

Journal of China Marketing

Volume 6 (1)

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Volume 6 (1)

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Cambridge
Scholars
Publishing



Journal of China Marketing Volume 6 (1)

This volume first published 2016

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data

A catalogue record for this volume is available from the British Library

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ISSN: 2058-2943

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EDITORIAL COMMENTARY

China: Towards Challenges of Global Sustainability

The *Journal of China Marketing* (JCM) is to be formally published by Cambridge Scholars Publishing (CSP) as the successor of *International Journal of China Marketing*, which was published by the North America Business Press. This is a double-blind peer reviewed academic journal that aims to establish a forum for the academic and business world to share and exchange their business insights. In this editorial commentary, celebrating the inauguration of the journal, we would like to put forward a message on China's global sustainability.

China's economic growth and policies of opening up the country to the world have become two important factors for its global sustainability. This has been facilitated by the shift of the economic concentration from the West to the East, that is, Asia, following the economic downturn of the Western countries, particularly the United States, in the 21st century. The improved consumption capacity in the consumer markets, the new model of social development, and the new idea of macroeconomic development in China are accelerating its realization of the 'China dream', and thus offering a great contribution to the global development of the world economies. Over the past decades, China's economic reforms and opening have been extremely successful. Such nationwide economic performance was well disclosed by China's GDP in 2010, which surpassed Japan's, and established it as the world's second largest economy after that of the United States (National Bureau of Statistics of China 2014). Scholars and economists estimated that, based on the development trends, China would become the largest economy by approximately 2025. However, such a prediction has turned out to be true somewhat ten years earlier. According to the announcement of the International Monetary Fund (IMF) in October 2014, China had already overtaken the United States to become the world's largest economy in terms of the purchasing power parity. The IMF predictions estimated that by the end of 2014, China would make up 16.48% of the world's purchasing-power adjusted GDP or USD17.632 trillion, and the United States would make up 16.28% or USD17.416

trillion. The IMF projected that this trend of economic growth in China will continue. China is now the world's largest economy, while the United States is in the midst of its strategic rebalancing towards Asia.

The importance of China in the global economy was a focus of the 21 nations participating in the Asia-Pacific Economic Cooperation (APEC) Summit held from 5th to 11th November, 2014 in Beijing, China. In the APEC Summit, China's President Xi Jinping announced that in the coming five years, China will import merchandise with values exceeding USD10 trillion, and its foreign investments will exceed USD500 billion. He also unveiled a series of economic initiatives, including a USD40 billion Silk Road fund for regional infrastructure, a plan for a Chinese-led free-trade framework to encompass all the Asia-Pacific partners, calling for the fulfilment of the 'Asia-Pacific dream' of common progress, development, and prosperity. For these plans, China will set up a BRIC Development Bank and the Asian Infrastructure Investment Bank. These initiatives have set clear signs for China to grow and sustain its globalization by pursuing bold ambitions at home and abroad, with an eye for setting up a new international order.

Challenges do exist when the 'China dream' realizes the great renewal of the Chinese nation. Externally, China has attempted to exert its leadership in the Asia-Pacific by actualizing the 'Asia-Pacific dream'. This requires the Asia-Pacific nations to work together for cross-border infrastructure, to support the economic integration led by China. In addition, from a global viewpoint, as the centre of world power is shifting towards the East, it is a challenge for China to signal its mission as a world champion and portray itself as a world leader. Considering this, the ways to compete and cooperate with the nations all over the world, to react towards a nation's views on a new order in respect to China as a rising superpower in Asia, and to put regional vision and global view on a path of sustainable growth will be the new challenges for China in the forthcoming decades.

The internal challenges, if not managed well, may also place China at risk in respect to its global sustainability. Among these challenges, social infrastructure is of the utmost importance. While China is now employing its economic muscle to win worldwide recognition, it should also re-engineer its social infrastructure in line with the global perspectives. The serious disparity in income between the urban and rural areas, and the uneven distribution of wealth have an adverse impact on the society. Despite obtaining the status of the world's largest economy, China's GDP per capital is currently only USD6400, which suggests that there is still a

long way to go in order to realize actual affluence. On the other hand, worker remuneration, as compared to GDP, is significantly lower than in the developed countries. There are also insufficient social protections, such as health care, social security, and pension, due to insufficient government input into social undertakings. The wealth gaps between the rich and the poor have continuously been widened. Corruption is therefore serious and calls for China's President to consolidate control quickly with an unprecedented anti-corruption campaign to rectify the deep-rooted problems in China. The corporate governance systems need to be reviewed and implemented as an urgent tactic to safeguard against non-compliance and misconduct among the governments and institutions. Finally, environmental protection is also a great challenge for China's global sustainability. In the past decades, China has not performed well in regard to environmental protection. To be in line with the global standards, China is planning an environmental makeover in keeping with the political, cultural, and market revolution by committing to cap the carbon emissions by 2030 and turning to renewable sources for 20% of the country's energy.

To summarize the above discussion, China is facing great challenges to turn its 'China dream' into a reality through continuous sustainability of globalization. China's growth plan focuses on four elements — economic growth, social infrastructure, corporate governance, and environmental protection. As the first international journal about China marketing and logistics, we should examine all aspects of China in addition to the markets and logistics. Dr. Philip Kotler, the Father of Marketing, claimed in his message 'The Importance of China Marketing' for the inaugural issue of the *International Journal of China Marketing* in 2010, that the Chinese market would need more marketing research scholars to help them market both domestically and internationally. The JCM will act as a bridge and link the marketers, researchers, and scholars across the world to make contributions to China in its dynamic market.

JCM is a referral journal in the field of international marketing with a focus on China marketing, published by CSP, which is a professional press that publishes several academic journals. The journal is proposed by a group of scholars who believe that given the rapid business growth in China, it is necessary to have a platform to share ideas and knowledge about the marketing and logistics in China. Currently, there is no academic journal designated to it. The journal is in its process of being registered with SSCI index service, and the articles published in the journal will be fully indexed by significant index service providers.

This peer reviewed international journal is published biannually for practitioners and academicians interested in marketing in China and learning about China. It provides essential readings for those who need to keep in touch with the ever-evolving facets of marketing practices and theories in China. Practitioners and scholars from various disciplines apply theories, methods, and skills to identify, study, and provide solutions to all kinds of marketing and logistics problems in China that are faced by all kinds of business organizations, ranging from the small scale family-run stores to the large multinational corporations.

The journal is dedicated to the advancement and dissemination of business and marketing knowledge by publishing, through a double-blind reviewed process, the ongoing results of research in accordance with the international scientific and scholarly standards. Articles are written by business leaders, policy analysts, and active researchers for an audience of specialists, practitioners, and students. The journal publishes:

- Practice papers: Addressing the issues confronting marketing practitioners in industry, consultancy, and government
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Issues covered in the journal include:

- Present and future of marketing in China in general
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- Culture change
- Competitor strategy
- Product strategy
- Pricing strategy
- Marketing communication strategy
- Distribution strategy
- Customer relationship management
- Direct marketing
- Multi-channel marketing
- Social media strategy
- Marketing education

- Legal compliance

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CHINA'S GLOBAL TRADE HISTORY: A WESTERN PERSPECTIVE

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Seen from a Western perspective, China's global trade is a long oscillating story of power, sophistication, and superiority on one hand, and humiliation, domination, and exploitation on the other. The European and American mercantilism, militarism, colonialism, and consumerism have interacted with the Chinese Confucianism, isolationism, communism, and capitalism. They share an interwoven history that includes such key events as the Opium Wars, the Treaty Port Cities, the ceding and reacquisition of Hong Kong, and China's Open Door Policy and its entry into the World Trade Organization. Besides China and the West, many Asian nations also participated in this history. However, the focus of this paper is on China and the West. By briefly considering China's history of foreign trade with the West, and its impact both at home and abroad, we may gain a deeper understanding that the current era of China's global trade is not the first to have profoundly influenced the world consumption patterns.

Early China Trade by Land

The most famous early trade route that linked China to the West was the Silk Road, the collective name given to a series of trade routes that eventually ran 4000 miles from modern day Xi'an to Rome. But, neither did the Chinese merchants set out from China and reach Rome, nor the Roman traders travel to China. Rather, a series of travelling merchants of various nationalities passed on the goods in a series of trades. According to Hansen (2012), at the height of the importance of the Silk Road, the greatest trade was between China and the Persian-controlled Samarkand in the modern Uzbekistan. She also maintains that in terms of the volume of traffic, the route was one of the least travelled ones in the human history, and that the most important Chinese cargo was paper rather than silk (see

also Millward 2012). Nevertheless, the spread of ideas, technology, religion, art, languages, and culture along the route make it one of the first and most significant trade routes in the human history (Hansen 2012). Its significance is also based on the diffusion of new 'exotic' consumer luxuries, as we will discuss later. Also, as is true for all types of culture contacts, the influences were not one-sided; instead, they were two-way and multi-way: between the nations and the people involved.

Most accounts trace the origin of the Silk Road to the Han Dynasty in 130 BCE and cite the occurrence of its demise in 1453 CE, when the Ottoman Empire barred trade with the West (Mark 2014). However, the Greeks reported contact with Seres (China) around 200 BCE, and the Persian Royal Road, which forms an important part of the Silk Road, was established during the Achaemenid Empire (500-330 BCE, Mark 2014). Moreover, what appears to be Chinese silk has been found in a 1070 BCE site in Egypt (Lubec, Holaubek, Feldl, Lubec, and Strohal 1993), and mummified Caucasian remains have been found along the Silk Road in China dating to as early as 1600 BCE. The Silk Road was not continuously in use during the period between the Han Dynasty and the Ottoman Empire, and was abandoned and reopened several times. However, in spite of these interruptions, the Silk Road was a pathway of economic and cultural exchange across Eurasia for two millennia (Waugh 2002).

Besides the Chinese silk and paper, China also exported such goods as porcelain, bronze mirrors, lacquer ware, gunpowder, the crossbow, tea, and spices; and it imported items such as dates, nuts, incense, perfumes, carpets, amber, drugs, dyes, jewels, horses, silver, and glass bottles (Killion, 2006). While most of these items were consumer luxuries, the export of the crossbow, gunpowder, and horses affected the military power in both China and the West. The effects of the Chinese exports to the West were often profound. According to Pliny the Elder, 'the insatiable appetite of the Roman women for silk from the East' was a substantial drain on the wealth of the Roman Empire by the first century CE (Waugh, 2002). An illustration of the bi-directional influences of the East and the West upon one another are the blue and white pottery decorations of the Middle East that are found on the Chinese porcelain of the 13th and 14th centuries (not only the design but also the deeper cobalt blue of the Persian ceramics was adopted in order to appeal to the market there, Brook 2008), and the heavy influence of the Chinese paintings found in the Persian paintings in the 15th and 16th centuries (Waugh 2010). As we will see in a later section, exported Chinese porcelain, using the Persian blue on white motif, not only grew popular as a must-have consumer good in Europe and North

America, but also inspired further changes in design to cater to the European consumer tastes; thereby stimulating an imitated production of such porcelain in Britain, the Netherlands ('Delftware'), and the United States. So famous, sought after, and ubiquitous did the Chinese porcelain produced in the factories of Jingdezhen become that Clunas (2012) called it "the very first global 'brand'" (50).

When China Ruled the Seas

There is some evidence that a Chinese maritime Silk Route grew gradually from the first century CE (Guangqi 2000). With improvement in the navigational techniques and technologies, the full flowering of the route emerged around the time of the end of the terrestrial Silk Road, specifically between 1405 and 1433 (Levathes 1994). During this brief period, China, under Emperor Zhu Di, who also built Beijing's Forbidden City and refortified the Great Wall, assembled the largest naval fleet in the world — some 3000 ships, with the largest being the 400-foot-long nine-masted *baochuan*, or treasure ships — and sent them out to trade with the world. They were floating cities, nearly five times the size of the ships in which Columbus sailed to the Americas. On expeditions as far as Persia and Africa, they were accompanied by "nearly a hundred supply ships, water tankers, transport for cavalry horses, warships, and multi-oared patrol boats with crews numbering up to 28,000 sailors and soldiers" (Levathes 1994: 20). Levathes suggests that they may even have reached Australia 300 years before Captain Cook. Menzies (2002) goes further and suggests that they may have circumnavigated the globe a century before Magellan, and reached the Americas more than 70 years before Columbus. However, Menzies' speculative account must be taken on faith as all the records were burned by the imperial order in 1433. What is clear is that the Chinese made significant advances in navigation, astronomy, and ship building during this period, and this allowed them to leave the sight of land and travel greater distances than ever before.

Emperor Zhu Di's grand plans for geographic expansion are unusual in China's history, but the treasure ships were intent upon trade. Their cargoes of silk, porcelain, lacquerware, and art objects were exchanged for gemstones, rhinoceros horns, pearls, spices, medicines, cobalt (to improve porcelain decoration), incense, ivory, and rare woods. However, after less than 30 years of such trade and expansion, and with half the world in his grasp, Zhu Di grounded the fleet, forbid overseas travel and shipbuilding, and initiated a long period of Chinese isolationism. The reasons were several, including financial strains, the death of Zhu Di's Admiral Zheng

He, attacks by foreign fleets, various “signs from heaven”, and a long-standing distrust of merchants and traders who were placed at the bottom of the Confucian hierarchy — under gentry, peasant farmers, artisans, and craft persons (Levathes 1994). Together with the waning of the Silk Road, and the Europeans now longing for more Chinese tea, silk, and porcelain, the stage was set for European voyages to China in search of treasures of their own.

The West Comes to China

The European Age of Discovery began in the late 15th century with the Portuguese and Spanish discoveries of the sea routes to Africa, India, Indonesia, China, and the Americas (Arnold 2002). Soon the British, Dutch, and Americans became involved in plying these routes as well. While the area of greatest concern here involved the trade in sugar, slaves, and rum between China and Europe or, as Mintz (1986) demonstrated, the trade between the New World and the Old World, the flows of commodities were linked to one another and to different geographic locations, that call for a broader approach to appreciate such global linkages and their impacts. For instance, one such key circuit, involving China, traced silver mined in the Americas by the natives and African slaves being taken to China to be exchanged for silk, which was then brought to the European market (Baghdiantz McCabe 2015).

The Portuguese were the first European nation to establish sea trade with China. Although a Portuguese delegation reached Canton (Guangzhou) in 1517 and sought to petition the emperor for trade privileges in a subsequent 1520-21 visit to Peking (Beijing), they were unsuccessful. A part of the reason was that they did not fully understand China's tribute system, by which gifts were received not to initiate the wheels of trade but as acknowledgements that China was the center of the universe, and the foreigners were to kowtow and place themselves in a vassalage position (Lach, 1994). However, the Portuguese managed to conduct secret trade with China by meeting Chinese merchants on the islands in the China Sea. By 1557, their control of Macao was accepted by the Chinese, and it served as an outpost from which they could conduct trade with the mainland. They traded spices from Indonesia and lacquerware from Japan for Chinese tea, porcelain, silk, and other goods over the next 200 years. Meanwhile, the Dutch were increasingly building a global trade network, and China was the key target for acquiring the Chinese porcelain that had first come to Amsterdam in 1602 and 1603, after a fleet of Dutch ships captured two Portuguese trade ships laden with

50 tons of the distinctive blue and white Chinese porcelain as well as 1200 bales of Chinese silk (Brook, 2008). The captured pottery was called carrack porcelain after the type of Portuguese ships that had been carrying it. So sought after was this durable and aesthetically striking porcelain that buyers from all over Europe fought for a piece. The secret of Chinese silk had been learned by then, but the captured silk also sold well because Italy's silk production had failed the same year.

In 1602, the Dutch Republic compelled the many Dutch trading companies sailing at the time to Asia to merge into the VOC (*Vereenigde Oost-Indische Compagnie*), popularly known as the Dutch East India Company, which became the largest trading company in the world in the 17th Century. The Dutch conquered Taiwan as the base of operations in 1620. The VOC's success in reaching China relied largely on three Chinese inventions: the magnetic compass for navigation, the paper for recording transactions and sending correspondence, and the gunpowder for arms to protect their ships from pirates (Brook 2008).

Roughly from 1600 to 1900, the Dutch, the British, and later the Americans and a scattering of other Western countries, ruled the world sea trade and prospered enormously, not only financially but also in terms of national economies, domestic standards of living, and participation in the Enlightenment and the Industrial Revolution (Brown 2009; Dolin 2012). The Dutch East India Company and the English East India Company in particular were the products of national policies of mercantilism that viewed world riches as a zero-sum game and set up the two companies in competition with each other, both in Asia and the New World. They took it upon themselves to wage wars, conquer territories, and make treaties, acting much like the rulers of the world that they were in many respects (Brown 2009; Keay 1991; Robins 2012). Throughout the 1660s and the first half of the 1670s, the British and the Dutch fought a series of naval wars that were basically about whether the Dutch East India Company or the English East India Company would control the lucrative trade routes to Asia and the American colony. Ultimately, the Dutch gained control of most of the spice trade in Indonesia and Southeast Asia, while England gained control of most of the trade with China. The Dutch also gave control of New Amsterdam to the British, and it later became known as New York.

Pomeranz (2000) asks why, despite its enormous resources, sophistication, navigational and ship-building skills, control of the key luxuries of the era, manufacturing skills, and size, did China fail to rise on the world stage in comparison to the West. His answers are several, but primarily focus on the access to coal, the European discovery and

exploitation of key resources, especially the silver of the new world, and the Western exploitation of slavery. Stearns (2001) adds to these factors the relative poverty, of mostly rural China, resulting in a lack of demand for exotic foreign luxuries. Stearns also reports the comments of an English merchant that China seemed to already have had the best of everything: "the best food in the world, rice; the best drink, tea; and the best clothing, cotton, silk, fur" (85). In 1793, when the Chinese Emperor Chien Lung was greeted by three British ships full of objects of English manufacture, he said: "We possess all things. I set no value on objects strange or ingenious and have no use for your country's manufactures. Our ways bear no resemblance to yours." (Belk and Zhao 2012: 139)."

This indifference to the foreign goods must also be seen in light of China's relative isolationism during this period, and its distrust of foreigners. The indifference of the Chinese to the Western goods and their demand for payment in silver, the chief form of currency for them, resulted in a huge balance of payments debt for the Dutch and the English. Moreover, the Chinese also kept the foreign traders at an arm's length; restricting the British to Shamien Island, off the coast of Canton, and refusing to allow the foreigners to participate in any sales activity within China itself (Garrett 2002). Eventually, the Western goods did gain access to the company warehouses in Canton but could go no further.

The Reversal of Western Indebtedness and Trade Disadvantage

In the same year (1793) that the Emperor Zhu Di turned away the British ships and merchandise, the English East India Company gained a monopoly on opium production in India, forcing all the poppy growers to sell only to them. The Company now had control over the good (opium) that would reverse their balance of payments debt to China, although the actual opium trading was done by independent merchants from India and England. At the height of the British opium trade, as many as a million (one out of ten) Chinese smoked the drug (Adshead 1997; Dong 2000). This reversed the flow of silver bullion into China, which had grown to \$10 million per year (Fairbank 1992). Opium shipments to Canton rose from 200 chests in 1729 to 4000 in 1790, and to over 20,000 by 1838. Opium imports continued to rise rapidly from the mid-1820s to the mid-1840s. During this period, China lost one-fourth to one-half of all the silver it had accumulated in the past 120 years (Richardson, 1999). Though China officially banned the drug in 1799, due to corruption, it did little to stop the flow of opium into the country (Janin 1999).

Realizing that its power was slipping away, along with recognizing the threats that opium posed to the morals, health, and the economy, Commissioner Lin Tse-Hsu barricaded the foreigners in their warehouses and ordered the foreign companies to surrender their opium in 1839. In response, England sent gunboats and the First Opium War was fought from 1839-1842, resulting in an English victory and a Chinese agreement to give control of Hong Kong to the British, open five new free-trade treaty ports, make payments to the East India Company, and exempt the British from prosecution under the Chinese law (Lovell, 2011). After losing the Second Opium War to the British and French in 1856, China had to make further concessions, including the legalization of opium and further payments to the foreigners. A number of Western nations built foreign enclaves in Shanghai, which became the key port for trade with China as well as an on-going site of humiliation, with a park that reportedly bore the sign 'No dogs or Chinese' (Wood, 1998). By 1930, Shanghai was the fifth largest city in the world and was highly modernized with the latest technologies and consumer goods (Belk and Zhao 2012; Wei 1993). Eventually, the opium trade was disrupted by World War II and the Chinese Revolution; though its global impact continues today in the heroin trade.

With the flood of foreign goods entering China during the early 20th century, China's domestic manufacturing began to compete by producing similar products which it marketed domestically, to other parts of Asia, and to some degree to the West as well (Yeh, 1997; Zhao and Belk, 2008a). However, there was at the same time a strong nationalistic movement and many government campaigns to get the Chinese people to buy the Chinese products rather than the foreign brands (Gerth, 2003). There were also periodic boycotts of the British, American, and Japanese brands (Benson, 1999; Bergère, 1986). But, as will be discussed in the next section, these boycotts and nationalist brand movements were never entirely successful.

Very briefly, the trade between the West and China all but ceased after the formation of the People's Republic of China, until the Open Door Policy and the economic reforms were initiated by Deng Xiaoping in the late 1970s. Since then, China has emerged from what many see as nearly 500 years of economic stasis to become the world's second largest economy, with number one status in sight. Whether China really was economically stagnant during this period is, however, a matter of some debate (Wong 1997; Baghdiantz McCabe 2015).

Impacts on Consumer Lifestyles and the Image of Others

Thus far, we have looked primarily at the supply side of the global trade between China and the West. The following sections of this paper consider the demand side of these relations. In order for there to be such strong incentives to trade, there had to be consumers who were anxious to purchase these goods. Moreover, the impact of this demand is likely to have changed the consumer lifestyles as well as the ways in which Asia and the West see each other.

Impact of the West on China

China's careful restrictions on the Westerners living in China, its self-perception of being a superior civilization, and its indifference to the Western goods were able to limit the Western influence on consumption during the years of the Silk Road, and during most of the 16th and 17th centuries (Hamilton, 1977). This is not to say that other foreign goods were not important in China. Of the Tang Dynasty (618-907 CE), it has been observed that:

The Chinese taste for the exotic permeated every social class and every part of daily life: Iranian, Indian, and Turkish figures and decorations appeared on every kind of household object. The vogue for foreign clothes, foreign food, and foreign music was especially prevalent in the eighth century, but no part of the Tang era was free from it. (Schafer, 1963, 28)

Contrary to many assertions that the consumer culture, with its emphasis on fashion, self-definition through consumption, and a growing centrality of consumption in life, is a purely Western phenomenon that spread to other parts of the world, there is evidence that China had many of these elements before extensive contact with the West or Western goods. For example, in Hangzhou, over a 50-year period from 1584 to 1614, the fashion for men to wear black hats and white cotton clothing changed to multi-coloured clothing (Finnane, 2008). As Brook (2008) documents:

Its most prominent native son (and Catholic convert) Xu Guangqi complained in a letter of 1612 that Shanghai was a place of "vulgar manners". Yet Shanghai's wealthy families engaged in practices of patronage and conspicuous consumption, which included buying and showing paintings that seem rather like what the merchant elite of Delft were doing. (7-8)

As Clunas (2004) reveals, Wen Zhenheng's (1620-1627) *A Treatise on Superfluous Things* (or *Zhang Wu Zhi*) was a handbook for the aspiring merchant class regarding what status objects to acquire and their appropriate consumption in order to imitate the literati. The multi-volume handbook covered a large number of consumption areas including houses, books, paintings, chairs, beds, clothes, utensils, boats, carriages, tea, and incense. Even tasting waters from different springs became a matter of connoisseurship (Clunas, 2012). With regard to porcelain, Wen recommended that the perfect piece should be "as blue as the sky, as lustrous as a mirror, as thin as paper, and as resonant as a chime" (Brook, 2008, 70). He found contemporary porcelain vulgar and cautioned that only pieces 200 years old or older should be collected. Nevertheless, occasional pieces of carrack porcelain created for export and shaped according to the European tastes were collected as well. As Brook (2008) observes, "The upper classes at the opposite ends of the Eurasian continent were both acquiring carrack porcelain — Chinese, because they thought it embodied an exotic Western style; and Europeans, because it seemed to them quintessentially Chinese" (76). The difference was that China's consumer culture during the Ming Dynasty was not primarily fueled by the Western goods in the way that the European consumer cultures of the time were stoked by the desire for the Asian goods.

But as the West, through military might and opium trade, gained concessions from China, the influence of the Western goods on the Chinese lifestyles also grew. This was especially true of Shanghai where, after the First Opium War ended in 1842, began a 106-year period of 'semi-colonialist' foreign presence (Wood, 1998). Between 1864 and 1894, the import of foreign goods to China more than doubled, with the branded Western consumer goods leading the way (Wang, 2000). Besides foreign goods, the many foreigners who came to live in Shanghai were themselves exemplars of the Western life. Hotels, dance halls, mass retailing, advertising, automobiles, packaged foods, foreign medicines, telephones, elevators, neon lights, radio, movies, golf courses, and a horse racing track became prominent parts of Shanghai life (Belk and Zhao 2012; Gerth 2003; Dikötter 2006). Although the two largest department stores, Sincere and Wing On, were Chinese-owned, they featured foreign luxuries, including Western clothing, cosmetics, shoes, and jewelry (Chan 1998; Ching-hwang 1993). Besides European goods, American goods including tobacco and foods such as sweet potatoes, corn, peanuts, and chili peppers were also embraced (Baghdiantz McCabe 2015).

Significantly, two factors mitigated the sale of the foreign goods, though not their impact on the Chinese culture. One was the rapid

imitation of these goods by the Chinese manufacturers; a skill honed to perfection by previously modifying their goods to fit the orders of the European traders who asked for adaptations to better-fit the Western tastes (Dikötter 2006). The second factor was the government's promotion of the 'buy national' and the several organized boycotts of the British, Japanese, and American goods (Belk and Zhao 2012; Gerth 2003). In addition, the Boxer Rebellion of 1900 was an effort to end the national humiliation of the foreign presence and the foreign products by destroying these goods (Cochran 1980; Dong 2000). But these campaigns were largely unsuccessful, at least until the Chinese Civil War and the founding of the People's Republic of China (PRC) in 1949.

With the founding of the PRC, the Western brands largely disappeared from China until the economic reforms of the late 1970s, initiated by Deng Xiaoping. Early in China's transition to a market economy, there was some denigration of foreign firms (e.g., Gamble 2006) and lashing out at 'the hated capitalist roaders' (Schell, 1984). However, China has become not only a major producer of foreign-branded goods but also a major consumer of these brands, even as it strives to promote its own brands in the West and the other foreign markets (Tian and Dong 2011; Zhiyan, Borgerson, and Schroeder 2013). So momentous has China's embrace of the consumer culture and the new Chinese as well as Western goods been that the post-Mao era is commonly referred to as the Consumer Revolution (Davis 2000; Zhao and Belk 2008b; Zhou and Belk 2004). The rapid expansion of consumption has not only been facilitated by the equally rapid expansion of personal wealth, especially in urban and coastal China, but also by the one-child policy that has made more resources available to be lavished on the only children, known as the 'little emperors' (Jing 2000).

Impact of China on the West

It was Marco Polo's account of his 13th century travels in China that first fired the European imaginations with the treasures of Asia. By the end of the 13th century, Chinese silks were already in the collections of Europe's elite, including those of the popes. In 1492, when Christopher Columbus set out to find a sea route to India and China, and accidentally 'discovered' America, he had been inspired by Marco Polo's book (Baghdiantz McCabe 2015).

Just as the Dutch brought carrack Chinaware to Amsterdam in 1602, privateers, led by Sir Walter Raleigh, had brought a cargo of Eastern goods to London in 1592 after capturing a Spanish ship and seizing its

cargo (Jenkins 2013: 74). The cargo had included silks, porcelains, and other Chinese decorative ware. Similar to the frenzy that was started by the carrack in Amsterdam, there was intense interest shown in these items by the small elite who could afford them. However, at the time, they were regarded as 'mere curios' (Honour 1961: 42). They were considered curiosities, trinkets, or toys. However, by the second half of the 17th Century, as Jenkins (2013) demonstrates, the public perception of such objects had changed from regarding them as objects of wonder to revering them as objects of taste and discrimination. Chinese porcelain in particular came to be collected, displayed in 'China cabinets', and used on special occasions. Fine homes even had Chinese rooms furnished with various objects 'in the Chinese style' (Jenkins 2013), even though the objects may have been made by English companies such as Chippendale and Wedgwood. So strong was the European desire for Chinese things that, in the early 18th century, the King of Poland traded an entire infantry, complete with horses, to the King of Prussia in exchange for 15 pieces of Chinese porcelain (Jenkins 2013: 31).

Another Chinese good being imported by the English East India Company and widely adopted was tea, and serving the tea using a set of Chinese porcelain cups, saucers, teapots, and trays became a ritual in fine British homes and, eventually, the homes of the masses as well (Rose 2010). Even the poor of Amsterdam had inventories of porcelain and teaware by the 18th century (McCants 2013). Tea also started as an elite beverage (for example, a handful of tea leaves once cost fifteen gold coins in Germany — Baghdiantz McCabe 2015: 138) and was initially sold in pharmacies as a drug. Although not to the extent of opium in China, tea, coffee, sugar, tobacco, and chocolate, all coming into Europe from Asia and the New World, were 'drug foods' that brought pleasure and were regarded as little luxuries (Clarence-Smith 2008; Pomeranz 2006), just as the silk, porcelain, and lacquerware from China were regarded as 'semi-luxuries' (Baghdiantz McCabe 2015; Berg 2005). They were not, at the time, regarded as art; they were decorative arts or crafts that did not have the status of paintings (Porter 2010: 7).

Adaptations were made in China in the European traders' orders to accommodate European tastes and practicalities. A pragmatic example was the Chinese soup bowls intended for the Dutch market. Chinese soup bowls had steep vertical sides that made it easier to drink from the rim. However, European etiquette forbade lifting the bowl to the lips and, also, the big soup spoon would tip the bowl when it was left there. So, a flattened bowl shape was invented in order to accommodate the European

soup consumption (Brook 2008). Designs too were adapted to include the British coat of arms as well.

Chinese porcelain was so popular in the 17th and 18th century Europe that there were numerous attempts to create similar 'Chinoiserie'. While it were the Germans (then, part of the Hapsburg Empire), in 1710, who discovered the secret to making hard Chinese porcelain in their Meissen factory (Jenkins 2013), many others, including Mexico, the Middle East, Iberia, France, England, and the Netherlands, tried to imitate the design and appearance of the Chinese porcelain (Baghdiantz McCabe 2015; Brook 2008). Most of them failed, but Dutch Delftware succeeded in imitating the Chinese blue and white motif and became a brand of its own. While porcelain in England was known as 'china', in Ireland it was called 'delft blue' (Brook 2008: 79). The import of the Chinese tea and porcelain as well as the rise of imitations went hand in hand, stimulating one another and spurred by the mania for Chinoiserie, tea drinking, and Orientalism (Aravamudan 2012).

It is estimated that by the 1880s, 500 million people drank tea versus the 200 million who preferred coffee, and 50 million drank chocolate, not a solid till then (Clarence-Smith, 2008). During the 1770s, Britain alone imported 12 million pounds of tea. However, because of the high excise duties on tea, about seven million of these pounds were smuggled into the country (MacGregor 2012). By the 1770s, the Americans had also become avid tea drinkers, importing about six million pounds an year, or enough for 1.4 cups per day for every man, woman, and child (Dolan 2012). At the time, the British East India Company was the sole importer. Because of a weakening British East India Company, the British government imposed an additional tax in America through the Tea Act of 1773. In response, the dumping of tea into the Boston harbor that year was one of the key acts of rebellion that prompted the American War of Independence and a number of other acts boycotting the British imports (Breen 1988; Witkowski 1989). After their independence in 1776, there emerged a boom in the industry, with the American ships sailing to China and importing tea directly. At the time, America even became involved in the opium trade (Dolan 2012).

The global growth in tea consumption had made it the primary good exported from China while the Chinese porcelain and silk were eclipsed, as the Western countries increasingly produced their own imitations of these originally Chinese goods (Dolan, 2012). But the explosion of tea consumption was also due to several other factors. In the face of more and more smuggled tea coming into Britain, the government slashed the duty on tea in 1785. Greater affordability greatly expanded the number of tea

drinkers in England. Another key factor was the addition of other ingredients to tea, as MacGregor (2012) explains:

The price of tea dropped sharply. It could now become a truly popular drink. But cheapness was only one factor in the nation's growing taste for tea. At some point early in the eighteenth century, people had started adding milk and sugar, which transformed bitter refinement into sustaining sweetness. Consumption rocketed. Unlike coffee, tea was positively marketed as a respectable drink for both sexes – with women particularly targeted (520).

The sugar that provided energy to the newly enrolled factory workers of Britain was obtained at a terrible price and after many cruelties to the slaves, as Mintz (1986) had effectively shown. And, as MacGregor (2012) observed, the Opium Wars in China were as much about being able to continue to buy the tea as they were about being able to continue to sell the opium.

During the first half of the 20th century, China became more open to the Western tourists and expatriates than ever before. Hong Kong was a thriving English Colony; Macau, a thriving Portuguese colony; and Shanghai, a semi-colony with as many as 100,000 foreigners living there. With so many expatriates in these enclaves, they did much to bring their culture with them and to help ensure that these cities had all the latest conveniences — street lights, air conditioning, neon lights, Western-style hotels, Western-style restaurants, elevators, and much more (Cochran 1999; Kuo 2007; Lee 1999). Many Chinese also welcomed such conveniences, but it oversimplifies to characterize all this as Westernization. As Yeh (2007) argues in the context of Shanghai:

Past scholarship has often debated whether Shanghai was more Chinese or more Western. From the perspectives of those who lived there, Shanghai seemed above all a place of tension and contradictions. It was hardly a Westernized or Westernizing enclave existing against a passive backdrop of continental China. From the waves of migrant workers to the throngs of Nanjing Road shoppers, from occupying Nationalist soldiers to underground Communist cadres, the country seeped into the city in myriad ways. The foreign concessions, despite (or because) of their constantly expanding boundaries, were never capable of keeping 'China' out of Shanghai, nor the Chinese out of concession affairs (5).

Similarly, rather than the growing consumer culture eradicating the difference between Western-ness and Chinese-ness, Dikötter (2007) echoes a point often made in the other material culture studies (e.g., Foster 2008; Miller 1997; Watson 1997):

The idea that a global economy inevitably leads to the destruction of local identities, as a homogenized consumer culture ruthlessly displaces previously autonomous cultural experiences in its subjugation of the world, has great appeal for those who equate globalization with Westernization. But local peoples have always creatively incorporated products and social forms for purposes other than those intended by their producers (7).

The Western consumer research on this period has focused almost exclusively on the Western influence on China and its reception by the Chinese, rather than the Chinese influence on the West and its reception by the expatriate Westerners. Quite likely, as China increasingly imitated the Western brands and retailing, and campaigned for Nationalist products (Gerth 2003), expatriate Westerners in China largely remained loyal to the Western products. But such analyses are missing from the existing literature, aside from a few anecdotal accounts.

Since the opening of China in the late 1970s, the Westerners have increasingly bought Western goods made in China. This is so much the case that it is difficult for the Westerners to live without the goods made in China (Bonjiorni 2008). However, those goods that were distinctly Chinese were only celebrated for a short time after the re-opening of China and were adapted to the Western market by companies like Bloomingdale's (Silverman 1986). And, while the Chinese brands are growing in the international market, they have yet to make a big impact in the West (Tian and Dong 2011; Zhiyan, Borgerson, and Schroeder 2013).

Chinese Goods and the English Imagination

As a more specific instance of the impact of China on the West, we can briefly consider what the imported objects did to the way the English saw their own nation, as well as China and Asia generally. Many novels, stage plays, and social commentaries addressed how the deluge of the Chinese goods was interpreted, and what it meant to the identity of the English people and to the nation. So great was the English fascination with China that a 1669 essay by John Webb speculated that Noah's Ark had landed in China, and that Chinese was the original language, which should, therefore, become universal (Aravamudan 2012: 13). Chinese goods were a form of communication as well, but they required some translation to be rendered meaningful in England (Jenkins 2013). Some of this was done through adaptations of Chinese aesthetics to Westernized Chinoiserie designs that "reduced the complexity of Chinese visual culture, and met

demands for styles conveying a creative imagining of China” (Berg 2005: 52). As in America, during the early years of trade, imaginations of China:

...came partly from imports – the porcelain, paintings, silks, fans, and decorated furniture, which offered only idealized depictions of China, including exotically beautiful landscapes with waterfalls, majestic trees, verdant mountains, architecturally spectacular building, and people – the poor peasants intentionally excluded – going about their daily activities (Dolan 2012: 194).

There is some of Said’s (1978/1979) notion of Orientalism here, portraying the other as totally different, strange, and exotic. But this is a relatively positive use of Orientalist imagery that Aravamudan (2012) has dubbed “Enlightenment Orientalism”. It continued in novels about the East past the Enlightenment and into the Romantic period in the 19th century as well. It often treated the Orient as superior to the Occident. By most objective standards, such as diet, infant mortality, life expectancies, and equality of wages between women and men, China was indeed better off than Europe (Markley 2006). Both culturally and economically, prior to the 19th century, Europe was disadvantaged compared to Asia (Jenkins 2013; Pomeranz 2000). As a result, the Chinese goods became coveted luxuries that conveyed status and brought aesthetic pleasure, both directly and through the Orientalized imaginings of an exotic empire in the East.

Nevertheless, by the 19th century, outside of literature, there was a distinct shift towards portraying Europe as superior to China by displaying what Porter (2010) terms ‘instrumental amnesia’. In this view, the presence of the Chinese things in the British culture was taken as a sign of England’s cosmopolitanism (Jenkins 2013). Jenkins (2013) and Porter (2010) maintain that during the 18th Century the Chinese things underwent a transformation in the eyes of the English from positive to negative. Porcelains that were once regarded as marvels that provoked awe and wonder and, later, considered as status-laden aesthetic treasures, were increasingly disparaged as being feminine and infantile. Rather than acknowledge “the economic supremacy of the Far East, the Chinese empire [was] reimagined as fragile, superficial, and faintly absurd” (Porter 2010: 6-7). Likewise, England’s trade disadvantage in dealing with China and its heavy-handed control of the opium trade were transformed into a myth of English triumph in world trade. British colonialist exploits were seen as bringing “civilization” to Asia and its other colonies (Markey 2006). Imperial envy reframed what was once quaint and exotic as grotesque and monstrous (Porter 2010: 2-3, 6).

During the 30 years from 1949 to 1979, the Westerners imagined China, largely through the lens of the Cold War, as a backward and dangerous bastion of frightening communism. With the reopening of China to the West, along with the subsequent collapse of the USSR and Eastern European communism, there was a triumphalist celebration of Western capitalism and consumerism having won the Cold War (Barber 1995; Schell 1988). Despite an initial flurry of interest in “things Chinese” (Silverman 1986), another instrumental materialism now seems to be taking place, in which China's 5000-year-old culture is being ignored and only its uneasy adoption of the Western brands in both production and consumption is seen.

Conclusions

As this brief history of the Chinese trade from a Western perspective has shown, the current period of wildly successful global trade between the West and China is hardly the first. No doubt the cultural baggage of this reciprocal trade and culture contact continues to echo in contemporary trade as well as in international relations, and I leave comparisons to the reader. While, for much of this history, China has had the upper hand economically, this has not been the case always, and from the mid-19th to the mid-20th century, China suffered a number of indignities, setbacks, and humiliations at the hands of both the West and Japan. The current era of rapid economic growth might be thought of as China's peaceful revenge, even though the nation still longs to develop its own global brands (Tian and Dong 2011; Wang 2008; Zhiyan, Borgerson, and Schroeder 2013).

It is also clear that the simple exchange of goods seldom involves a corresponding veridical transmission of cultural meanings. Rather, both the Chinese goods in the West and the Western goods in China require “translation” into the local culture, and often take on quite a different meaning as well as dynamic and changing interpretations in the process. Furthermore, the adaptations start before the consumers receive the foreign goods, as they are modified according to the trends in consumer demand. Thus, Chinese and Western art and design influenced each other, for example, both in the 18th and 19th centuries (Brook 2008; Porter 2010), and in the 20th and 21st centuries (Bosker 2013; Hendry 2000). In an era of instant global communication, rapid international travel, and alleged computer hacking of trade secrets, such influences today take place much more quickly. But it is also evident that we are not moving toward anything like a global culture of homogeneity. As in the case of food cuisines, despite the existence of fusion foods, we still prefer to go to

restaurants that specialize in a particular national or ethnic cuisine, even if these restaurants also adapt their “ethnic” foods to the local tastes (Wu and Cheung 2002). The increased two-directional flow of tourists between China and the West is further evidence that the uniqueness of both the regions and peoples continues to fascinate the Westerners as well as the newly economically empowered Chinese.

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