

# **An Empirical Investigation of Chinese Award-Winning TV Advertisements over Time**

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*This paper aims to explore the changing nature of advertising by both local and foreign brands used in award-winning Chinese TV commercials over time. The study finds competing evidence of both greater westernization and greater localization. Comparatively, foreign brands use more western symbols and appeals than local brands. Moreover, types of appeals used by durable products tend to differ from those used by non-durable products. By examining advertising appeals over two time periods, this paper captures advertisers' adjustments to changing market and competitive conditions. These findings offer important managerial insights to advertising practitioners that operate in China.*

## **INTRODUCTION**

Marketing and advertising activities have significantly increased in emerging markets as consumer demand continues to rise in these countries. Based on Purchasing Price Parity (PPP), China is already the second largest economy in the world and predicted to surpass even the U.S. by the middle of this century if it continues to grow at its current rate. The growth of the middle class in China is particularly impressive. As Aho (2009) observes, "multinational companies are champing at the bit to reach this rush of new consumers in the developing world. That cheap labor the companies had hired is now rising out of poverty with a few dollars - or cents - that are burning holes in their pockets."

The Chinese government has also recognized the importance of meeting the consumer demands of its citizens, encouraging both local and foreign companies to participate in the

efforts. The increasing consumer demand and the opening up of markets through liberalization policies means competition has increased not only between products made and marketed by local companies (from both public and private sectors) but also between local and foreign brands (Chan, Cui & Zhou 2009).

Advertising, in this context, plays an important role in differentiating the various brands. Research efforts have started to focus on how advertising appeals in markets such as China, India, etc. reflect not only the cultural values of local markets, but how companies' distinct identity (foreign or local) position themselves using different symbols and appeals. In their analysis of Chinese TV advertising, local brands used more traditional values while foreign brands used more modern values (Zhang and Harwood 2004). Similar results were reported earlier by Cheng and Schweitzer (1996) who compared advertising appeals by brand type – local, joint venture or foreign. While modernity was a common appeal of all three types of brands, it was used significantly more by joint venture and imported brands. In examining Internet advertising, however, very few differences were observed between Eastern and Western firms (Li, Li & Zhao 2009).

While evidence from non-western markets is growing, we are just beginning to gain insights into how advertising is being used to influence and being influenced by consumers and competitors in these markets. In the past, many different theoretical and methodological perspectives have been adopted to examine advertising in different markets. For example, Emery and Tian (2010) used Hofstede's culture values to identify specific advertisement appeals which are effective for U.S. and for Chinese markets. When consumer preferences are examined, global rather than local appeals are preferred, regardless of advertised good's country of origin (Zhou and Belk 2004) and foreign commercials are appreciated more by younger consumers (Wang 2000; Tai and Pae 2002). When ads themselves are examined, Hornikx and O'Keefe (2009) found that "adapted ads are somewhat more persuasive and better liked than unadapted ads". Additionally, differences due to medium (e.g., TV or print) and product type appear to make a difference in the prevalence of western/eastern or standardized/localized appeals (Cheng and Schweitzer 1996; Zhang and Shavitt 2003). As a result, we find competing evidence of greater westernization and standardization as well as greater localization. These discrepancies warrant caution in drawing any generalizations, and emphasize the continuing need to increase our understanding of advertising in a globalized world.

The objective of this paper is to explore the changing nature of advertising in greater detail for the Chinese market by specifically examining Chinese award-winning TV advertisements over time with special emphasis on the influence of competitors' origin. The competitive advantage of foreign brands in emerging markets has been noted by many although evidence from the Chinese market seems to suggest that local brands are gaining in market share (Cui and Liu 2001; Dyer 2007) while the advantage of the foreign brand persists in specific product categories such as durables (Kaynak and Cavulgil 1983) and cosmetics (Barnes, Siu, Yu & Chan 2009).

In addition to the influence of a brand's country of origin (COO) and product type, it is important to consider time since these markets are changing so fast. Advertising plays a bigger role in the Chinese economy today than it did in the past and the nature of advertising has also changed. TV advertising has increased its share of total advertising expenditures from 17.7% in 1990 to 49.0% in 1995 (Weber 2000) and some research suggests that Chinese advertising has grown less informative between 1988 and 2002 (Chan and Chan 2005).

We report an empirical study that analyzes award-winning TV commercials for two time periods – 2001 and 2006 – in order to understand how local and foreign brands employ advertising to differentiate their brands. Most of our past understanding of global advertising comes from empirical evidence collected in a single point of time. By looking at advertising practices over time, we are able to better comment on how advertisers are adjusting their strategies to changing market and competitive conditions.

We focused on the award-winning TV ads because of their important implications for marketers. Chen and Taylor (2012) examined Chinese award-winning advertisements in a twenty-eight-year period (1982-2009) and offered valuable insights into the historical dynamics and changes of message strategy in the context of modern China. Tippins and Kunkel (2006) specifically examined Clio Award winners and found out that advertising creativity and effectiveness linked directly to the profitability of the companies in the food industry. While the results from award-winning advertisements may not be totally representative of the entire Chinese advertising industry, advertisements which have won awards reflect the best in commercials and probably constitute the best templates to appeal to current Chinese consumers. Goldenberg, Mzaursky, and Solomon (1999), for instance, empirically identified six creativity templates which were shared by the award-winning advertisements but not possessed by non-winning advertisements.

The paper is organized as follows. First, we review the literature and raise three research questions that we address in the paper. Next, we describe the methodology, analysis and findings from the empirical study. We attempt to explain the empirical observations theoretically and in terms of the past literature and conclude with a discussion of the managerial implications of our research.

## **LITERATURE REVIEW**

Broad trends of globalization, particularly westernization, can be observed in many spheres of life, including advertising. Homogenization theories predict that the world would increasingly look the same and theorists such as Ritzer (2008) see the rise of McDonalds as evidence of this phenomenon. Westernization is not limited to western brands. Brands with eastern origin (from non-western countries) can also adopt westernization as an advertising strategy to garner the benefits of such positioning. In general, use of Western themes in advertising has increased. Chang (2008) content analyzed magazine ads in Taiwan and found 47 percent of the ads featured Western models and 54 percent of the ads featured English brand names, and while the use of these elements were greater for products that were internationally distributed, they were used by locally and regionally distributed products as well.

As the American-style consumer culture has been rapidly developed in China (Gerth 2010; Kotler 2010), Chinese consumers are becoming more receptive to western images and themes. Chinese consumers, who viewed TV and magazine ads with global and local appeals, preferred global appeals in advertising due to their value “as signs or surrogates for status, cosmopolitanism, excitement, modernity, quality, technology and beauty” (Zhou and Belk 2004, p. 71). Wang (2000) reported that younger consumers in China had a more positive appreciation of foreign commercials, rating them as more entertaining and creative than local commercials. The preference for foreign commercials was also observed among a sample of students who evaluated commercials for foreign and local brands; the preference was particularly strong for European brands (Tai and Pae 2002).

Competitive differentiation becomes increasingly important when both foreign and local firms compete in the same market since the advertised good's country of origin has both a strategic and local meaning. Consumers often use COO cues to evaluate products and foreign brand names act as a favorable cue, particularly when product knowledge is limited or the product is complex (Kaynak and Cavusgil 1983; Shen et. al 2002). In a study of foreign companies that advertised in China, Yin (1999) reported a combination of global and local approaches. When foreign companies attempt to localize their brand names and images, it may not always lead to favorable results. Zhou and Belk (2004) cited the confusion caused by Marlboro cigarettes attempt to localize its ad; the use of Chinese historical and traditional images failed to connect in the minds of the Chinese consumers who were very familiar with the brand and liked its earlier standardized cowboy image. Barnes et.al. (2009) reported preference for original brand names for cosmetic products, particularly among consumers in Shenzhen, a city in southern China.

Advertising intensity also shapes competitive responses. In China, for instance, which has grown to be one of the top advertising market in the world, local brands continue to dominate the top advertisers despite the increase in foreign brands (Kahn 2003). Prior to 1996, a three tier rate structure increased the cost of TV advertising for foreign brands but since then rates have been revised and now a single-tier structure prevails (Weber 2000). Local brands, however, continue to dominate the airwaves. In their study of Chinese TV commercials, Zhang and Harwood (2004) taped approximately 28 hours of television programs over a two-week period during July-August 2000; 90 percent of the taped commercials were for local brands.

In addition to brand names and country-of-origin, foreign brands adopt various advertising strategies to counter the quantitative dominance of local brands. One approach is through the differentiated use of advertising messaging strategies. Message strategy plays a key role in the advertising process (Chen and Taylor 2012), and message components include advertising appeals as well as execution details such as use of language, spokespersons or models, and music. Zhang and Harwood (2004), for instance, reported foreign brands used more modern values compared to local brands which used more traditional values. Cheng and Schweitzer (1996) reported similar results; modernity was a common appeal but it was used significantly more by joint venture and imported brands than local brands.

The choice of language is also an important component of advertising (Tian and Borges 2011) because language itself has certain associations and becomes even more critical when the consumers are multi-lingual. Luna and Peracchio (2005), for instance, found differences in positive associations for the majority and minority languages among bilingual consumers. If the slogans are switched to the language with positive associations, bilingual consumers find the ad to be more persuasive. Furthermore, Krishna and Ahluwalia (2008) argued that advertising effectiveness depends on whether the advertised product is a necessity or a luxury product. Using bilingual student respondents in a study of Indian consumers, they found that luxury products from multinational brands benefit from using an English slogan, while necessity products are evaluated more favorably using Hindi (the local language). Visual symbols such as western models in the ads would be interpreted in a similar way and influence consumers evaluations as well (Zhao and Belk 2008).

Finally, the product type exerts a strong influence on choice of advertising strategies and tactics. For example, Tang and Sun (2011), by conducting a case study on China Telecom, found that emotional advertising was more effective than rational advertising for telecommunication service. Zhang and Shavitt (2003) separated product types as personal use and shared use

products and found individualistic and modern appeals to be more prevalent for personal use products. Tai and Pae (2002) looked at durable and luxury goods versus non-durable goods and found that Chinese consumers are attuned particularly to standardized foreign commercials for the former rather than the latter category of goods.

### **Research Questions**

Ever since the economic reforms launched in 1978, and propelled by China's accession to the World Trade Organization (WTO) in 2001, Chinese consumers have become accustomed to encountering foreign brands and languages. It is estimated that over 400 million people from China take English classes at different levels, probably the largest population on earth that learns English as a second language. This general familiarity with English and positive associations with foreign brands should encourage greater use of foreign language in Chinese ads (Zhou and Belk 2004). Given this overall westernization trend in Chinese society, we want to identify the symbols and appeals shared by the award-winning advertisements in China. More specifically, we are interested in the following questions; is there:

RQ1: Greater use of western advertising messages by foreign rather than by local brands?

RQ2: Greater use of western advertising messages in more recent rather than earlier years?

RQ3: An effect of product type on the use of advertising messages?

### **RESEARCH METHODOLOGY**

In order to increase our understanding of how advertising is changing, this research focuses on award-winning television advertisements in China. Television has become a mass advertising medium through free-to-air, cable and satellite stations and its reach cuts across demographic and regional groups. Television advertising takes up the largest single portion of the Chinese advertising market (Weber 2000) and TV advertising encompasses almost all product categories. TV penetration among Chinese households is almost universal (China Infobank, 2003) and the advertising clutter is very high since a very large portion of TV time is devoted to commercials (Weber 2000). As one of the top advertising markets in the world, China is similar to the United States in the sense that local brands dominate despite the increase in foreign brands (Kahn 2003). Therefore, the use of advertising can be studied from the perspective of local and foreign brands.

This paper specifically looks at the period of time before and after China's accession to the WTO on December 11, 2001, which is a significant event in China's economic landscape. The large China market has attracted a steady stream of foreign investment and foreign firms are expected to reshape the competitive space (Chan, Cui & Zhou 2009; Fang and Yen 2006; Leung and Chan 2006). Foreign brands are catching up and even exceeding their Chinese counterparts in terms of ad spending, particularly in specific markets (Savage 2006).

### **Data Source**

The TV commercials came from the *IAI China's Advertising Works Yearbook*, which represents excellence in advertisements and commercials throughout China, including Taiwan, Hong Kong and Macao, on a yearly basis. 95% of selected commercials were from mainland China. The paper reports our analysis of Chinese TV commercials for two time periods – 2001

and 2006<sup>1</sup>. This allows us to examine changes before and after China's acceptance of WTO rules.

The TV commercials are organized into 15 product categories. In this paper, however, we selected only those product categories that were available for both 2002 and 2007, and excluded Corporate Image and Charity categories as there is very little difference in term of advertising appeals, resulting in 9 product categories reported in our analysis, which are Automobiles and related products, Beauty, Beverage, Fashion, Food, Home Appliances and related products, Medicine and Health, IT & Telecommunications, and Real Estate and related products. Our analysis includes 147 commercials from the 2002 Yearbook and 136 commercials from the 2007 Yearbook.

### **Coding Scheme**

The advertising message components identified in the TV commercials include use of appeals, language, models and music. To develop the coding scheme, appeals addressed in the literature (operational definitions provided in Appendix 1) have been included in the analysis (Cheng and Schweitzer 1996; Lin 2001; Mueller 1987, 1992; Pollay 1983). In addition, the use of models (Asian vs. non-Asian), music (Chinese vs. Western), language (Chinese only, English only, mixed) are coded and analyzed.

### **Coding Procedures**

Each commercial was viewed and independently coded by two bilingual Chinese researchers. All coders were trained and practiced before starting the actual coding task. It took about ten minutes to code each commercial. Each commercial was coded as follows:

- whether the brand is foreign, joint venture (JV), or local<sup>2</sup>;
- the product category;
- spoken and written language used – Chinese, English or other language;
- gender and ethnicity of the featured people – male/female; Asian/non-Asian;
- music used – music only with no lyric, or music with Chinese or foreign lyric;
- all applicable appeals.

Any specific commercial could be coded to contain more than one appeal. For example, a commercial for a cosmetics brand could incorporate multiple appeals such as performance (radiant skin), youth, and technology. For all the commercials, the inter-coder agreement exceeded 80%. When the two coders could not reach consensus, a third researcher resolved the disagreements.

Finally, verbal descriptions for a selected set of TV commercials - both foreign brands and local brands - were created to highlight specific use of language, appeal, visual, and music in the execution. These descriptions are used to complement the statistical findings from the quantitative analysis.

## **ANALYSIS AND RESULTS**

Medicine/Health and Beverage products were the two largest groups of winning TV commercials in 2001; in 2006, Food ads became more dominant in the list. Local brands dominated the list in both years, although foreign brands increased their presence substantially in the 2006. Fashion and Automobiles were two product categories where joint venture and foreign

brands had a disproportionately high presence in 2001, while Beverage and Medicine products saw an increase in foreign brands in 2006.

The winning commercials demonstrated use of a variety of appeals. Performance and affective appeals were used most often by all brands. In aggregate, the average number of appeals used in local versus foreign brands did not differ ( $M_{\text{local}} = 2.0$ ;  $M_{\text{foreign}} = 1.8$ ;  $t(267) = 1.2$ ,  $p > .10$ ). However, the average number of appeals used in 2006 award-winning commercials was greater than in 2001 ( $M_{2006} = 2.2$ ;  $M_{2001} = 1.8$ ;  $t(267) = 3.7$ ,  $p < .01$ ), suggesting the commercials are incorporating more appeals over time, perhaps in response to increasingly heterogeneous market segments.

Exploration of research questions was limited to message appeals that were incorporated in at least 10 commercials in each of the two time periods. Some appeals (e.g. work, wealth, economy, convenience, patriotism, and unique), though elicited from past literature, were seldom used in these commercials. Therefore, they are not considered in our subsequent analyses.

### The Influence of Brand Origin

A series of chi-square tests were conducted to test the differences between foreign and local brands (See Table 1). In answer to RQ1, we found foreign brands to use western words and models more than local brands.

**TABLE 1**  
**ANALYSIS OF ADVERTISING MESSAGE COMPONENTS OF**  
**FOREIGN AND LOCAL BRANDS**

	Foreign	Local	$\chi^2$	<i>p</i>
<b>Language</b>				
Spoken Chinese	78.9%	98.3%	30.6	.001
Written Chinese	89.5%	98.3%	9.6	.008
Spoken English	26.3%	6.9%	16.4	.001
Written English	31.6%	9.4%	14.6	.001
Spoken other language	7.9%	.9%	9.5	.008
Written Other language	2.6%	.9%	1.1	.573
<b>Model</b>				
Non-Asian people	29.0%	8.5%	17.3	.001
<b>Appeals</b>				
Nature	.0%	12.9%	7.2	.027
Leisure	10.5%	2.1%	7.6	.023
Social Status	5.3%	3.4%	12.2	.002
Wealth	2.6%	.0%	6.5	.039
Youth	13.2%	9.9%	6.4	.040

- Foreign brands are more likely to use English in their award-winning TV ads. About 26.3% of foreign brands use spoken English in their commercials compared to only 6.9% of local brands; and 31.6% of foreign brands display written English (mostly English version of their brand names) in the commercials as compared to only 9.4% of local brands.
- Foreign brands are more likely to feature non-Asian people to indicate their foreign country-of-origin; 29% of foreign brands used non-Asian models in their award-winning ads, while 8.5% local ads did so.
- Local brands tend to use nature appeals, while foreign brands use leisure, social status, wealth, and youth appeals more frequently.

The differences between foreign and local brands are captured in award-winning TV commercials for Songhe (local brand) and Heineken (foreign brand) in the beverage category:

With the tagline “Songhe, Old Friend” (in Chinese), this commercial uses a dream-like setting to describe a customer’s fond memory of old days hanging out with friends, and Songhe liquor is recommended to be shared with friends as a symbol of friendship in the event of a reunion. The commercial uses Chinese language, traditional Chinese painting background, and group setting to appeal to eastern values such as tradition and collectivism. Spoken words are in Chinese, subtitles are in Chinese and all the characters are distinctly Asian.

In contrast, the Heineken beer commercial is distinctly western:

Using humor, the commercial features a live tennis match between two foreign male players. During the live action, the camera frame moves away to shots of the blue sky from time to time, creating curiosity; the answer becomes apparent when the camera operator is shown drinking Heineken beer and the camera is tilting upward every time the cameraman’s upper body shifts with a drink from the beer bottle. The western tennis players, the western cameraman, presence of westerners among the spectators are mixed with the tennis commentary in Chinese and the tagline “Are you in?” is emphasized in both spoken and written English as well as written Chinese.

### **The Influence of time**

The second set of analysis examined the impact of time (2001 vs. 2006) on advertising appeals used in order to answer RQ2 (See table 2). The data analysis reveals:

- Greater use of spoken and written English was found in 2006 than in 2001. Overall, roughly 4.8% of award-winning TV commercials used spoken and 8.2% used written English in 2001 compared to 16.2% and 17.6%, respectively, in 2006.
- More non-Asian people and celebrities were featured in 2006 ads than in 2001: 18.9% vs. 6.9% featured non-Asian models and 17.6% vs. 8.8% featured celebrities.
- As for music, use of songs increased over time. Almost 19.5% of award-winning commercials in 2006 had songs with lyrics in them, compared to only 7.5% in 2001. More Chinese songs were used in 2006 than in 2001, but English songs didn’t see any increase.

- Individualism, collectivism, social status, youth and leisure appeals were used more often in 2006. The increased use of collectivism appeal illustrates the strong influence of local culture on consumer behavior, yet the other appeals have a western root but gained more prominence in the TV commercials as well.

**TABLE 2**  
**ANALYSIS OF TV ADVERTISING MESSAGES FOR YEAR 2001 AND YEAR 2006**

	2001	2006	$\chi^2$	<i>p</i>
<b>Language</b>				
Spoken Chinese	98.0%	93.4%	3.6	.056
Written Chinese	96.6%	97.8%	.4	.544
Spoken English	4.8%	16.2%	10.0	.002
Written English	8.2%	17.6%	5.7	.017
Spoken other language	2.0%	1.5%	.1	.716
Written Other language	1.4%	.7%	.3	.608
<b>Model</b>				
Non-Asian people	6.9%	18.9%	8.4	.004
Celebrity	8.8%	17.6%	4.8	.028
<b>Music</b>				
Lyrics	7.5%	19.5%	8.9	.003
Chinese songs	2.7%	12.8%	10.2	.001
English songs	2.0%	4.5%	1.4	.242
<b>Appeals</b>				
Individual	2.0%	6.6%	3.6	.056
Collectivism	13.6%	25.0%	5.9	.015
Social Status	2.0%	7.4%	4.5	.033
Leisure	.7%	6.6%	7.3	.007
Youth	4.8%	18.4%	13.1	.001

It is worth noting that the greater presence of English language, use of celebrity, and western appeals such as individualism, youth and leisure are not just the outcome of the increase of foreign brands in the China market. An investigation of the trend over time within the local brands revealed that local brands also used English songs ( $\chi^2=2.8$ ,  $p < .10$ ) and celebrity ( $\chi^2=4.9$ ,  $p < .05$ ) in their commercials more often in 2006 than in 2001. In addition, local brands featured individualism ( $\chi^2=5.9$ ,  $p < .05$ ), youth ( $\chi^2=7.4$ ,  $p < .01$ ), and leisure ( $\chi^2=2.9$ ,  $p < .10$ ) in their appeals more often in later years. Clearly, global (or western) culture has been embraced by more and more consumers in China, and local companies are responding to this trend in their commercials as well.

The greater use of western advertising images and words over time are evident in the following award-winning commercials: Bai Nian Run Fa (local beauty product) and Oil of Olay (foreign beauty product) from 2001; Li Ning (local fashion brand) and Johnnie Walker (foreign liquor brand) from 2006.

Commercials from 2001 used Chinese models, languages, songs, and eastern appeals:

The Bai Nian Run Fa commercial features a series of close shots of the hair of a pretty Chinese girl from different angles to emphasize its softness as the result of using Bai Nian Run Fa, in a background of soothing, romantic Chinese song. The voice over speaks in Chinese language and the tagline “100 years nurturing hairs” in Chinese emphasizes tradition and local history.

Oil of Olay features several women in sequence who engage in various activities – relaxing at home, shopping, working, running, taking subway, taking care of baby, dining with a date – with a female voice over speaking in Chinese: “women can be pretty all the time, in ‘she’ century, and new products from Olay can help every aspect of yourself to be pretty”. The subtitles are also in Chinese. All the women pictured in the commercial are active, young, city people that are distinctly Asian.

In contrast, both local and foreign brands exhibited greater westernization (in terms of words/models/music/appeals) in 2006:

Li Ning features “Damon Jones, a NBA basketball player for the Cleveland Cavaliers” with a background of computer-animated scenes and fast-paced music with no lyrics, asking in English: “Not drafted? Doesn’t matter; Be a backup? No big deal; Challenges? So what. Nothing stops me from receiving anything.” The action scenes and the fast pace, along with a non-Asian celebrity highlights the western themes while written Chinese is used to name the unfamiliar western star.

The Johnnie Walker commercial features two golfers (western male) who attended 2005 Johnnie Walker Classic. Instead of a formal game, the two players challenge each other by throwing the golf balls into hard-to-reach places such as wild grasses, pond, rock, top of trees, and even by the side of a crocodile and then trying to hit the ball back to the hole. The last scene featured one golfer trying to hit the ball next to a crocodile. The brand symbolizes a spirit of “keep walking” in face of challenges. Western instrumental music with no lyrics was used in this commercial. The commercial is all visual with no spoken words. “Keep walking” was shown in English as well as Chinese.

### **Influence of Product Category**

RQ3 refers to the influence of product category. Past research had shown differences in the use of appeals between luxuries and necessities, durables and non-durables, personal and shared-use products. To reveal patterns on product categories, we group the 9 product categories into two sets: one is durable or luxury products (i.e., Automobiles and related products, Real Estate and related products, and Home appliances and related products), and the other is non-durable products such as Beverage, Fashion, Food, Medicine and Health, Beauty, and IT & Telecommunications (See table 3). Our analysis indicates association of advertising appeals with product types:

- Social status, technology, and leisure feature more often in appeals used for durable or luxury products versus non-durable products.
- Tradition and popularity as appeals are used more often in the award-winning commercials for non-durable products.

**TABLE 3**  
**ANALYSIS OF TV ADVERTISING MESSAGES FOR DURABLE**  
**AND NON-DURABLE GOODS**

	<b>Durable</b>	<b>Non- durable</b>	$\chi^2$	<i>p</i>
<b>Appeals</b>				
Leisure	8.6%	2.2%	5.5	.019
Social Status	15.5%	1.8%	19.9	.001
Technology	13.8%	2.2%	14.1	.001
Popular	.0%	5.3%	3.2	.072
Tradition	1.7%	8.4%	3.2	.075

The following descriptions of the Mercedes-Benz (foreign brand and durable product) commercial in 2006 focusing on social status and wealth illustrate the influence of product type on use of different appeals:

A professionally dressed business manager (Chinese male) parks his Mercedes car in a parking lot of a commercial building and goes upstairs into his upscale office, surprised to find a group of colleagues (both Asian and non-Asian) throwing him a birthday party. With a chorus of Happy Birthday to You, the colleagues urge him to “make a wish” (in English). The manager sits down with a smile, trying to make a wish. However, moments pass before he could think of anything. The scene cuts back to the Mercedes sitting in the parking lot, with a tagline on the screen: “What else would you hope for (in Chinese), Mercedes S Class (in English).” Owning a perfect car like Mercedes S Class means fulfilled desires. The image of the building and people and the storyline clearly demonstrate a successful businessman respected by his colleagues who leads an affluent life.

The Haitian soy sauce (local, non-durable brand) commercial in 2006 demonstrates use of collectivism/family appeal in different scenes in which Haitian soy sauce is a chief additive to enhance food flavors:

The soy sauce is used to marinate meat at a barbecue party with friends, with a voiceover that says “taste of joy.” At the backyard of a single-family home, a mother puts soy sauce into the egg pudding (a traditional Chinese cooking for young children) for her son, with a voiceover of “taste of growth.” During a wedding, the couple tries to share a shrimp dipped with soy sauce, with a voiceover of “taste of happiness.” In the last scene, a large family gathers for

dinner with a voiceover of “taste of home.” Finally, the tagline “A taste millions of families are familiar with and trust” points out how popular the Haitian branded soy sauce is. All voice over and subtitles are in Chinese, and all characters are Chinese.

An attempt was made to reveal possible interactions between product category, time, and country of origin. However, no interaction effect was identified except for the models featured in the commercials. A close look at the interaction between time and country of origin reveals that foreign brands used non-Asian models more often than local brands in 2006 award-winning TV ads, but not in 2001 ( $\chi^2=6.4$ ,  $p < .05$ ).

## DISCUSSION

While the winning of critical accolades is not the primary aim of advertising, the *IAI China's Advertising Works Yearbook* offers a valuable compendium of TV commercials across time and across product categories for analysis. We focused on winning TV commercials for the years 2001 and 2006, an interval of five years, in order to capture some of the changes taking place in emerging markets such as China, which are experiencing rapid transformations in many dimensions of everyday life.

The dominance of local brands in the total winning commercials for each year is representative of TV advertising in China during that period. When Zhang and Harwood (2004) taped approximately 28 hours of TV programs over a two-week period between July-August 2000, they reported 90 percent of the taped commercials were for local brands. According to our data, the dominance of local brands declined from 90 percent of award-winning commercials in 2001 to 73 percent in 2006, reflecting the increase in joint venture and foreign brands in the Chinese marketplace after China's accession to WTO and their ability to develop creative ads that can win awards.

The past framing of advertising strategies in terms of foreign versus local brands is still relevant even though diminishing in significance. Based on past research, foreign brands are expected to communicate their country-of-origin differences through non-local symbols. Both Zhang and Harwood (2004) and Cheng and Schweitzer (1996) have reported similar results; foreign brands using more modern appeals and local brands using more traditional appeals. Consistent with past evidence, we found that our question regarding greater use of western/words/models/music/ appeal by foreign brands is reflected in the award-winning TV commercials analyzed in this study.

Most of our past understanding of global advertising comes from empirical evidence collected in a single point of time, except for Mueller (1992) and Chen and Taylor (2012). In her content analysis of Japanese print ads from 1978 and 1988, Mueller (1992) reported more extensive use of non-translated English-language word. At the same time, she found limited use of western celebrities and western models. Chen and Taylor (2012) conducted a longitudinal analysis of Chinese award-winning TV commercials over twenty-eight years period and reported the sharp increase in usage of sensory strategies and ego strategies that reflect Western values such as hedonism and individualism. Compared to the 1970s and 1980s, our analysis of Chinese TV commercials post-2000 finds western words (spoken and written)/music/models have increased in use over the five-year time period. While our research focused only on award-winning TV commercials, we find similar greater westernization over time through the use of

English words (both spoken and written) and even local brands are increasingly using English music and western appeals. This is consistent with Lin (2001) who noted the subtle changes in cultural values and advertising strategies visible in Chinese commercials which increasingly emphasize youth/ modernity appeals that reflect westernization. It is also consistent with consumer preferences for the “global” symbols regardless of the brand’s country of origin, due to their value as indicators of quality, status and modernity (Zhou and Belk 2004).

While one may be tempted to draw the simple conclusion that increased westernization is taking place in Chinese TV commercials, caution is warranted. Eastern appeals such as collectivism and tradition, which are still deeply rooted in Chinese culture, are also present in the award-winning TV commercials.

The qualitative description of selected award-winning commercials also hints at the increasing difficulties in categorically separating eastern from the western within any specific commercial. As in a Nike commercial, western appeals of individualism and youthfulness is communicated by a Chinese teenage boy who speaks in Chinese. The Li Ning commercial features a western athlete and spoken English but provides written Chinese to name the unfamiliar western star. The western and eastern symbols are intermingled in one commercial. Chen and Taylor (2012) also found that the prevalent applications of “Ration” message strategies that based on the traditional “thrifty” eastern ideology. This is perhaps representative of Global Consumer Culture Positioning (Alden, Steenkamp, and Batra 1999), where the commercials attempt to communicate globally shared meanings without necessarily using the same content around the world. It may also be cited as an example of globalization where elements of a commercial are changed to fit the unique characteristics of local markets. The use of such symbols by foreign as well as local brands suggests increased homogenization of cultures and confirms previous research findings that Chinese TV commercials are products of both Eastern and Western values (Chen & Taylor 2012). However, the process is much different from those articulated by theorists such as Ritzer (2008).

In analyzing the appeals used for durable products versus non-durable products, we found that certain appeals are associated with each product category. Social status, wealth, technology, and leisure appeals are used more often for durable products while tradition and popular appeals are used more often for non-durable products. Although prior research suggested that more standardized commercial with global appeals for durable products is welcomed by Chinese consumers compared to a localized version (Tai and Pae 2002), our analysis of the award-winning TV commercials showed that it is hard to make such a distinction. Rather, a mixture of eastern and western appeals are used more often to advertise durable products than non-durable products, where social status is a universal appeal with eastern cultural roots, and technology and leisure appeals are from western roots. In contrast, eastern appeals seem to resonate more for non-durable products. Such results are consistent with Chen and Taylor (2012) that “there are possible associations between product category and message strategy.” As such, when choosing appeals used in commercials, marketing managers should take product category into account.

## **LIMITATIONS AND FUTURE RESEARCH**

We do not have consumer response data or sales data and hence are not able to address the relative effectiveness of advertising appeals used in award-winning TV commercials. The commercials chosen for analysis included only those considered excellent in their product categories and reflect creative considerations as well as managerial effectiveness. They are likely

to reflect biases among the judges themselves, including increased westernization among them. Therefore, caution should be exercised when generalizing the findings to all commercials in the Chinese market.

In future research, we have to determine whether the observed practices lead to differences in market outcomes, especially in different industries. As Zhou and Belk (2004) point out, wholesale use of global/western appeals in China may be unwarranted due to both substantial risk of miscommunication and audience confusion as well as Chinese preference for local heroes and local values, particularly for product categories such as Chinese medicines, foods and non-alcoholic beverages.

## NOTES

1. We use the TV commercials from the 2002 and the 2007 Yearbooks, and as reported by the Yearbooks, commercials were collected from the previous year.
2. The researchers identified the brands as foreign, joint venture, or local based on their own knowledge and verified through search on the Internet. Even though joint venture is not the focus of study in this paper, the researchers included this category in the coding for the sake of completeness. The joint venture brands constitute less than 5% of the total commercials.

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### APPENDIX 1 APPEALS AND THEIR OPERATIONAL DEFINITIONS

Appeal	Definition	Source
Collectivism/ Family	The emphasis is on the individual in relation to others typically in the reference group. Individuals are depicted as integral parts of the group and the emphasis is on the family life and family members.	Mueller (1987; 1992); Cheng & Schweitzer (1996); Lin (2001)
Convenience	A product is suggested to be handy and easy to use	Pollay (1983); Cheng & Schweitzer (1996)
Economy	The inexpensive, affordable, and cost-saving nature of a product is emphasized in the commercial	Pollay (1983); Cheng & Schweitzer (1996)
Individualism	The emphasis here is on the self-sufficiency and self-reliance of an individual or on the individual as being distinct and unlike others.	Mueller (1987; 1992); Cheng & Schweitzer (1996); Lin (2001)
Leisure	This value suggests that the use of a product will comfort or lead to relaxation.	Pollay (1983); Cheng & Schweitzer (1996)
Modernity	The notion of being new, contemporary, up-to-date, and ahead of time.	Pollay (1983); Cheng & Schweitzer (1996); Lin (2001)
Nature	This value suggests spiritual harmony between man and nature by making references to the elements, animals, vegetables, or minerals.	Cheng & Schweitzer (1996); Lin (2001)
Patriotism	The love of or loyalty to one's own nation is suggested.	Cheng & Schweitzer (1996)

Popularity	The focus is on the wide recognition and acceptance of a certain product by consumers, e.g. “Best seller”, “well-known nationwide or worldwide”	Pollay (1983); Cheng & Schweitzer (1996)
Product Specific Affective Appeals	Use of humor, sex, soft sell, to emphasize emotional sentiments over clear-cut product-related appeals.	Mueller (1987; 1992); Lin (2001)
Product Specific Performance Appeals (beauty, effectiveness, health, quality, safety)	This value suggests that the use of a product will enhance the loveliness, attractiveness, elegance, handsomeness, vitality of an individual or emphasizes the excellence and durability of a product.	Pollay (1983); Cheng & Schweitzer (1996); Lin (2001)
Social status	Claims to elevate the position or rank of the user through feelings of prestige, trendsetting, and pride in the use of a product.	Pollay (1983); Cheng & Schweitzer (1996); Lin (2001)
Technology	The advanced and sophisticated technical skills to engineer and manufacture a particular product are emphasized.	Pollay (1983); Cheng & Schweitzer (1996)
Tradition	The experience of the past, customs, and conventions are respected, including the wisdom of the elderly. The qualities of being historical, time-honored, and legendary are venerated.	Mueller (1987; 1992); Cheng & Schweitzer (1996); Lin (2001)
Uniqueness/ Competition	The emphasis here is on distinguishing a product by aggressive comparisons. The unrivaled, incomparable, and unparalleled nature of a product is emphasized, e.g. “We are the only one that offers you the product.”	Mueller (1987; 1992); Cheng & Schweitzer (1996); Lin (2001)
Wealth	The idea that being affluent, prosperous, and rich is suggested through the use of the advertised product.	Cheng & Schweitzer (1996)
Work	Respect for diligence, labor and skills.	Cheng & Schweitzer (1996)
Youth	The worship of younger generation shown through the depiction of younger models. The rejuvenating benefits of the product are stressed, e.g. “Feel young again”	Pollay (1983); Cheng & Schweitzer (1996); Lin (2001)