

## **The Legitimation of Cultural Icons across Cultures: The Role of Mass Media in the Marketing Process**

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In the world of international trade, products also carry cultural values and many of these products remain as commodities but others emerge as cultural icons. How do certain products take on a special symbolic status and are idealized in a culture? The answer to this question is a rather complex one. It has to do with how cultural artifacts are embedded into the cultural space of the past. For example, the cultural space of a nation-state changes over time. Before discussing how cultural icons are legitimated in a foreign nation-state, one should first consider some examples of certain cultural icons that are already established in China.

International products by themselves are merely commodities. They are artifacts produced in another country. However, some artifacts transcend the image of mere commodities and take on a significant ambience. Whetmore (1987) has referred to these products as “cultural icons.” What is interesting about these icons is that they are given special status in the cultural space of other cultures. This process and the role that mass marketing plays in the social construction of these icons are discussed in this essay. It is now time to look closer at some of these cultural icons.

### **The Supremacy of Coca-Cola as a Cultural Icon**

Coca-Cola is a carbonated soft drink introduced in the United States in 1866. It is now sold in stores, restaurants, and vending machines in more than 200 countries world wide. China was one of its first overseas markets. The actual production and distribution of Coca-Cola follows a franchising model. The company only produces a syrup concentrate which it sells to various bottlers around the world who hold the Coca-Cola franchise for a certain geographical area. The bottlers produce the final drink by mixing the syrup with filtered water and sugars before they carbonate it as a Coca-Cola brand product.

Coca-Cola promoted its product as a cultural icon by sponsoring international events. For example, Coca-Cola was the first-ever sponsor of the Olympic Games. In 1928, it promoted its product at the games in Amsterdam and it has been an Olympic sponsor ever since. Hence, it is not surprising to see that Coca-Cola is also a sponsor of the Olympic Games in Beijing in 2008. The marketing of Coca-Cola as a cultural icon is not limited to the Olympics. Since 1978, Coca-Cola sponsored the FIFA World Cup and in one of the events it was even called the “FIFA – Coca Cola Cup.” The brand has been marketed in association with Major League Baseball, the National Football League, the National Basketball Association and other sporting events as the official soft drink at those events. The result is that Coca-Cola has taken on a high degree of identification with the United States. It has become a cultural icon (Rosen & Sevastiades, 1993).

Coca-Cola entered China in 1928 when it became a sponsor of the Olympic Games in China. The company built its first bottling plant in China after the First World War and was the first company from the United States to distribute products in China after Deng Xiaoping

opened the country to foreign investors in 1979. Today, Coca-Cola has 24 bottling companies in that country (19 of these 24 use the foreign majority partners: Swire and Kerry). These bottling companies account for 70% of China's carbonated beverage market and generate annual sales up to \$1.2 billion USD (Du, 2001). In addition to the 14,000 employees of Coca-Cola as suppliers, distributors, wholesalers, and retailers, there are an additional 400,000 who are employed in related company ventures. Currently, Coca-Cola spends \$600 million annually on raw materials and packaging supplies in China. Initially, Coca-Cola imported its products and was only allowed to sell them retail outlets designed for foreigners such as hotels and Friendship Stores. Coca-Cola appeared in the Shanghai Club and the Country Club in Hong Kong, both under British control (Allman, 2007). However, with the construction of bottling plants in Beijing, Guangzhou and Xiamen, ownership was given over to the central government and this improved the sales and secured the distribution rights of this product. In addition to the internationally known drinks of Coca-Cola, Fanta, and Sprite, local brands have been developed in China through the Tianjin Jin Mei Beverage Co., Ltd. One such product is Tianyudi (Heaven and Earth), a noncarbonated drink that includes mango and lychee flavors mixed with gulong and jasmine teas. Coca-Cola is now involved in the production of Tianyudi.

This introduction of Tianyudi provides an example of how Coca-Cola has been able to secure a foot hold in China. It has a policy of "think local, act local." The company encourages local managers to develop new drinks and as a result, there are some 19 brand names across the Asia-Pacific Region. Local managers also have control over advertising operations and this has led to the investment of \$26.1 million in advertising. Consequently, Coca-Cola was the first foreign company to advertise on CCTV, China's central-government television station (Weisert, 2001).

### Starbucks in China

Starbucks began in Seattle in 1971 in the famous Pike Place Market. Howard Schultz joined the company in 1982 as its director. He convinced the founders of that company to test the coffee house concept in downtown Seattle. It soon developed into 6,566 company operated stores nation-wide and 3,729 licensed stores (Starbucks, 2007). The first Starbucks opened in Beijing in 1999 and has grown to the point where it accounts for less than 10% of the \$6.4 billion in global sales. In Beijing, however, Starbucks has maintained an annual sales growth of more than 30% in recent years.

In China, Starbucks uses a different kind of ownership structure. It authorizes local developers to use the Starbucks brand or set up a joint venture with partners. In Beijing, the Meida Coffee Co. Ltd. is authorized to develop northern China. It is 90% owned by a Hong Kong-based firm, one of the largest venture-capital companies in the Asia-Pacific region. In Shanghai, the developing partner is the Uni-President Starbucks Coffee Ltd. It operates in Shanghai and in the Jiangsu and Zhejiant provinces. In this joint venture 95% of the ownership is held by the Uni-President Group, a Taiwan-based company. In Hong Kong, the Maxim's Caterers Ltd. is the joint venture partner. It operates in Hong Kong, Macau, and southern China. There are now 400 stores in China. It is no longer just a commodity, but a cultural icon. However, as a cultural icon, it has encountered massive resentment when it built one of its outlets in the Forbidden City.

*Biz China* is the prime-time daily business show on China Central Television International. The Director of *Biz China* is Ghenggang Rui. In 2007, he started an online campaign to remove Starbucks Coffee from Beijing's Forbidden City (Rui, 2007). He did not see Starbucks as just another cultural icon, but one that was trampling over the Chinese culture. There are many Starbucks in China, but they were not the center of attention. For example, he did not attack the Starbucks at the New World Plaza in downtown Beijing which is surrounded by other cultural icons such as Kentucky Fried Chicken (KFC), and Pizza Hut. As a result of this tirade by Rui and his supporters, Starbucks closed its coffee house in the Imperial Palace. In the social psychology of globalization, the two cultural icons clashed with one another. Starbucks is a cultural icon of the United States; The Forbidden City is a cultural icon of China (Chiu & Cheng, 2007). When these two cultural icons are seen, they invoke the cultural values of their own nation-states. If they are juxtaposed in a public space, the result is a cognitive clash of values and traditions. This juxtaposition of cultural icons leads to an interesting question. Would the opening of a Chinese restaurant chain in the White House create a similar problem of cognitive dissonance? The answer is affirmative. Starbucks lacked cultural sensitivity by building one of their franchises in the Forbidden City and the Chinese lacked a similar insensitivity by allowing it to be built there.

What is interesting about the Starbucks case is not that globalization took place or that cultural icons are being imported into China. What is interesting about this situation is where they are allowed to operate. The New World Plaza in Beijing is a thriving place of modernization. It is a symbol of modernity. The Forbidden Palace, on the other hand, is a cultural icon of the past. This is one case in which the business adage of "location, location, and location" does not work. Globalization can be an enriching process because it brings in new experiences, strengthens the process of cultural diffusion, and it removes barriers that stand in the way of cultural change (Appiah, 2006). Critics of globalization argue that the process is a hegemonic force that undermines the cultural identity of a nation-state. This may be true of societal types that are distant from the complexities of modern industrial societies (Brahm, 2002). However, China is a modern industrial nation. They are not threatened by the cultural icons of transnational companies (Huntington, 1996). The problem is that modern nation-states are hybrids. They maintain cultural icons of the past in the form of holidays, and national monuments. A national monument must be treated as a sacred place and they must be respected and treated separately from other parts of a nation-state and its involvement in modernity.

### McDonald's in China

The McDonald brothers operated a hamburger stand in San Bernadino, California. What made their fast food operation unique is that it operated an assembly-line procedure for cooking and serving hamburgers. The menu was limited to nine items: hamburgers, cheeseburgers, three types of soft drinks, milk, coffee, potato chips, and pies. French fries and milkshakes were soon added. In 1954, Ray Kroc visited the hamburger stand and in the following year he formed a partnership with the McDonald brothers (Ritzer, 1993). In 1955, McDonald's opened up its first restaurant. By focusing on the efficiency of the operation, the owners were able to keep the costs down substantially and soon became a leader in the fast

food industry. By 1998, it had about 23,000 restaurants in more than 110 countries. McDonald's and its golden arches has now become a cultural icon.

When the first restaurant opened in Singapore in 1982, it quickly became the largest selling McDonald's in the world. In 1992, it opened its largest restaurant in Beijing with 700 seats, 29 cash registers, and nearly 1,000 employees. On the first day of business, it served more than 40,000 customers (Rizter, 1993; Yan, 2002). The headquarters of McDonald's in Asia is located in Hong Kong where the business began in 1974. Recently, however, the headquarters has been moved to Shanghai. Some say that it is because the company has some 600 restaurants on the Chinese mainland. Others claim that the move was because KFC, its rival, has been a runaway success in Hong Kong. Still others attribute the move to the fact that the manager in Hong Kong is accused of taking bribes and kick backs from Thai-based food suppliers.

The problem with a good idea is that it is copied and improved upon. Other competitors also began to sell hamburgers in an assembly-line fashion and have done well. This has led the firm to add new items to its menu. It now offers fried chicken and Starbucks coffee and various kinds of soft-cone ice cream. This is done in order to ward off its competitors. One of its biggest competitors is KFC.

#### The Colonel Visits China

Colonel Harlan Sanders owned and operated a restaurant that specialized in fried chicken as its main menu item. It was not a new business for him. He served his fried chicken in 1930 in the midst of the Great Depression at a gas station that he owned. By 1936, his restaurant expanded to 142 seats. By 1940, he devised what has come to be known as his "original recipe." By the 1950s, he sold his restaurant and traveled the U.S. to attempt to franchise his restaurant, Kentucky Fried Chicken. By 1960, there were 600 outlets in the U.S. and Canada. When he finally sold his ownership of the franchising group, he received \$2 million. Most recently, it was sold to Pepsi Cola who made it a part of their Tricon Global Restaurants division. They changed Kentucky Fried Chicken to KFC (Keegan, 1991) and by 1997 the conglomerate was renamed Yum! Brands.

KFC is located in Louisville, Kentucky. Today, it has 10,000 restaurants in 78 countries. It has many global franchises. In 1978, KFC opened its first Western fast-food restaurant in Tianamen Square, Beijing. Since then, it has over 1200 restaurants in over 121 cities in China. It is one of the most recognized cultural icons in China. It dominates over its rival, McDonald.

#### Making Chinese Brands go Global

Cultural icons are lucrative. They bring in brand loyalty and brand recognition. For these reasons among others, all multinational trading companies want to establish their commodities as cultural icons in other nation-states. China is rapidly moving in that direction. Two brand names have recently emerged that merit further discussion, Lenovo Computers and Tsingtao Beer.

### *Lenovo Computers*

Two years ago, Dell Inc. rejected a plan to sell computers online in China. The problem, according to Dell, is that Chinese consumers didn't use credit cards online. This situation is similar to the experience of online shopping in the U.S. Most consumers were wary of using their cards online due to security issues. In addition to this rationale, Dell Inc. assumed that these Chinese consumers were too poor to become big "web shoppers." This evaluation of the computer consumer market was not consistent with the facts. More than 90 million people along the country's coastal cities have access to the Internet at home or at work. The Chinese computer company, Lenovo, provides them with a home market. As a matter of fact, Lenovo, commands one-third of the Chinese marketplace. However, Lenovo is not content in just supplying the regional markets. They want to become an international icon. They have already begun this journey but completing a \$1.25 billion acquisition of IBM's "Think" brand. This includes its laptops (ThinkPad), desktops (ThinkCentre), software tools (ThinkVantage) and monitors (ThinkVision). As a consequence of this move, Lenovo now ranks third in the worldwide PC business behind Dell and HP.

The company has a worldwide workforce of more than 19,000 people and 4,400 retail outlets in China. Its principal home of operations of Lenovo is in Beijing with assembly factories in Shenzhen, Huiyang, Beijing, and Shanghai. The new Lenovo will have annual revenues of \$14 billion and a volume of approximately 14 million units. Obviously, Lenovo is now a cultural icon.

### *Tsingtao Beer*

The Tsingtao Brewery was founded in 1903 by German settlers in Qingdao, China. Tsingtao Lager is brewed and bottled by the Tsingtao Brewery-the 10th largest brewery in the world. Also, it is the 12th largest beer brand worldwide. It is sold in more than 50 countries. In 1972, the beer was introduced in the U.S. and soon became one of the best sellers.

Today, 27% of the Tsingtao Brewery Company Ltd. is owned by Anheuser-Busch. It should be noted that Harbin Beer is also partially owned by Anheuser-Busch. Because the distribution of this beer was limited, the company was forced to deal with overseas markets. The main export company was the Good Harvest of Five Grains Corporation based in Hong Kong, a wholesale network consisting of 300 companies. Tsingtao is now an international icon.

### Concluding Remarks

Globalization has brought cultural icons of diverse cultures together. The metaphor that best captures this situation is a metaphorical flood of information (St. Clair, 2007; St. Clair & Thome-Williams, in press). In a flood of mass-media events, some parts of the terrain are covered while other parts are not. That which adheres can be redefined as the new-present. That which is washed away leaves the original terrain or the old-past. The social construction of the present (co-present) is based on this juxtaposition of the old and the new. What this means is that cultural knowledge does not just accrue, it is reconstructed and redefined in order to make sense of the present (Foucault, 1966, 1968, 1971).

How do cultural artifacts become cultural icons? How are they modified in the co-present? When commodities are introduced into a nation-state, they may enter as cultural icons or merely as cultural artifacts (commercial products from overseas). Mass media are used to assist the consumer to reconstruct his understanding of the present by redefining the co-present (the place where the past and the present co-exist before they are redefined or restructured through re-conceptualization). If cultural icons are accepted as such, they become part of the new-present. If they are just seen as commodities, they are predicated to be a part of the past. Since the past has been reassessed, it is now called the new-past. Consider the case of the Starbucks franchise in the Forbidden City. Starbucks is a cultural icon. It was supposed to supplant the past as a new level, a new layer on the terrain. The problem, however, was that the past in this case was no ordinary part of the past. It represented a salient cultural space of the past. In the co-present, they were in conflict. To redefine the situation of the co-present as the new-past would mean that Starbucks has no place in the Forbidden City. Similarly, to redefine the situation of the co-present would mean that the Forbidden City would have no place in the new-present. The dilemma could not be resolved. In order to make sense of the new-present or the old-past, this problem had to be resolved. When Starbucks removed its franchise from the location, the problem was resolved. The Forbidden City remained as the old-past and Starbucks could not supplant the Forbidden City as the new-present. It could do so in another cultural space, but not in that one.

#### Notes

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