcc/2014-03/05/content_17324203.htm.

143 Li, Xing. "Interpreting and Understanding 'The Chinese Dream' in a Holistic Nexus." 复旦人文社会科学论丛:英文版 8, no. 4 (2015): 506

^{144 &}quot;Background: Connotations of Chinese Dream - China Daily." ChinaDaily. March 5, 2014. http://www.chinadaily.com.cn/china/2014npcandcppcc/2014-03/05/content_17324203.htm.

145 Li, Xing. "Interpreting and Understanding 'The Chinese Dream' in a Holistic Nexus." 复旦人文社会科学论丛:英文版 8, no. 4 (2015): 507

¹⁴⁶ "Background: Connotations of Chinese Dream - China Daily." ChinaDaily. March 5, 2014. http://www.chinadaily.com.cn/china/2014npcandcppcc/2014-03/05/content 17324203.htm.

strategy of this national propaganda campaign but also of other campaigns, like Coke's, that seek to address and make use of traditional Chinese cultural values.



Figure 8: The 'Chinese Dream' Propaganda Poster¹⁴⁷

By deploying A Fu and A Jiao in the Chinese New Year commercial, characters similar to the clay figurine used in the Chinese Dream propaganda, Coke is able to align itself with the state, and to reassure Chinese consumers that it respects the governing authority. Here, key communist symbolism is appropriated to enhance consumerist values in Coke's ad. The Chinese Dream initiative was not intended to encourage the pursuit of consumerist values but rather to the contribute to the revitalization of the nation. However, when employed in Coke's ad, the political values and connotations of the two clay dolls, linked to the Chinese Dream, are re-inflected toward consumerist values.

2.5 Critical Analysis

The ultimate goal for a brand is to become iconic. As Douglas Holt contends, brands often try to do so by performing 'identity myths' that address consumers' desires and anxieties.¹⁴⁸ He explains that identity myths are:

simple fictions that address cultural anxieties from afar, from imaginary worlds rather than from the worlds that consumers regularly encounter in their everyday lives. The aspirations expressed in these myths are an imaginative, rather than literal, expression of the audience's aspired identity. Identity myths are useful fabrications that stitch back together otherwise damaging

¹⁴⁷ "Background: Connotations of Chinese Dream - China Daily." ChinaDaily. March 5, 2014. http://www.chinadaily.com.cn/china/2014npcandcppcc/2014-03/05/content_17324203.htm. ¹⁴⁸ Holt, Douglas B. *How Brands Become Icons: The Principles of Cultural Branding*. Boston: Harvard Business School Press, 2004, 7.

tears in the cultural fabric of the nation. In their everyday lives, people experience these tears as personal anxieties. Myths smooth over these tensions, helping people create purpose in their lives and cement their desired identity in place when it is under stress. 149

Holt further argues that successful iconic brands develop their mythic qualities to help consumers reduce their own identity burdens and build tight emotional connections to the brand. 150

To better understand how Coke creates and reinforces a soothing identity myth for its Chinese consumer via its Chinese New Year commercial, I will use the extended Barthes model designed by Zhao and Belk. This analytic model was developed to demonstrate how the adoption of cultural elements and ideologies in advertising "[naturalizes] individual's brand-related desires and [homogenizes] them with social aspirations...for the purpose of selling consumer goods." Here, the goal is to illustrate how Coke's manipulation of key cultural symbolism in its ad helps the company to involve Chinese consumers in its brand value co-creation process, in which consumers work as immaterial, affective laborers to increase Coke's sales volumes and market popularity. As discussed earlier, Coke employs various significant Chinese cultural symbols in its New Year 2017 television commercial, such as red lanterns, clay doll characters, the color of red, and the New Year's Eve reunion dinner. The cultural importance of these symbols and the political significance of the clay doll characters have been reviewed in the previous section, in what follows, the ad's two major themes: family harmony and benevolence will be analyzed.

One of the major themes of this ad is the celebration of the unbreakable bond with family. Although families around the world have many similarities in values, strengths and challenges, they all have unique characteristics as well, shaped by their historical, social and economic

¹⁴⁹ Holt, Douglas B. *How Brands Become Icons: The Principles of Cultural Branding*. Boston: Harvard Business School Press, 2004, 7.

¹⁵⁰ Ibid., 8-9

¹⁵¹ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 232.

contexts.¹⁵² Compared to people in the West, who value privacy and individualism both in and outside of the family structure, Chinese people are extremely family-centered and value their family interests over their individual ones. Family harmony is to be protected at all costs. Traditionally, in China, people prefer extended families; for example, they believe three generations living under one roof represents happiness.¹⁵³ Chinese family values of togetherness are anchored by the concept of 'filial piety' – a core virtue of traditional Chinese ethics, referring to respect to one's parents, elders, and ancestors, and to "unconditional care of one's parents while they are alive and after their death." The norm of living with or close to parents underscores the nurturing function between parents and children in China; parents rely on their children to support and take care of them when they age, as opposed to depending on a social security system, as is often the case in the West.¹⁵⁵

Coke represents most traditional Chinese families by depicting a family of five in its advertisement. And, in the commercial, when the boy's family comes out to find him and sees the "family" of snow people, the mother says to the boy, "Chinese New Year means to stick together!" This tag line emphasizes the importance of family togetherness in Chinese culture and appeals directly to audience's traditional cultural values.

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¹⁵² Xu, Anqi and Yan Xia. "The Changes in Mainland Chinese Families during the Social Transition: A Critical Analysis." *Journal of Comparative Family Studies* 45, no. 1 (2014): 32.

¹⁵³ Shi, Lizhi. "Difference Between Chinese and American Family Values in Pushing Hands." *Cross-Cultural Communication* 11 no. 5 (2015): 50.

¹⁵⁴ POŠKAITĖ, Loreta. "Filial Piety (Xiao 孝) for the Contemporary and Global World." *Asian Studies* 2, no. 1 (2014): 100.

155 Ibid., 102.



Figure 9: Scene of the Family¹⁵⁶

Another significant traditional cultural value in China is benevolence ¹⁵⁷, the core value of Confucianism¹⁵⁸ – a set of beliefs that has had a profound impact on Chinese morality and ethics. This cultural value originates from a famous Chinese saying 'Jia he wang shi xing,' meaning "everything will go well in a harmonious family"; this saying is understood to apply to all social relationships, from important family bonds and blood connections to friendships and social relationships. The value of benevolence is similar to the value of Christian "charity", and involves the philosophy of love and the virtue of the mind. ¹⁵⁹ Benevolence includes the view that if one wants to sustain and develop himself/herself, he/she should help others to do that as well, and, if one does not desire something, he/she should not do that to others either. The Chinese

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¹⁵⁶ Coca-Cola, prod. "Coca-Cola Chinese New Year 2017 TVC." In *YouTube*. December 20, 2016.

¹⁵⁷ Zhang, Lihua. "China's Traditional Cultural Values and National Identity." Carnegie-Tsinghua. November 21, 2013. https://carnegietsinghua.org/2013/11/21/china-s-traditional-cultural-values-and-national-identity-pub-53613.

The 5 virtues of Confucianism include *Ren* (benevolence, charity and humanity); Yi (honesty and uprightness. Yi can be broken down into two sub-virtues: Zhong and Shu. Zhong means loyalty and doing one's best. Shu means considering for other. "what you do not want yourself, do not do to others."); Li (ceremony, worship, politeness, good manners, and propriety); Zhi (knowledge); and Xin (faithfulness and integrity).

See: https://carnegietsinghua.org/2013/11/21/china-s-traditional-cultural-values-and-national-identity-pub-53613

¹⁵⁹ Guo, Qiyong, Tao Cui, Liu Junping, and Xiong Ying. "The Values of Confucian Benevolence and the Universality of the Confucian Way of Extending Love." *Frontiers of Philosophy in China* 7, no. 1 (2012): 21.

cultural value of benevolence suggests that one should always consider other people by putting himself/herself in their place. 160

The representation of two animated clay dolls building a group of snow people for a lonely snowman directly addresses the Chinese social aspiration of benevolence. A Fu and A Jiao help the boy help the lonely snowman in turn. The boy is delighted to see how his benevolent efforts soothe the feelings of the lonely snowman; it can be with its "family", just as he is, on New Year's Eve. Appealing directly to the importance of benevolence in Chinese culture, the ad encourages people to extend their love and care to the disadvantaged, and satisfies the audience's social aspirations to help others and become better people themselves.



Figure 10: Scene of the Family of Snow People¹⁶¹

To be sure, dominant cultural values and norms influence all kinds of social attitudes and actions, including purchasing. ¹⁶² Given that "cultures differ in their value hierarchies, that is, their rankings of which values are relatively important and unimportant", advertising in different cultures must echo and appeal to corresponding cultural values ¹⁶³ in order to successfully adapt to the local market. Consumers within a particular culture respond better to advertising messages

¹⁶¹ Coca-Cola, prod. "Coca-Cola Chinese New Year 2017 TVC." In *YouTube*. December 20, 2016.

¹⁶⁰ Ibid., 22

¹⁶² Pollay, Richard W. "Measuring the Cultural Values Manifest in Advertising." *Current Issues and Research in Advertising* 6, no. 1 (1983):72.

¹⁶³ Hornikx, Jos and Daniel J. O'Keefe. "Adapting Consumer Advertising Appeals to Cultural Values A Meta-Analytic Review of Effects on Persuasiveness and Ad Liking." *Annals of the International Communication Association* 33, no. 1 (2009):41.

that are consistent with their culture and appreciate companies that understand their cultural values.¹⁶⁴

China has been long recognized as a collectivistic country that celebrates tradition, conformity, and benevolence, and focuses on promoting the interests of others, compared to its individualistic counterparts. These differences also characterize purchasing motives; Chinese consumers purchase so as to help achieve their in-group goals and realize their cultural aspirations, for giving less consideration to personal desires. The adoption and strategic deployment of important Chinese cultural values and symbols, such as family togetherness, benevolence and red lanterns, in Coke's New Year's ad campaign enhances the overall persuasiveness and trustworthiness of Coke's advertising and overall brand identity in China. By incorporating specific cultural elements and values in its New Year campaign, Coke is able to deliver an advertising message congruent with Chinese cultural values, thereby further accelerating its penetration into the Chinese market.

It is important to acknowledge that the two dominant cultural values of family togetherness and benevolence, along with other cultural elements in the ad, are all dominant Chinese social values; they are "exemplary symbols that people accept as a shorthand to represent important ideas," and "are the most compelling symbols of a set of ideas or values that a society deems important." ¹⁶⁹

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¹⁶⁴ Emery, Charles and Kelly R. Tian. "China Compared with the US: Cultural Differences and the Impacts on Advertising Appeals." *International Journal of China Marketing* 1, no. 1 (2010): 47.

¹⁶⁵ Xiao, Ge and Jai-Ok Kim. "The Investigation of Chinese Consumer Values, Consumption Values, Life Satisfaction, and Consumption Behaviors." *Psychology and Marketing* 26, no. 7 (2009): 612.

¹⁶⁶ Xiao, Ge and Jai-Ok Kim. "The Investigation of Chinese Consumer Values, Consumption Values, Life Satisfaction, and Consumption Behaviors." *Psychology and Marketing* 26, no. 7 (2009): 615.

¹⁶⁷ Tse, David K., Russell W. Belk, and Nan Zhou. "Becoming a Consumer Society: A Longitudinal and Cross-Cultural Content Analysis of Print Ads from Hong Kong, the People's Republic of China, and Taiwan." *Journal of Consumer Research* 15, no. 4 (1989): 457.

¹⁶⁸ Hornikx, Jos and Daniel J. O'Keefe. "Adapting Consumer Advertising Appeals to Cultural Values A Meta-Analytic Review of Effects on Persuasiveness and Ad Liking." *Annals of the International Communication Association* 33, no. 1 (2009): 41.

¹⁶⁹ Holt, Douglas B. *How Brands Become Icons: The Principles of Cultural Branding*. Boston: Harvard Business School Press, 2004, 1.

Brands like Coke purposefully incorporate specific cultural icons to tell stories that both are derived from, address, and reverberate with people's everyday social life. Instead of staying consistent with its global marketing efforts by using polar bears and Christmas in its ads for the winter holiday season, Coke adapts traditional Chinese cultural icons that have deep symbolic meaning within Chinese society, and values that are deeply appreciated in a collectivistic culture. Following Holt, we can argue that these ads help to build an 'identity myth' consumers find valuable when constructing and addressing their own identity desires and anxieties. ¹⁷⁰ But how does Coke make use of and perpetuate its own profit-driven interests while also appearing to uphold traditional Chinese cultural values? And how do Chinese consumers come, not only to accept, but also perpetuate the consumerist ideology behind Coke's brand story? To address these two questions, I adopt the extended Barthes model to explain how these 'identity myths' are manufactured.

2.5.1 Methodology

Zhao and Belk have developed an extended analytical framework based on Barthes' model of the construction of myth, focusing on the reproduction of dominant ideology through the use of signs. The authors argue that Barthes' myth model is not sufficient to explain the ways advertising changes depending on its context; they argue, "myth is a message sent in a certain code, and the code may change...(i)t is constantly being reconstituted during times of social transition." They propose the extended myth model in order to "better understand the transformation of the dominant ideology within advertising." The extended Barthes model used to analyze Coke's Chinese New Year commercial is illustrated in Figure 9. This thesis argues that Coke's strategy of appropriating Chinese cultural elements and values in its advertising not only increases its market share and profits by perpetuating the idea that Chinese consumers can satisfy their brand-related desires while upholding their cultural values, but also heralds a significant transition in Chinese consumers' views about consumption in general.

¹⁷⁰ Ibid., 2-3

¹⁷¹ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008):235.

¹⁷² Ibid

Sign I is a cultural sign of collectivism in its original setting, which is constituted by established collectivistic discourses and imagery (Signifier I) and their original ideological significance (Signified I). When used in advertising, the historically and culturally constructed Sign I is reconfigured by being decontextualized and unmoored from its original meaning, distanced from its ideological significance, and transformed into SIGNIFIER II. Sign 1, on the other hand, is a consumerist sign constituted by consumerist discourses and imagery (Signifier 1) and the ideological significance attached to the benefits of consumption (Signified 1), including social status through the possession of material goods. However, when presented with other cultural signs that connote collectivistic meanings, the consumerist sign is detached from its ideology of selling in turn (SIGNIFIER 2).

When presenting cultural Sign I and consumerist Sign 1 together in an ad, ambiguous SIGNIFIEDS emerge between SIGNIFIER II and SIGNIFIER 2. This ambiguity opens up the possibility for the consumerist signs to be associated with the cultural signs, and the consumerist Sign 1 to become naturalized and legitimated by the displaced cultural values of Sign I. The EMERGENT SIGN 3 is the combination of Sign 1 and ambiguous cultural SIGNIFIEDs, wherein the ideology of consumerism is justified. The RECONFIGURED SIGN III is constructed by Sign I and the ambiguous consumerist SIGNIFIEDs. The cultural Sign I is emptied of traditional meaning when displayed with consumerist signs.

EXTENDED BARTHES MODEL

Signifier I	Signified I			Signified 1	Signifier 1
Sign I SIGNIFIER II		Ambiguous SIGNIFIEDS		Sign 1 SIGNIFIER 2	
RECONFIGURED SIGN III			EMERGENT SIGN 3		

Figure 11: Extended Barthes Model¹⁷³

¹⁷³ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008):235.

2.5.2 Application

As we have seen, the original connotations of the Chinese New Year, family togetherness and helping others, embody traditional Chinese cultural values in a collectivistic society. When used in advertising, these connotations are removed from their cultural context, distanced from their original social significance, and transformed into signifiers that endorse consumerism and, by extension work to de-stigmatize a culture of consumption under the disguise of traditional Chinese cultural values. For example, in the ad examined here, enjoying a good time with family during Chinese New Year has been decontextualized, stripped of its traditional cultural significance, and appropriated to sell Coke's products. According to Zhao and Belk's Extended Barthes Model, the original meanings of the cultural elements and ideologies are subverted by the Coke's goals of promotion. The focus has been shifted away from the celebration of traditional Chinese culture to the celebration of consumerism.

As discussed in Chapter One, Chinese consumers' desires are traditionally different from their western counterparts, as they value a frugal way of living and refuse the worship of material possessions. Consumerist signs in China have traditionally connoted the evils of capitalism and undesirable 'bourgeois' lifestyles;¹⁷⁵ the ideology of consumerism has been seen as antagonistic to Chinese traditional values. However, in this ad, traditional cultural signs are decontextualized, and put to work to naturalize and glamorize consumerism, dislodge its ideological stigma (SIGNIFIER 2 in Figure 9), and ultimately reinterpret consumerism as friendly and normal (EMERGENT SIGN 3). As a result, the consumption of Coke is justified in and through its signification as a way for Chinese consumers to celebrate and uphold their cultural values. This is done by separating key symbols from their traditional cultural meanings (SIGNIFIER II) and turning them into RECONFIGURED SIGN III, aligned with consumption and the pursuit of individual hedonism.¹⁷⁶ These two operations work to promote Coke and increase its popularity in the Chinese market at the same time as they re-inflect Chinese traditional cultural values as

¹⁷⁴ Ibid., 236

¹⁷⁵ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 237.

¹⁷⁶ Ibid., 236

not simply expressed by an individual's cultural activities and beliefs, but by their ability to consume as well.

As the denotative meaning of Coke's New Year commercial is a simple family reunion on the Chinese New Year's Eve, the connotative meanings of the cultural symbols and values in the ad, such as respecting for tradition, family togetherness, and helping others, work together to evoke and reinforce an overarching 'identity myth', one that aligns Coke and the broader ideology of consumerism with traditional collectivist values. 177 This myth of Coke's brand is parasitic, "borrowing and adding to existing myths circulated by other [Chinese] cultural products." ¹⁷⁸ Even though the original myth model developed by Barthes is able to illuminate how consumerism and Chinese dominant values are each reproduced and naturalized, it is less useful to understand the tension involving the two rival ideologies. 179 As noted above, when presented in the context of Chinese traditional cultural signs, the consumption of Coke and consumerism in general is detached from its ideologically problematic meanings and becomes culturally desirable to Chinese consumers; on the other side, traditional cultural symbols and values are detached from their original cultural meanings and associated with consumerism and Coke's products in particular. By appropriating Chinese cultural elements and values in its advertisement, Coke is able to soothe the tension between Chinese consumers' cultural values and aspirations and their brand-related desires; in this way, it justifies the consumption of its products and amplifies its positive brand value association in the Chinese market overall.

2.5.3 Brand Co-creation

Appropriating Chinese cultural values and symbols in the ad creates 'unintended consequences' that contribute to Coca-Cola's brand over time. As Carah argues, 'unintended consequences' "are the specific meanings and social relations that brands do not anticipate in particular, but instead aim to appropriate in general." The way Coke communicates to the public relies less

¹⁷⁷ Ibid., 237

¹⁷⁸ Holt, Douglas B. *How Brands Become Icons: The Principles of Cultural Branding*. Boston: Harvard Business School Press, 2004, 60.

¹⁷⁹ Holt, Douglas B. *How Brands Become Icons: The Principles of Cultural Branding*. Boston: Harvard Business School Press, 2004, 60.

¹⁸⁰ Carah, Nicholas. "Brand Value: How Affective Labour Helps Create Brands." *Consumption Markets and Culture* 17, no. 4 (2014): 348.

on direct information or telling them what to believe. By appropriating and deploying the already well-established social language of the two doll characters and the cultural significance of the symbols and ideologies, Coca Cola creates a set of sensibilities and emotional attachments whereby its brand can become a part of the consumer's way of life. As it works to become a part of its consumers' social world, it paves the way for its consumers to help create its brand value. As Zwick et. al argue, the symbolic value of a product is not only derived from the good itself but is jointly created by consumers and producers.¹⁸¹

By adapting Chinese cultural values and symbols in their ads, international companies are able to present their brands as "the facilitator of the [existing] cultural spaces, where [their] brands become synonymous with existing tastes and interests [of the Chinese consumers]." Using Chinese cultural elements and ideologies in advertising helps Chinese consumers identify with the brand, increasing brand awareness and, consequently, economic value for the brand. By promoting traditional Chinese cultural values, such as family togetherness, helping others and respect for traditions in its ads, Coke summons its Chinese consumers to circulate significant cultural meanings within their communities; Chinese consumers contribute to Coke's brand value by sharing, feeding back, stimulating and channelling their attention to the brand. These practices also work to align the general cultural aspirations of Chinese consumers with Coke specifically and practices of consumption in general.

2.6 Transformation in Chinese Cultural Values

Based on the extended Barthes model developed by Zhao and Belk, this analysis has examined the promotion of consumerism in Chinese society via advertising and branding efforts that appropriate traditional cultural symbols and values. The rise of individualistic consumption among young metropolitan Chinese consumers in recent years has arguably been exacerbated by

¹⁸¹ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting Consumers to Work: Co-Creation' and New Marketing Govern-Mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 172.

¹⁸² Carah, Nicholas. "Brand Value: How Affective Labour Helps Create Brands." *Consumption Markets and Culture* 17, no. 4 (2014): 352.

marketing efforts such as Coke's New Year's ad. ¹⁸³When interacting with Coke's commercial, Chinese consumers are able to uphold their cultural values while also differentiating themselves from others through the acquisition of material goods. The materialistic values perpetuated by ads like this have challenged the Chinese traditional value of living frugally. ¹⁸⁴ As a part of a collectivistic society, Chinese consumers used to suppress their individual desires and delay gratification through consumption; showing desire for material goods was seen as a part of the hedonistic lifestyle sustained by Western capitalist societies and considered antagonistic to the dominant ideology of the Communist government of China. ¹⁸⁵

Xiaohua Ling and Cheng Lu Wang suggest a contrast in consumer values and consumer behaviors in China, which sets the stage for the shifts in Chinese traditional values. They argue that the Chinese pursuit of frugality and a simple life "should not be interpreted to mean that the Chinese inherent desire for materialism and hedonism (do not) exist; instead, their dreams of comfortable lifestyles were merely suppressed". ¹⁸⁶ As described in Chapter One, beginning in the late 1970s, Chinese economic reforms and door-open policies attracted many foreign companies to China. These moves challenged the dominant Maoist approach, producing a more pragmatic stance in which socialism is realized through economic growth. ¹⁸⁷ As a result, China has undergone "a dramatic transformation in terms of social values." ¹⁸⁸ These economic reforms, together with the increase in social mobility and exposure to Western media, have "awakened

¹⁸³ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 240.

¹⁸⁴ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 410.

¹⁸⁵ Ibid

¹⁸⁶ Lin, Xiaohua and Cheng Lu Wang. "The Heterogeneity of Chinese Consumer Values: A Dual Structure Explanation." *Cross Cultural Management: An International Journal* 17, no. 3 (2010): 247.

¹⁸⁷ Zhao, Xin and Russell W. Belk. "Politicizing Consumer Culture: Advertising's Appropriation of Political Ideology in China's Social Transition." *Journal of Consumer Research* 35, no. 2 (2008): 241.

Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 410.

[Chinese] citizens to nurture [the] dreams and desires of materialistic lifestyles...and further [exposed them to] the symbolic and hedonic aspects of consumption and materialism." 189

This description of contradictory value systems highlights the fact that, even though Chinese culture downplays material acquisition, Chinese people are still consumer-oriented; in some sense, they have always tended to attach reputation and prestige to the possession of wealth. 190 Since China is not a truly individualistic culture, people express their individualism within "the social barriers of a Confucian society," 191 where individuals tend to suppress their personal distinctiveness and desire for material possessions. The appropriation of Chinese cultural elements and ideologies in Coke's ad, then, resonates with these repressed associations and desires. In this sense, Coke provides consumers with an excuse to express their repressed desires through the celebration of Chinese cultural values. So, as the mystification of cultural values in advertising accelerates the penetration of consumerism in Chinese society, a culture of consumption is naturalized in the appearance of Chinese traditional culture. The ease of this double movement implies that, perhaps, the emergence of consumerism as a dominant ideology in China was always inevitable.

2.7 Globalization or Glocalization?

The previous section suggests that the rise of consumerism in contemporary Chinese society has fostered a shift in the Chinese peoples' attitudes and consumption behaviors. In recent years, there has been considerable debate about the degree to which the ads of foreign brands represent the global homogenization or Westernization of Chinese culture, or represent the power of localization and cultural adaptation.

Before the door-open policy, China was one of the world's most important opponents of globalization.¹⁹² The economic reforms begun in the late 1970s were a turning point, as the policies not only welcomed numerous foreign companies to China, but also introduced Chinese

¹⁸⁹ Lin, Xiaohua and Cheng Lu Wang. "The Heterogeneity of Chinese Consumer Values: A Dual Structure Explanation." *Cross Cultural Management: An International Journal* 17, no. 3 (2010): 247.

¹⁹⁰ Ibid

¹⁹¹ Ibid., 246

¹⁹² Overholt, William H. 2009. "China and Globalization." Rand Corporation. May 19, 2009, 3.

domestic products to the rest of the world. After joining the World Trade Organization (WTO) in December 2001, China accelerated its process of globalization and deepened its integration into the world economy. Chinese people started to drink Coke, spend time with kids in McDonald's, and drive BMW cars; adopting a Western lifestyle was a sign of globalization. Some dominant voices in China worried about being taken over by the values of the West and advocated for "cultural production and preservation by emphasizing 'national attribution' and [resisting] the infiltration of foreign elements" in media advertising and cultural production. However, others argued that there were many aspects of the contemporary Chinese marketplace that are not shared globally, even those commercials produced by foreign companies seemed to include many Chinese specific elements. Coke's Chinese New Year ad, along with countless other ads for various international brands from Starbucks to Mercedes Benz, display a strong pattern of localization or "weak globalization." ¹⁹⁴ Marketers in general work to produce local content and construct "Chineseness" in their promotional messages in order to build comparative advantage in the Chinese market. As a result, most people believe that cultural globalization does not necessarily mean a total Westernization of a local culture.

"Going local" has become the key for the success of multinational brands entering a different cultural or national market. No companies or advertising agencies would "pit 'globalization" against 'localization' by positioning them as contesting discourses". ¹⁹⁶ Positioning a brand in the Chinese market should not be based on the location of corporate ownership or where products are manufactured. Instead, the identity of a brand is a projection co-created by the consumer; in other words, "what makes a brand 'local' is how intimately it's perceived by consumers and how relevant it is to them". ¹⁹⁷ In this sense, and given its long history in China, Coca-Cola has been well integrated into Chinese consumers' lives and communities. In Coke's Lunar New Year 2017

¹⁹³ Wang, Jing. *Brand New China: Advertising, Media, and Commercial Culture*. Cambridge, Mass: Harvard University Press, 2008, 41.

¹⁹⁴ Li, Zhanzi. *Discourses of Cultural China in the Globalizing Age*. 40 Cambridge University Press, 2011, 4.

Maynard, Michael and Yan Tian. "Between Global and Glocal: Content Analysis of the Chinese Web Sites of the 100 Top Global Brands." *Public Relations Review* 30, no. 3 (2004): 290.

¹⁹⁵ Wang, Jing. *Brand New China: Advertising, Media, and Commercial Culture*. Cambridge, Mass: Harvard University Press, 2008, 39.

¹⁹⁶ Ibid., 38

¹⁹⁷ Ibid., 38-39

commercial, for example, the audience sees a sea of Chinese red, the fresh snow of a new year, and two clay dolls. By featuring Chinese people celebrating their own cultural festival, Coke constructs a contemporary form of "Chineseness" in and through its brand. International brands, such as Coca-Cola then, "are pros at manufacturing Chinese sensibility" and developing the consumer's "emotional identification with [their] brands"; they make commercials that exploit Chinese emotional investments in the traditional festival, including dominant values such as respect for family harmony and helping others. However, as mentioned previously, ultimately, these practices of 'glocalization' ultimately serve the interests of commodity capitalism.

2.8 Conclusion

As the new global cultural economy develops, international corporations are learning the value of working to understand local cultures and consumer behaviors and integrating those attitudes and behaviours into their promotional efforts. Advertising and the careful use of cultural symbols can play a significant role in overcoming cultural barriers by merging the general values of consumption and identity with the specifics of local contexts and values. As we have seen, by carefully constructing its advertising, international corporations can entice consumers to help cocreate their brand value, thereby enhancing their market share.

This chapter has examined how Chinese consumers work as immaterial, affective laborers in the process of perpetuating consumerism in Chinese society. By using the extended myth model developed by Zhao and Belk to study Coke's Chinese New Year 2017 ad, we saw how the meanings of Chinese traditional values were mystified and decontextualized in support of a consumerist message, at the same time as Coke was detached from its problematic association with Western values of consumerism and individualism and aligned with traditional Chinese collectivist values. These two dimensions of the ad's meaning both work to increase the sales of Coke in China. The extended Barthes model allows us to see how the tension between the two rival sets of meanings (and ideologies) is bridged by the reconfiguration and appropriation of Chinese cultural symbols, with the overall aim of justifying the selling of consumer goods in the Chinese market. The mystification of consumption has arguably had a profound impact on the

¹⁹⁸ Ibid., 61

¹⁹⁹ Ibid., 64

younger generation's consumption habits and overall cultural values. By including Chinese content in this commercial, Coke has also been able to make itself 'local' and build a sense of intimacy with its Chinese consumers, who go on to circulate the cultural meaning of the brand, enhance its symbolic significance, and consequently help Coke generate more profit from the Chinese market.

Chapter Three

Co-creating Brand Value with Consumers through Weibo

3.1 Overview

The previous chapter outlined the adoption of cultural elements and ideologies in Coke's Chinese New Year advertising, highlighting the ways in which the strategic appropriation of key cultural symbolism contributed to Coke's ability to co-create brand value with consumers. This chapter will extend the focus on co-creation processes by analyzing Coke's city-themed campaign as it was mounted on Weibo, one of the most popular social media platforms in China. Coca-Cola was one of the first foreign companies to open an account on Weibo, and is currently verified as a popular organization on the site, with over 400,000 followers as of the first quarter of 2019. Employing the IEPAR model developed by Kao *et al.*, this thesis will categorize Coke's Weibo posts into three different types, based on how consumers have engaged in the production process. Key research questions for this chapter include: 1) How does Coca-Cola draw consumers into brand value production via Weibo? 2) How does Coke increase it brand popularity and generate economic value in the Chinese market by engaging with its Weibo consumers? 3) What effects does the process of co-creating brand value with consumers have on practices of consumption in contemporary Chinese society?

3.2 Chinese Social Media & Weibo

Social media is increasingly central to people's lives across the world. While Western social media sites such as Facebook, Twitter, and Instagram are blocked due to the "Great Firewall of China", the government's censorship project, China's own social media landscape is comparable with its Western counterparts. Despite its tight rules around social media content and dissemination, China has 596 million Internet users and is considered to be the largest social media market in the world.²⁰¹

The advertising strategy of international brands in China has been profoundly influenced by China's unique social media landscape. Western brands are increasingly working to incorporate

²⁰⁰ Weibo, April 13, 2019. https://www.weibo.com/icokeclub?topnav=1&wvr=6&topsug=1 ²⁰¹ "Social Network Users in Leading Markets 2023 | Statistic." Statista. Accessed April 13, 2019. https://www.statista.com/statistics/278341/number-of-social-network-users-in-selected.

digital elements into their marketing strategies in order to reach a broader audience. Companies such as Coach, BMW, and Coca-Cola, are already registered as verified users on Weibo and WeChat, the backbone of the Chinese digital world. ²⁰² These companies utilize online technology to grow their brand awareness among Chinese consumers while also gathering insights into Chinese culture, and the preferences and desires of local consumers.

Launched in 2009 by Sina Corporation, Weibo is one of the most popular social media sites in China. As of the end of 2018, Weibo had approximately 492 million active monthly users and 200 million daily users, overtaking US-based Twitter in active user totals. ²⁰³ Combining the characteristics of Twitter and Facebook, Weibo, often called 'Chinese Twitter', is a microblogging service that facilitates real-time information exchange. Users of Weibo can follow people and organizations they are interested in and post short messages that contain up to 140 characters, with multimedia content embedded. Although Weibo is subject to government regulation and censorship, it has a great influence on Chinese society due to the speed and scale of the connections and information circulated on its network. Weibo, just like other social media platforms that challenge the traditional top-down approach of communication, encourages and relies on constant communication among its users. ²⁰⁴

Just like Twitter, on Weibo conversations are constructed and circulated through the use of hashtags. There is a special section on the Weibo platform called 'Huati', which can be translated as 'Topic'. In this section, popular topics, as well as topic-related conversations and people are monitored and displayed to all Weibo users. By clicking on a hashtag, Weibo users are led to its related Huati page, where they see all Weibo posts that contain the hashtag, conversations involving the hashtag, and key statistics about the circulation or usage of the hashtag. On each Huati page, the first statistic shows how many times the topic been read by Weibo users based on data about the number of times this specific hashtag shows up in users'

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²⁰² Weibo, April 13, 2019. https://www.weibo.com

²⁰³ "Weibo Monthly Active Users Grew to 462 Million in Dec 2018, 93% on Mobile." China Internet Watch. March 06, 2019. Accessed April 19, 2019.

https://www.chinainternetwatch.com/28566/weibo-fiscal-2018/.

²⁰⁴ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 410.

News Feed. The second statistic represents how many times users are involved in the related conversations. Popular hashtags will be promoted to the "Hot Search" list, which is a section on the right side of Weibo users' homepage and "offers a real-time updated list of the hottest discussions according to data from users' search results." ²⁰⁵ Companies and celebrities work to climb up the Hot Search list of Weibo in order to receive more attention from the public and have more users get involved with their brand-related topics and activities.



Figure 12: The Hot Search List of Weibo²⁰⁶

Hashtags are widely employed by brands for promotional purposes on Weibo. Companies create relevant hashtags for their new products or campaigns in their promotional Weibo posts, hoping to induce users to click on these hashtags and read through related conversations on *Huati*. In this way, companies are able to generate significant buzz around the keywords they create on Weibo.

3.3 Verification policy on Weibo

By encouraging conversations in real time, it can be argued that Weibo is capable of amplifying the voice of the public.²⁰⁷ Hong Huang *et al.* note, however, that Chinese micro-bloggers are

²⁰⁵ Borak, Masha. "Weibo Brings Back Sanitized Version of Trending Topics · TechNode." TechNode. July 24, 2018. Accessed April 13, 2019. https://technode.com/2018/02/05/sina-weibo-returns-with-a-sanitized-version-of-trending-topics/.

²⁰⁶ Weibo, April 13, 2019. https://www.weibo.com

more inclined to follow the general trends on Weibo, unlike their Western counterparts who proffer opinions and express unique personalities on Twitter. Reflective of the country's collectivistic culture, Chinese Weibo users tend to gravitate to "what is popular, since they care very much about being accepted by peers, the circle of friends and family." Given this, it is more likely that Weibo users will establish common connections and interests through their online activities. Additionally, unlike Twitter's verification process that only verifies accounts deemed in the public interest, Weibo verifies individual accounts according to their overall popularity on the platform. The popularity of an account is based on the number of posts, reposts, and comments it contributes to the community. Beside celebrities and famous brands, 'Weibo masters', who are known as grassroots users (non-celebrities), can also become verified on the platform. Individual verified accounts receive an orange "V" appended to their username and a picture of this verification on their homepage.



Figure 13: An Example of Verified Accounts on Weibo²⁰⁹

Verified users endorsed by Weibo are the most popular and representative users among the online micro-blogging groups and are able to drive interactions in the community. Weibo encourages micro-bloggers who want to become influential and 'Weibo-famous' to contribute and circulate high-quality messages with popular hashtags and carefully constructed content.²¹⁰

²⁰⁷ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." Qualitative Market Research 18, no. 4 (2015): 412.

Yuan, Haiwang. "Yuan Haiwang The Origin of Chinese New Year." *SMS-I-Media Tourism Express* 1, no. 1 (February 1, 2016): 3. Accessed April 8, 2019.

²⁰⁸ Huang, Hong, Samuel Kai Wah Chu, Lesley Yuyang Liu, and Philip Yi Zheng. "Understanding User-Librarian Interaction Types in Academic Library Microblogging: A Comparison Study in Twitter and Weibo." The Journal of Academic Librarianship 43, no. 4 (2017): 332.

²⁰⁹ Weibo, April 13, 2019. https://www.weibo.com

²¹⁰ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 410.

The verification policy of Weibo, then, actively incentivizes consumer engagement on the platform. By using popular hashtags and interacting with popular promotional posts, Weibo users who are looking for attention and influence are drawn into the value co-creation process of a brand voluntarily. Weibo influencers, just like Instagram influencers or vloggers on YouTube, are key to reaching target consumers on the platform, as they are critical to exposing brands to the site's users. Similar to influencers on Western social media platforms, Weibo influencers also have a huge fan base and their way of delivering promotional messages appeals to their audience, so the followers have trust in them and can be easily affected by them.

Through influencers, active engagement, and intensive information exchange on Weibo, online users give clues to enterprises about their customs, demands, and consumer preferences. To aid in this process, in March 2013, Weibo introduced its Twitter-like advertising product called 'Fen Si Tong' (Fans Know). Advertisers are able to "log into the system and target users based on gender, age, location, interests, device type, social interaction, and so on". ²¹¹ In this way, "sponsored Weibo posts will appear in targeted users' news feed". In addition, Weibo incorporates third-party apps, especially games, within the platform, which also collect and sell data about users' activities. ²¹² By engaging in the online community, "consumers exhibit dispositions that go beyond traditional market-ascribed consumers' behaviors," ²¹³ engaging directly in the production of the products or services that they wish to purchase, and, therefore helping in brand value co-creation and increasing the market value of that product or service. ²¹⁴

The previous chapter outlined the ways Coke deployed cultural elements in their ads in order to naturalize the relationship between Chinese consumers' desires and their cultural aspirations. However, Cotton also stresses the importance of promoting consumer engagement on Chinese social media platforms, where customers are engaged with the brand and empowered to generate

²¹¹ T Zhang, Lize and Weiyu Zhang. "The Impact of Monetization on the Public Functions of Weibo." *Global Media and China* 3, no. 3 (2018): 203.
²¹² Ibid

²¹³ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 28.

²¹⁴ Cova, Bernard and Daniele Dalli. "Working Consumers: The Next Step in Marketing Theory?" *Marketing Theory* 9, no. 3 (2009): 317.

creative ideas to fuel Coke's product development and brand equity.²¹⁵ An example of this marketing effort and its impacts is explored in what follows.

3.4 The City-themed Campaign

The city-themed campaign of Coca-Cola in China is an extension of the global 'Share a Coke' campaign; it features famous holiday destinations printed on Coke's label. The 'holiday' campaign first appeared in the United Kingdom in 2017 as a part of the summer marketing campaign there. Coca-Cola, Coca-Cola Zero, and Diet Coca-Cola featured 75 exotic holiday destinations on their labels, including Bali, Hawaii, and Miami, and a contest to win a trip to a dream vacation destination. These bottles swiftly became limited-edition collectibles.²¹⁶ In early 2018, Coca-Cola China released the first batch of limited edition cans featuring 12 different cities in China, with the goal of connecting consumers with their local cultures. In April 2018, Coke launched an additional 11 limited edition cans celebrating the distinct cultures of more cities in China. Cities featured included Beijing, Shanghai, Guangzhou, Chengdu, and Xi'an. Each city was identified by the inclusion of a stylized icon in the ad design. For example, Changsha, famous for its food and red pepper, becomes a chef whose hair is fashioned in the shape of the flame, and the can says 'Spicy Changsha'. The design for the Xi'an can depicts a Terracotta Warrior from the Terracotta Army, a historical site in Xi'an. The hair and mustache of the character are styled into the shapes of the City Wall and Bell Tower, the most famous landmarks of Xi'an. The Xi'an cans feature the terms 'Melodious Xi'an', because the city is famous for its regional opera—Qinqiang, seen as the quintessential Chinese folk opera.

²¹⁵ Doland, Angela. "Coca-Cola Personalizes 23 Chinese Cities in Playful, Limited-Edition Can" AdAge. April 17, 2018. Accessed April 13, 2019. https://adage.com/creativity/work/faces-cities-print/54340.

²¹⁶ Arthur, Rachel. "Share a Coke Campaign Returns with More NNames and Holiday Destinations." Beveragedaily.com. April 19, 2017. Accessed April 13, 2019. https://www.beveragedaily.com/Article/2017/04/19/Coca-Cola-Share-a-Coke-campaign-with-holiday-destinations.



Figure 14: Changsha Can And Xi'an Can²¹⁷

In March 2018, Coke invited its followers on *Weibo* to use their smartphones to scan the city mascots on the city cans through Baidu APP's ²¹⁸Augmented Reality²¹⁹ function in order to unlock AR animations to "search for city secrets" in a virtual tour. Similar to Pokemon Go, users are able to see the cartoon animations of city icons blended with the real world through their smartphone camera. In the animation, users can tap the city icons to learn about their significance in a city's culture. Coke also integrates a panorama feature into the scene, whereby users can have an interactive virtual view of the cities' famous landmarks. For example,

2

including visual, auditory, haptic, somatosensory, and olfactory.

See: http://images.huffingtonpost.com/2016-05-13-1463155843-8474094-

AR_history_timeline.jpg

²¹⁷ Doland, Angela. "Coca-Cola Personalizes 23 Chinese Cities in Playful, Limited-Edition Can" AdAge. April 17, 2018. Accessed April 13, 2019. https://adage.com/creativity/work/faces-cities-print/54340.

²¹⁸ Baidu is a Chinese multinational technology company specializing in Internet-related services and products and artificial intelligence (AI), and is one of the larges AI companies in the world. Baidu app is the software created by Baidu, which can be downloaded by users to their mobile device.

²¹⁹ Augmented Reality: AR is an interactive experience of a real-world environment where the objects that reside in the real-world are "augmented" by computer-generated perceptual information, sometimes across multiple sensory modalities,

Shanghai users are given the history about the Shanghai-style qipao²²⁰ when they tap on the Shanghai can's icon and are also able to view panoramic images of well-known places in Shanghai, such as the Orient Pearl Tower in the animation. During the campaign, users could experience the unique features of different cities and explore China via the animation created by the Baidu technology.



Figure 15: Coke's 'Search For City Secrets' Weibo Post²²¹

While Coca-Cola has done cans with landmarks and city names in Japan, the brand claims that it wanted to do something different in China. ²²² Cotton provides the rationale for featuring cities in Coke's global campaign:

No matter where we grow up, where we go to university or where our careers take us, each city that we live in leaves an impression that is embedded in us forever. Each has its own culture and flavor, its sights and sounds. But above all, cities are made of people. While we may live in a city, it's the city that also lives in us.²²³

²²⁰ Qipao, also known as Cheongsam, is the traditional national apparel cherished by all Chinese of all regions. It was originally the daily dress mainly for women of Manchu and Mongolia. See: Liu, Hongxia. "The Cheongsam—the Treasure of Chinese National Apparel." *Asian Culture and History* 1, no. 1 (2009): 55-57.

²²¹ Coca-Cola. Weibo Post. March 13, 2018, 12:00 PM.

https://www.weibo.com/icokeclub?topnav=1&wvr=6&topsug=1&is_hot=1

²²² Doland, Angela. "Coca-Cola Personalizes 23 Chinese Cities in Playful, Limited-Edition Can" AdAge. April 17, 2018. Accessed April 13, 2019. https://adage.com/creativity/work/faces-cities-print/54340.

Hatzi has stated that the city-themed campaign speaks to Chinese citizens' pride in their cities, thereby reinforcing the popularity of the brand and, specifically, Coke's status as a drink of young people in China:

The uniqueness of China's cities has become a big talking point amongst Chinese youth, who are moving between cities more than ever. They want to stay connected to their roots, as well as forging new connections to the places they move to.²²⁴

Steve Llewelyn, design lead of Coca-Cola Greater China & Korea, further adds that the designs on Coke's city cans give faces and personalities to the cities of China. He explains:

we were able to capture the essence of each [city in China]: its culture, its food, its idiosyncrasies as well as its landmarks. We personified these on each can through a seamless blend so that each city becomes a face, each one unique and surprising.²²⁵

The design of the city-themed cans, therefore, incorporates the well-known cultural elements of the cities into attractive logos. This campaign was also the first time that Coke translated its Chinese theme song, 'Taste the Feeling', into local dialects like Shanghainese, according to Cia. ²²⁶ All of these elements of the campaign exemplify Coke's desire to connect with its customers on a more personal, local level.

In addition to the can design, online virtual tour and theme song, Coke hired Lu Han, a 28-year-old pop singer with 58 million followers on Weibo, to star in the ad for the campaign on the Weibo platform. In September 2017, Mr. Lu was listed as the second most popular celebrity on the new Forbes' China Celebrities List with an estimated \$31 million in salary, endorsements and other revenues.²²⁷ Lu continues to be one of the most popular brand ambassadors in China,

²²³ "Coca-Cola China Celebrates City Cultures through 'Faces of the Cities'." Marketing. April 19, 2018. Accessed April 13, 2019. https://www.marketing-interactive.com/coca-cola-china-celebrates-city-cultures-through-faces-of-the-cities/.

²²⁴ Ibid

²²⁵ Ibid

²²⁶ Doland, Angela. "Coca-Cola Personalizes 23 Chinese Cities in Playful, Limited-Edition Can" AdAge. April 17, 2018. Accessed April 13, 2019. https://adage.com/creativity/work/faces-cities-print/54340.

²²⁷ Flannery, Russell. "Lu Han, Coke And The Growing Power Of China's Celebrities." Forbes, Forbes Magazine, 13 Oct. 2017, www.forbes.com/sites/russellflannery/2017/10/13/lu

endorsing a diverse range of brands, from KFC to Baidu interactive maps. Mr. Lu is generally seen as a symbol and spokesman for the young generation in China, known locally as the 'post-90 generation.'228 Coke began its partnership with Mr. Lu in 2017 by including his images on Coke's bottles and print ads, as well as using his performance footage in its TV commercials.²²⁹ Mr. Lu also endorsed Coke's environmental sustainability project, for which Mr. Lu provided a short video at its launch.²³⁰ Using Mr. Lu as an endorser helped Coke appeal to Chinese youth and position it as a drink for millennial consumers. Maggie Lu, Managing Director at Hill-Knowlton Shanghai, a global public relations and integrated communications agency, explains:

[Lu Han's fans are] very well-organized and whenever there's an off-line event, they'll send products Lu Han represents to the event. For example, if there's an off-line event, they'll send Coca-Cola products to the event voluntarily. Lu Han represents a kind of positive force and optimism. This is in the nature of Coca-Cola as well, so I think that's a good match and a good balance of all his assets. That's the major trend.²³¹

han-coke-and-the-growing-power-of-chinas-celebrities/#3f64e1c1d967.

²²⁸ Clode, Jerry. "What China Is Fixated On Singer Lu Han (And Brands Are Too)." AdAge. January 21, 2016. Accessed April 13, 2019. https://adage.com/article/agency-viewpoint/chinafixated-singer-lu-han-brands/304559

²²⁹ Flannery, Russell. "Lu Han, Coke And The Growing Power Of China's Celebrities." Forbes, Forbes Magazine, 13 Oct. 2017, www.forbes.com/sites/russellflannery/2017/10/13/lu han-coke-and-the-growing-power-of-chinas-celebrities/#3f64e1c1d967.

²³⁰ "Report Guide: 2017 Sustainability Report." The Coca-Cola Company. August 27, 2018. Accessed April 13, 2019. https://www.coca-colacompany.com/stories/our-refreshedsustainability-report.

²³¹ Flannery, Russell. "Lu Han, Coke And The Growing Power Of China's Celebrities." Forbes, Forbes Magazine, 13 Oct. 2017, www.forbes.com/sites/russellflannery/2017/10/13/lu han-coke-and-the-growing-power-of-chinas-celebrities/#3f64e1c1d967.



Figure 16: Lu Han holding Coke's Beijing Can²³²

Coca-Cola launched two topics on Weibo to promote its campaign, using the hashtags "#CocaColaCityCan#" and "#FeelingTheMomentsofYourCity#". An examination of 62 Coca-Cola's Weibo posts from March 10th to April 28th, 2018 reveals that the hashtag #CocaColaCityCan# was included in every one of Coke's Weibo posts, and the hashtag #FeelingTheMomentsofYourCity# was mentioned in most of its posts. The #CocaColaCityCan# hashtag appeared in 85 million users' newsfeeds and was discussed (calculated by every time a user included the hashtag in his/her comments or reposts) about one million times. The #FeelingTheMomentsofYourCity# hashtag was viewed six million times and discussed one million times on Weibo by April 2019. Due to the high volume of engagement, both hashtags were listed in Hot Search and would have been seen by every Weibo user on the platform.

Weibo, April 13, 2019. https://www.weibo.com

²³² Coca-Cola. Weibo Post. April 20, 2018, 17:20 PM. https://www.weibo.com/icokeclub?is_all=1&stat_date=201812#feedtop



Figure 17: #CocaColaCityCan# Huati Page²³⁴



Figure 18: #FeelingTheMomentofYourCity# Huati Page²³⁵

3.5 IEPAR Model and City-themed Campaign on Weibo

The IEPAR model, a five-stage process model of social media-based co-creation, developed by Kao *et al*, ²³⁶ is employed here to analyze Coke's strategies of engaging consumers in its brand co-creation process on Weibo. The promotional messages of this campaign are then categorized here into three different types, based on the ways consumers are incentivized to engage in Coke's city-themed campaign. The three kinds of promotional posts are the 'sharing post,' the 'rewarding post,' and the 'innovative post.'

3.5.1 Methodology

Kao *et al* establish a five-stage IEPAR model (**Interact-Engage-Propose-Act-Realize**) to illustrate how companies facilitate consumer participation in their brand value co-creation process on social media platforms. The co-creation process model is developed based on previous studies but engages the powerful features of social media to demonstrate the power of "the creation of collective actions." The first stage, **Interact**, acknowledges that companies must trigger effective interactions between consumers and their brands and between consumers

²³⁴ Weibo, April 13, 2019. https://www.weibo.com

²³⁵ Ibid

²³⁶ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 141. ²³⁷ Ibid., 143.

themselves. Second, the authors identify **Engagement** as critical for building affective bonds between consumers, creating a brand community. In this stage, companies use social media to provide consumers with diverse experiences and social connections to deepen their engagement. 238 The third stage, Propose, encourages consumers to share and enhance their knowledge of the brand by getting involved in brand communities, for example through contests and requests for feedback. Companies can then take advantage of this information exchange to improve their products and services. Act, the fourth element, is another crucial phase in the cocreation process because it sets the stage for potential collective innovation in the future. Through continuous discussion and interaction, consumers tend to form consensus around particular issues in brands' production process, and the resulting consensus has the potential to drive change and innovation. 239 The last stage, Realize, allows companies to process the initiatives created by online consumers and increase their sales volume and popularity by improving their performance. This model for analyzing brand co-creation process in the social media environment provides a very helpful tool to analyze Coke's city-can campaign on Weibo. It also helps establish the fact that consumers, as immaterial labourers working within brand communities on social media platforms, are central to enhancing a brand's value and overall success.

²³⁸ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 144. ²³⁹ Ibid

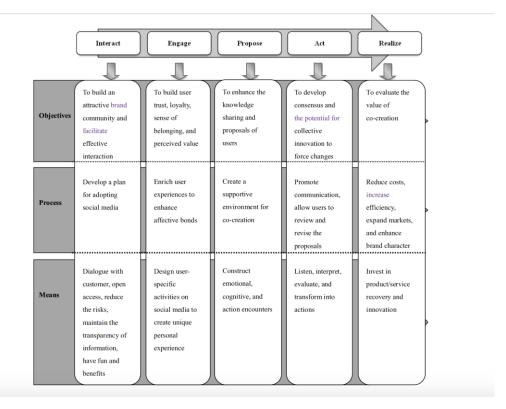


Figure 19: IEPAR Model²⁴⁰

3.5.2 Application

Kao *et al* state that there are two objectives of the **Interact** stage: "one is to create an attractive brand community and the other is to facilitate effective interaction among community members". They believe that the right choice of social media platform in a branding strategy "[attracts] consumers' attention to, [increases] their recognition of, and [develops] preliminary relationships in the brand community". Social media platforms, such as Weibo, have woven themselves into every aspect of people' lives and can "make voluntary decision to invest time to engage in (brand) communities." Social media users not only spend a lot of time online, they also exhibit an inability to detach from their preferred social media platforms once connected,

²⁴⁰ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 141.

²⁴¹ Ibid., 144

²⁴² Ibid., 145

²⁴³ Ibid., 146

"due to the interesting and entertaining content posted by brands on such platforms." Laurence Dessart *et al* argue that "via the system of 'hashtags' and mentions, [online users] see people talking about things and brands that they are interested in" and so are more likely to join conversations related to a particular brand. Online users clearly enjoy online interactions with their friends, and, by extension, other members from the brand community and the brand itself; "they enjoy commenting on others' content, fostering interactions related to their own content, and reading funny and relevant posts by the brand." As a result, their "level of enthusiasm [toward the brand] is triggered and sustained". 247

We can assume that Coca-Cola used Weibo for its city-themed campaign in keeping with its strategy of intensifying interactions with consumers in the online world. by allowing Weibo users to share their experiences with the brand in the online community, using Lu Han as a brand endorser who is widely recognized by the young generation of China, and by creating online contests with rewards that encourage Weibo users to contribute, Coke personalizes and insinuates itself into the everyday lives of users. Coke is also able to create an online community, which is "not limited to mere business transaction and [is] often used as an avenue for social interaction and information exchange for their members." ²⁴⁸ The social networks Coke establishes through its Weibo campaign exist as "friendships between individuals, relationships between group." ²⁴⁹ Scrolling down the news feed page, Weibo users can view and engage with Coke's city-themed campaign posts in the same way they interact with their friends' Weibo posts.

The **Engage** stage works to establish the affective bonds between consumers and the brand, to "[gain] consumer trust, loyalty, (a) sense of belonging and perceived value." This stage further

²⁴⁴ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 38.

²⁴⁵ Ibid., 33

²⁴⁶ Ibid., 35

²⁴⁷ Ibid., 35

²⁴⁸ Kim, Jae Wook, Jiho Choi, William Qualls, and Kyesook Han. "It Takes a Marketplace Community to Raise Brand Commitment: The Role of Online Communities." *Journal of Marketing Management* 24, no. 3-4 (2008): 411.

²⁴⁹ Zaglia, Melanie E. "Brand Communities Embedded in Social Networks." *Journal of Business Research* 66, no. 2 (2013): 217.

enhances the potential for co-creation activities during later stages. ²⁵⁰ The first type of promotional posts is noted during this stage; it is the 'sharing post,' which involves inviting consumers to share their stories and experiences of the featured cities. Some of the posts ask questions like, "Are you from Qingdao? How does it feel to grow up by the ocean?", "I have found my city on the can. How about you?", "What's your favorite city?", and "Today is Guyu²⁵¹, is it raining in your city?". Through these posts, Coke encourages sharing, commenting and posting, thereby building the brand's online community and enabling Coke to strengthen its interpersonal relationships with its followers and increase brand loyalty. Via this campaign, consumers are able to share their stories about the cities they love, connect with other users who are in or from the same city, and purchase a souvenir city can that features their hometown, or the city they feel a part of. By simply commenting about the weather in their cities, or their favorite local food under Coke's posts, consumers develop a positive feeling toward Coke's products as they share a piece of themselves within the community. By engaging in these 'userspecific activities' initiated by Coke, consumers increase their attachment to the brand and arguably develop a greater desire to participate in the brand's co-creation activities in the future. 252 The affective bonds developed in the "sharing post" of Coke's city-themed campaign sets the stage for the actual co-creation behaviors ostensibly initiated by online users.

²⁵⁰ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 147.

²⁵¹ Translated as grain rain. The traditional East Asian calendars divide a year into 24 solar terms. Guyu, (or known as grain rain), is the sixth solar term, referring to the end of spring and the beginning of summer. It starts in mid-April and ends at the beginning of May.

²⁵² Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 146.



Figure 20: Type 1 Example: The 'Sharing' Post²⁵³

After building an affective relationship with the consumers online, the **Propose** stage encourages consumers to share their ideas about their consumption preferences, the company, and its products.²⁵⁴ Coke encourages open and free discussions between Coke and its fans and between fans in general on Weibo. In the second type of Coke's Weibo promotional messages identified here - the 'rewarding post' - Coke fosters involvement by rewarding consumers' contribution to its promotional events. This can include 'explicit money incentives,' such as rewards, often identified as one of the major reasons users choose to be part of online brand communities. ²⁵⁵ In this campaign, consumers have the chance to win Lu Han's autographed photo if they post pictures holding Coke's city cans, using the hashtags of #CocaColaCityCan# and #FeelingTheMomentsofYourCity#. In addition, participants who comment under the posts or just mention (@Coca-Cola) Coke's official account in their own post can win one of Coke's 'secret gifts'. Coke also creates mini-games in its promotional posts to facilitate consumer participation. For example, one of Coke's Weibo posts invites its followers to find as many Coca-Cola bottles as possible in the picture attached. In another example, Coke posts a picture with its bottle transformed into a maze. Participants who find the most Coke bottles in the picture and find the fastest way out of the maze have the chance to win secret gifts from Coke. Kao et al argue that

https://www.weibo.com/icokeclub?is_all=1&stat_date=201812#feedtop

²⁵³ Coca-Cola. Weibo Post. April 18, 2018, 11:00 AM.

²⁵⁴ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 146.

²⁵⁵ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 37.

"the most important way to encourage [participation] (is) the 'incentive reward'. Such rewards (are) a useful means of directly encouraging a number of rapid responses". 256

The Propose stage is critical to the entire co-creation process because, with these strategies, companies accumulate focused attention from their online followers, which in turn enhances their brand value. Due to the high engagement level, users are also more likely to connect with people who carry similar social tags²⁵⁷, such as an affiliation with the same city or an overall love of the taste of Coke; "by relating to the brand and what it stands for, online brand community members feel closer to the rest of the community around it."²⁵⁸ The alignment of online users with the brand and other members in the community makes the reproduction of a generally positive brand meaning more efficient.



Figure 21: Type 2 Example: The 'Rewarding' Post²⁵⁹

Given these means of creating shared knowledge and experience, the **Act** stage of the co-creation process tries to develop "the potential for collective innovation to lead to change actions in the

²⁵⁶ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 147.

²⁵⁷ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 413.

²⁵⁸ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 38.

²⁵⁹ Coca-Cola. Weibo Post. April 9, 2018, 11:00 AM. https://www.weibo.com/icokeclub?is all=1&stat date=201812#feedtop

enterprise."²⁶⁰ Kao *et. al* identify three ways to realize the potential for collective innovation on social media platforms. The first is having consumers share knowledge in the community and thereby influence each other's behaviors. The second is taking into account consumers' expectations associated with a product or a service as a guide to market activities. The third way is using consumers' ideas to inform the future production of goods. ²⁶¹ The third type of Coke's promotional posts identified here —the 'creative post' – involves enticing users to engage in the company's product innovation process. These posts aim to generate useful marketing information that helps Coke make decisions that can contribute to greater sales. In April 2018, Coke initiated a creative competition, inviting Weibo users across the country to design their own city cans, encouraging them to be creative and to design different icons that they think represent their city. Coke then shared a picture of the different versions of the Chengdu can, including designs featuring a character from Sichuan Opera or some tiles of mahjong, a popular strategy game in Chengdu. This competition allowed Coke to actively seek and exploit its customers' capacity for creativity. In this way, consumers become both producers and marketers, contributing to the development of Coke's future products.



Figure 22: Type 3 Example: The 'Innovative' Post²⁶²

Another way to realize the potential for collective creation is to have consumers influence each other's behaviors. Through Weibo's 'like' mechanism, users can endorse specific brands on the

²⁶⁰ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 148. ²⁶¹ Ibid.. 148

²⁶² Coca-Cola. Weibo Post. April 11, 2018, 11:00 AM. https://www.weibo.com/icokeclub?is all=1&stat date=201812#feedtop

platform and persuade their friends and other online users to purchase particular products or services. By incentivizing consumers to seek out information about the company on Weibo, Coke encourages them to reveal their consumption experiences in public, understanding that "other consumer's input and reviews play an important role in the purchase decision process;" 263 by allowing consumers to freely "post questions [about the company and its products on Weibo] and receive feedback from other knowledgeable members, or the brand itself," 264 Coke gains a wide range of valuable information. Coke also invites celebrities, such as Lu Han or important social media influencers, to help promote this feedback campaign. In this sense, Coke, as the information publisher, promotes the spread of information within its brand community, while also ultimately controlling the range of consumer feedback and behaviors. 265

In the **Realize** stage, the collective effort made by the enterprise and its consumers is evaluated and put into action.²⁶⁶ In this instance, consumer engagement provides Coke with ample amounts of user data, which enables the company to enhance its processes of product development. In more general terms, Coke is able to increase its efficiency and reduce the likelihood of products failing in the marketplace, since they are designed and marketed in tandem with consumer demands and preference.²⁶⁷ At the same time, consumers' positive attitudes toward Coke, summoned by these activities, increases the value of Coke's brand, boosting profits for the company.

In conclusion, this chapter has identified three different kinds of promotional practices in Coke's city-themed campaign on Weibo that all contribute to induce online users to participate in Coke's brand value co-creation process. The first type of promotional post is the 'sharing post,' where

²⁶³ Dessart, Laurence, Cleopatra Veloutsou, and Anna Morgan-Thomas. "Consumer Engagement in Online Brand Communities: A Social Media Perspective." *Journal of Product & Brand Management* 24, no. 1 (2015): 37.

²⁶⁴ Ibid., 35

²⁶⁵ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 412.

²⁶⁶ Cova, Bernard and Daniele Dalli. "Working Consumers: The Next Step in Marketing Theory?" Marketing Theory 9, no. 3 (2009): 318.

²⁶⁷ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." Journal of Services Marketing 30, no. 2 (2016): 149.

Coke invites consumers to share their stories and experiences of the featured city. In these posts, Coke connects with online users on a personal level by prompting them talk about the cities they are from or live in, including the lifestyle, their favorite food, or the local weather. The second type of post is the 'rewarding post,' where Coke fosters consumer involvement and stimulates fast responses from users by offering to reward them with incentives, such as gifts or coupons. In these posts, users are often asked to share Coke's campaign posts, mention Coke (@Coca-Cola) in their own Weibo posts, or participate in Coke's campaign-related games. The third type of message is the 'innovative post,' where Coke uses consumers' ideas to inform the future production of products. The can-designing competition initiated by Coke on Weibo allows Coke to exploit consumers' creative capacities. Coke also has created situations where consumers can influence each other's behaviors, thereby realizing the potential for collective creation. Through the "liking system" of Weibo, consumers are encouraged to constantly reveal their preferences and purchasing behaviors in public.

3.6 Critical Analysis

Putting consumers to work is a new marketing strategy favored not only by Coca-Cola, but by nearly all successful international companies, from McDonalds to Louis Vuitton. The concept of involving consumers in the production process is not limited to having customers work in a production sphere to increase efficiency, but also focuses more on how consumers facilitate the development of a new product and contribute in the innovation process. As Zwick *et al* explain:

We see a co-creation economy as driven by the need of capital to set up processes that enable the liberation and capture of large repositories of technical, social, and cultural competence in places previously considered outside the production of monetary value. In short, the co-creation economy is about experimenting with new possibilities for value creation that are based on the expropriation of free cultural, technological, social, and affective labor of the consumer masses.²⁶⁸

Thanks to the rise of social media, companies are able to reach larger audiences on more diversified and interactive platforms. Social media makes it easier for brands to foster relationships with their consumers and communicate with them in more effective ways, which, in

²⁶⁸ Zwick, Detley, Samuel K. Bonsu, and Aron Darmody. "Putting Consumers to Work: Co-Creation and New Marketing Govern-Mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 164.

turn, helps them pull consumers into their profit producing practices. Zwick *et al.* argue that brand co-creation involves control

...over consumers and markets... (This) can best be achieved by providing managed and dynamic platforms for consumer practice, which on the one hand free the creativity and know-how of consumers, and on the other, channel these consumer activities in ways desired by the marketers.²⁶⁹

We have seen how Coke's brand is co-produced through the social relations established between Coke and Weibo users and between users themselves. Weibo users may believe that they are interacting voluntarily in a free public space however, Coke exploits what they share in this space in its production process. Users provide clues to the company about their tastes, needs, and consumption preferences via Coke's 'sharing posts', as well as innovative ideas that are useful for Coke's future production via Coke's 'innovative posts'. Coke's promotional practices reveal its reliance on its brand value being jointly created with consumers. While consumers may welcome the opportunity to feedback and feel a part of a community, it is clear that Coke benefits the most from these practices.

The brand value co-creation process with consumers demonstrated in Coke's city-themed campaign on Weibo represents a marketing strategy that no longer "[aims] at disciplining consumers and shaping actions according to a given norm, but at working with and through the freedom of the consumer."²⁷⁰ Instead of controlling customers' tastes and preferences in the market place, companies like Coca-Cola exploit their consumers' collective ideas and use them to create "competitive advantage and market opportunities."²⁷¹

Mark Cote and Jennifer Pybus suggest that this is representative of a new kind of immaterial labor, one that is "more accelerated, intensified, and indeed inscrutable" immaterial labor 2.0 - whereby consumers' tastes, preferences and cultural aspirations are actively constructed

²⁶⁹ Zwick, Detlev, Samuel K. Bonsu, and Aron Darmody. "Putting Consumers to Work: Co-Creation and New Marketing Govern-Mentality." *Journal of Consumer Culture* 8, no. 2 (2008): 164.

²⁷⁰ Ibid., 163

²⁷¹ Ibid., 164

²⁷² Mark Coté and Jennifer Pybus. "Learning to Immaterial Labour 2.0: MySpace and Social Networks." *ephemera* 7, no. 1 (2007): 89.

through the interaction with companies on social media platforms.²⁷³ Interacting with Coke's campaign-related Weibo posts, online users extend their social networks from peer-to-peer communication to sharing within a community. In order to widen their social networks on Weibo, users are expected to construct their relationships with other users in this online community.²⁷⁴ Weibo users are accepted as a part of Coke's Weibo community when they voluntarily celebrate the city culture through the consumption of Coke's city cans in Coke's online community, and also when they interact with other community members who have the same social tags as they do. Recalling the discussion about immaterial labour in Chapter One, it is clear that, by participating in Coke's city-themed campaign, Weibo users are immaterial labourers working to enhance Coke's brand value.

3.7 Conclusion

Drawing on the concepts of immaterial labor and value co-creation, this chapter demonstrates that Coca-Cola's city-themed campaign on Weibo increases Coke's brand value and accelerates the process of its brand glocalization in the Chinese market. By actively participating in Coke's latest campaign on Weibo, consumers voluntarily add cultural and affective values to Coke's brand equity. Using the IEPAR model developed by Kao *et al*,²⁷⁵ this chapter identifies three ways in which the productive labour of consumers promote brand value co-creation in the social media environment. First, by sharing their personal experiences with the brand, consumers show a positive attitude towards Coke's products and reveal their willingness to buy. Next, consumers focus attention on the brand in the online community through their rapid responses to the reward system. Finally, by providing Coke with new design ideas, consumers improve innovation and product design in the company. Interactions between consumers and celebrities and the company also create the conditions whereby Coke's consumers can influence each other's consumption behaviours.

²⁷³ Mark Coté and Jennifer Pybus. "Learning to Immaterial Labour 2.0: MySpace and Social Networks." *ephemera* 7, no. 1 (2007): 90.

²⁷⁴ Ibid., 95

²⁷⁵ Kao, Tzu-Yi, Ming-Hsien Yang, Ji-Tsung Ben Wu, and Ya-Yun Cheng. "Co-Creating Value with Consumers through Social Media." *Journal of Services Marketing* 30, no. 2 (2016): 145.

Conclusion

This thesis has explored brand co-creation and 'glocalization' processes through a study of Coca-Cola's marketing efforts in China. Borrowing the extended Barthes model developed by Zhao and Belk, it provided a critical analysis of Coke's Chinese New Year 2017 advertisement, demonstrating the ways Coke borrows established cultural signs that represent traditional values, such as family harmony and helping others, and inflects them toward their own profit-oriented ends. At the same time, Coke is also able to detach itself from its 'foreignness' and problematic associations with Western values of consumerism and individualism and align itself with traditional Chinese collectivistic values. In this way, Coke makes itself more 'local' in the Chinese market and develops relationships with Chinese consumers. These consumers then go on to work as affective, immaterial laborers for Coke, circulating its brand meanings, enhancing its cultural significance, and, consequently, helping Coke generate economic value in the Chinese market.

The thesis has also examined Coke's brand value co-creation process with consumers on the Chinese social media site—Weibo by employing the IEPAE model established by Kao et al. Recognizing that social media platforms allow for the growth of "public influence—diffusion of innovation, word of mouth and public relations," the thesis demonstrated the increasing centrality of Chinese consumers' social media use to the generation of Coke's brand value, and identified three different kinds of promotional practices in Coke's Weibo campaign: 1) the 'sharing post,' where Coke invites consumers to share their stories and experiences, thereby increasing their emotional attachment to the brand; 2) the 'rewarding post,' where Coke fosters consumer involvement and stimulates fast response by rewarding consumers with incentives, such as gifts or coupons; and 3) the 'creative post,' where Coke uses consumers' ideas to inform the future production of goods. As shown, the can-designing competition on Weibo allowed Coke to exploit consumers' capacity of creativity. Moreover, through the 'liking system' of Weibo, Coke encouraged consumers to constantly reveal their preferences and purchasing behaviors in public. In this way, Coke is able to somewhat control the process of information dissemination about the brand, and also manages consumers' behaviors. Based on the analysis provided in the previous chapters, this conclusion will provide a more general discussion of the social implications of the rise of consumerism in China.

It can be argued that Coke's localization and brand value co-creation process in the Chinese market have played an important role in transforming traditional Chinese social values by encouraging users to publicly express their desire for a hedonistic lifestyle. This trend has important implications for Chinese society and the global economy. Many suggest that the opening of Chinese markets and trade have brought China enormous opportunities in the global market, and have significantly boosted China's economy. ²⁷⁶ In addition, the rising level of consumer demand in China promises to create more jobs both domestically and internationally. At the same time, there remain challenges for both China's economy and its culture as a result of these developments, such as excessive environmental damage caused by the rise of conspicuous consumption, deepening economic inequalities, and the perpetuation of capitalist labour issues in Chinese society.

The Rise of Chinese Consumerism and Chinese Consumption Values

The growing power of Chinese consumers since the late 1970s' market reform has gradually transformed China from the factory of the world to the consumer society of the world. Since the 1990s, the Chinese government has specifically sought to reduce the country's reliance on exports and encouraged Chinese consumers to spend more.²⁷⁷ If we understand consumerism to not only mean the purchase of commercial goods but also "the orientation of social life around consumer products and services" involving "the ways individuals, groups, and nations have increasingly come to define their identities through the consumption of mass-produced and mass-discussed goods and services,"²⁷⁸ then it is clear that consumerism is now a dominant ideology in contemporary China. In general, today, more and more Chinese consumers, especially those in the cities, tend to hold materialistic values, engaging in consumption for hedonistic reasons rather than for merely utilitarian use.²⁷⁹

²⁷⁶ Gerth, Karl. *As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything*. 1st ed. New York: Hill and Wang, 2010, 10.

²⁷⁷ Ibid., 11

²⁷⁸ Ibid., 15

²⁷⁹ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 410.

One driving force behind modern Chinese consumerism is the generation of children born in the 1980s and 1990s in China, often referred to as the "spoiled generation". China's one-child policy, initiated in the late 1970s and early 80's, sought to control population growth in the country. As a result, children born under this policy are seen as "spoiled," demanding and carefree with their spending. These children usually have a different mindset compared to their parents because they are less concerned with "saving for their older age and prefer buying items to suit their lifestyle," as long as they can afford them. This generation has played a significant role in moving cultural norms away from the traditional position of 'save for later' toward the doctrine of 'spend now.' Partially as result of this new generation, China citizens are clearly more comfortable adopting a Western lifestyle in general, intensifying the country's commitment to a consumer society. 282

The rise of consumerism in modern China is also reshaping consumption in other parts of the world. ²⁸³ First, the increase in its exports has allowed Chinese brands to enter and impact Western purchases and consciousness. The growth of China's brands can also indicate "the decline of someone else's, first in China and then around the world, including in the United States." ²⁸⁴ For example, Huawei, the largest smartphone maker in China, has overtaken Apple and become the world's second-largest selling smartphone after Samsung in 2018, ²⁸⁵ even though it is excluded from the American market. Second, due to the size and growth rate of the Chinese market, international manufacturers are designing their products and services

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²⁸⁰ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 413.

²⁸¹ Lin, Xiaohua and Cheng Lu Wang. "The Heterogeneity of Chinese Consumer Values: A Dual Structure Explanation." *Cross Cultural Management: An International Journal* 17, no. 3 (2010): 249.

²⁸² Gerth, Karl. *As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything.* 1st ed. New York: Hill and Wang, 2010, 13.

²⁸³ Ibid., 32

²⁸⁴ Ibid., 35-36

²⁸⁵ Gibbs, Samuel. "Huawei Beats Apple to Become Second-largest Smartphone Maker." The Guardian. August 1, 2018. Accessed April 17, 2019.

https://www.theguardian.com/technology/2018/aug/01/huawei-beats-apple-smartphone-manufacturer-samsung-iphone.

specifically for Chinese consumers.²⁸⁶ In addition, the dramatic development of China's digital economy requires international companies to have a strong presence in the online world in China. In order to win over the new Chinese consumers, the majority of international brands are actively involved in Chinese e-commerce platforms, such as TMall and Taobao. Besides Facebook and Twitter, they also have official accounts on Chinese social media platforms, such as WeChat and Weibo. Increasingly, Chinese citizens' consumption behaviors seem to be determining international brands' marketing strategies. As Chinese citizens are increasingly encouraged to express their material desires, and enjoy immediate gratification and new lifestyles, their Chinese tastes are influencing global corporate production and advertising around the world.²⁸⁷

The broad-based transformation of the Chinese state, the rise of Chinese consumption practices, and presence of multinational brands in China have all collectively contributed to the transformation of Chinese social values. Widely available social media platforms, such as Weibo, play a significant role in this transformation process by providing a relatively open environment for users to express their material desires. By commenting, posting and sharing advertising or commercial-relevant content, consumers display their admiration and desire for material objects in public. Weibo users often show off their wealth to attract more attention as well. They do not hesitate to post their latest consumer purchases, in turn making consumption more fun and enjoyable. Under these conditions, "desire is no longer a sin or a psycho-social state to be suppressed or masked" but rather an attractive and engaging state of being. ²⁸⁸ Instead of consuming for the utilitarian use of a product, online consumers are increasingly encouraged to consume for pleasure, fantasy, and hedonistic experiences. As mentioned earlier, Chinese people often seek to gain *face* ²⁸⁹ through their acquisition of wealth; by sharing their consumption acts

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²⁸⁶ Gerth, Karl. *As China Goes, so Goes the World: How Chinese Consumers are Transforming Everything.* 1st ed. New York: Hill and Wang, 2010, 36.

²⁸⁷ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 413.

²⁸⁸ Ibid., 415

²⁸⁹ Face (Mianzi): the concept of *mianzi* in Chinese culture is a complex one. It can be most closely defined as "dignity" or "prestige". Face represents a person's reputation and feelings of prestige within multiple spheres, including the workplace, the family, personal friends and society at large. One of the worst things can happen to someone in the Chinese culture is to "lose" face.

online, they project their social status and differentiate themselves from other consumers.²⁹⁰ The 'enjoy now' ethos that has emerged with the social media era is the opposite of the traditional Chinese value of 'saving for tomorrow.'²⁹¹

Challenges

As a result of the one-child policy, the 'only child' has gradually become the major consumer of the family, contributing to the rise of conspicuous consumption in Chinese society.²⁹² Parents have been more willing to buy costly toys, snacks and daily necessities for their children because they regard the conspicuous expenditure as a necessary investment in their only allowed child's health and intelligence. As Bin Zhao argues,

The single child's status within the family as the "little emperor" has been created and maintained through a potent mixture of parental care and expectation, expressed by increasingly conspicuous expenditure. Material and emotional investment in the child are expected to pay off when the child grows up to be a success. This reflects upon, and brings glory to, the family, and the whole extended family.²⁹³

Consumption in China is not only highly family-oriented and children-centered, but is also social and relational. The rituals of present exchanging and treating people with meals in restaurants (known as *qingke songli* in Chinese), to maintain a good relationship are deeply rooted in the Chinese culture. Along with the economic boom and increase in income, the gift economy is rising in China, as a wide variety of goods, such as alcohol, cigarette, and tea, are being packaged as gifts to be sold during Chinese traditional holidays, and in malls or airports as souvenirs. Banqueting in restaurants is also a significant aspect of Chinese people's social life. The courtesy of constantly treating families and friends with a nice meal in a restaurant, however,

See: https://www.internations.org/china-expats/guide/29464-culture-shopping-recreation/understanding-the-chinese-culture-17526

²⁹³ Ibid., 50

²⁹⁰ Duan, Jingyi and Nikhilesh Dholakia. "The Reshaping of Chinese Consumer Values in the Social Media Era: Exploring the Impact of Weibo." *Qualitative Market Research* 18, no. 4 (2015): 416.

²⁹¹ Lin, Xiaohua and Cheng Lu Wang. "The Heterogeneity of Chinese Consumer Values: A Dual Structure Explanation." *Cross Cultural Management: An International Journal* 17, no. 3 (2010): 250

²⁹² Zhao, Bin. "Consumerism, Confucianism, Communism: Making Sense of China Today." *New Left Review 222*, no. 222 (1997): 49.

can often result in "excessive in quantity, quality, and variety [of food]"; in China, "waste' in banquets is common and indeed, necessary for demonstrating generosity and hospitality."294

Environmental problems are certainly very concerning side effects of the rise of consumerism in Chinese society. China's dramatic economic growth has caused produced problems such as soil erosion, deforestation, and densification. But perhaps the most worrisome are the growing levels of air and water pollution due to rapid industrialization and rising consumption levels. For example, increasing consumer demand for cars has exacerbated the already serious problem of urban air pollution. 295 In addition, China can also be blamed for exacerbating global environmental issues, specifically global warming, due to its reising levels of CO₂ emissions.

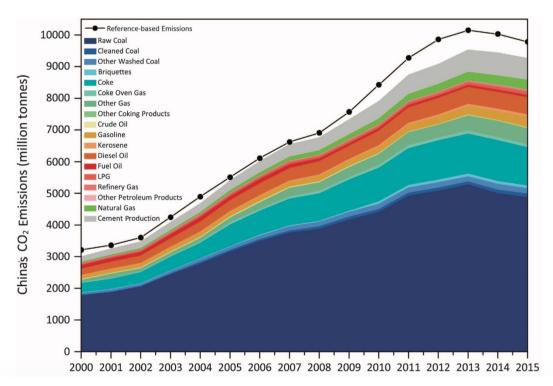


Figure 23: China CO₂ Emissions (millions tons)²⁹⁶

²⁹⁴ Zhao, Bin. "Consumerism, Confucianism, Communism: Making Sense of China Today." New Left Review 222, no. 222 (1997): 51.

²⁹⁵ Ibid., 56;

Reusswig, Fritz and André Isensee. "Rising Capitalism, Emerging Middle-Classes and Environmental Perspectives in China: A Weberian Approach." In *The New Middle Classes*, 136. Dordrecht: Springer Netherlands, 2009.

²⁹⁶ Shan, YL, DB Guan, HR Zheng, JM Ou, Y. Li, J. Meng, ZF Mi, Z. Liu, and Q. Zhang. "Data Descriptor: China CO2 Emission Accounts 1997-2015." Scientific Data 5, (2018): 8.

Clearly lifestyle changes and the economic boom have played a role in China's CO₂ emissions. In the pre-WTO era (2000-2002), the CO₂ emissions in China rose steadily and slowly, increasing at a rate of 8% per year. After China joined WTO in 2002 and manufacturing quickly started to expand, emissions spiked dramatically. The annual average emissions rate from 2002-2007 is now 13%, making China the world's top energy consumer and CO₂ emitter.²⁹⁷

Deepening economic and social inequality in China has generally been overshadowed by the overall rise in living standards. The phenomenon of people temporarily or permanently leaving their jobs to try their luck in the free market during the economic reform is called *xia hai*—going down to the sea, "which holds the promise of both running across big fortunes and the danger of being drowned."²⁹⁸ People who were most fortunate became China's new entrepreneurs, and made large amounts of money.²⁹⁹ While others less fortunate left their homes and often ended up working in alienating factory conditions where labor protections are minimal. The most obvious example of this is the Taiwanese tech company, FoxConn, where many of its employees have committed suicide as a result of the harsh, prison like conditions.³⁰⁰ So, while the number of new entrepreneurs has grown, there remain a very large percentage of the population who live under the official poverty line; the gap between the rich and the poor is still widening. As in the West, expensive items in most shopping malls in China are not meant for everyone in the country, but are "constructed to satisfy the surging purchasing power of the more fortunate class."³⁰¹

Social media has played a crucial role in facilitating the rise of capitalist consumerist values in Chinese society. But, as Dallas Smythe has famously argued, the business model of commercial media industries involves packaging and selling audiences to advertisers; in this way audiences

²⁹⁷ Shan, YL, DB Guan, HR Zheng, JM Ou, Y. Li, J. Meng, ZF Mi, Z. Liu, and Q. Zhang. "Data Descriptor: China CO2 Emission Accounts 1997-2015." *Scientific Data* 5, (2018): 2.

²⁹⁸ Zhao, Bin. "Consumerism, Confucianism, Communism: Making Sense of China Today." *New Left Review 222*, no. 222 (1997): 50.

²⁹⁹ Gregory Chow. "Economic Reform and Growth in China." *Annals of Economics and Finance* 5, no. 1 (2004): 130.

Merchant, Brian. "Life and Death in Apple's Forbidden City." The Guardian. June 18, 2017. Accessed April 17, 2019. https://www.theguardian.com/technology/2017/jun/18/foxconn-life-death-forbidden-city-longhua-suicide-apple-iphone-brian-merchant-one-device-extract.

³⁰¹ Zhao, Bin. "Consumerism, Confucianism, Communism: Making Sense of China Today." *New Left Review 222*, no. 222 (1997): 51.

become commodities, sold and exploited by media industries. ³⁰² As discussed earlier, while social media platforms possess functions that support communication, collaboration and community-building, they are primarily vehicles through which enterprises induce consumers to co-create their brand value. International companies, like Coke, which employ Weibo as central to their marketing strategy do not simply work to create a space that facilitates communicate with their customers then, but also work to exploit the capacity of their consumers to 'work' by co-producing the cultural meanings and symbolic importance of their brands. The net benefits of these processes, of course, remain almost entirely with the company, further deepening capitalist competitive values into Chinese life.

Thesis Limitations and Future Research

While this thesis has focused on Coca-Cola, similar practices are also undertaken by other famous international brands such as McDonald's, BMW, and Starbucks. More in depth analysis of these brands could work to validate the presence of practices of brand value co-creation in contemporary global advertising and deepen our understanding of these practices. For example, Starbucks launched a WeChat campaign called "mood music" back in 2012, to promote its new drink—Refresha. Starbucks encouraged its customers to add its official account on WeChat through QR codes and then send Starbucks one of WeChat's 26 emoticons to express their feelings. In turn, Starbucks responded with an appropriate song corresponding to that mood. Over the course of 4 weeks, Starbucks gained approximately 130,000 WeChat friends, and the sales volume for Refresha hit RMB 7.5 million in a mere 3 weeks. All of this was accomplished on a budget of just RMB 250,000. In addition to this, the brand's Sina Weibo account gained a 9% increase in fans and generated over 57,000 reposts and comments.³⁰³

Further research in to practices of international brand co-creation could look at whether or not these practices are adopted by companies around the globe, with a focus on the ways emerging international brands position themselves in Western markets. For example, it would be helpful to

³⁰² Dallas W. Smythe, "On the audience commodity and its work." In *Dependency Road: Communications, Capitalism, Consciousness, and Canada*, 232. Norwood, NJ: Ablex, 1981. ³⁰³ Chen, William. "20 Brilliant WeChat and Weibo Marketing Case Studies to Inspire Your Chinese Marketing Success!" LinkedIn. May 3, 2017. Accessed April 17, 2019. https://www.linkedin.com/pulse/20-brilliant-wechat-weibo-marketing-case-studies-inspire-william-chen/.

understand how Chinese companies brand themselves and adapt to other cultural markets. Do they adopt strategies like the ones examined in this study? What are the similarities and differences? Has branding 'glocalization' by Chinese companies in foreign markets produced benefits? Has it helped to introduce Chinese cultural values into other parts of the world?

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