

The Historical Transformation of China's National Perception

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Abstract. Drawing upon the theoretical frameworks of positioning theory and macrohistory, it can be posited that China's economic evolution can be comprehensively elucidated through the lens of innovation, which can be categorized into three distinct stages: stability, depression, and development. Three primary categories of innovations—silk, ceramics, and tea—rather than the Four Great Inventions—paper making, gunpowder, the compass, and printing—were the main drivers of the ancient Chinese economy's growth. The West originally came to identify the East and China with "mystery" and "wealth" through the commerce in silk and porcelain. China finished building the "Celestial Empire" on its own through new categories, new brands, and new positioning. The West originally came to identify the East and China with "mystery" and "wealth" through the trade of silk and porcelain. China finished building the "Celestial Empire" on its own through new categories, new brands, and new positioning. Due to the loss of innovation, China went through a period of economic stagnation, and the voice of the "Celestial Empire" was gradually supplanted by orientalism until being replaced entirely by Made in China. The national perception is being rebuilt in China after 2000 as a result of the nation-branding strategy's introduction and an increase in the number of Chinese companies expanding abroad. This article provides a research foundation for Chinese enterprises to contemplate when formulating their global positioning and international business tactics.

Keywords: National perception; nation branding; positioning strategy; global consumer culture; Chinese brands.

1. Introduction

Perceived brand globalness and global consumer culture positioning unquestionably advance global consumer culture from the demand/consumer and supply/enterprise sides, among which, the relationship between global branding and national branding has great research significance, particularly as the Chinese government begins to implement the nation-branding strategy and more Chinese companies go abroad. The study of the influence of Chinese outbound enterprises on national image and the efficacy of Chinese components in positioning global consumer culture holds significant practical implications for Chinese brands. The objective of these studies is to provide insight into the historical development of Chinese national perceptions. The contribution of the research is determining the historical changes of China's national perceptions and their causes from the perspective of global consumer cultural positioning in a macrohistory view, as well as determining a path for outbound Chinese companies based on China's national perceptions.

2. The Transformations of China's national perception

2.1 Transformations in the Chinese economy

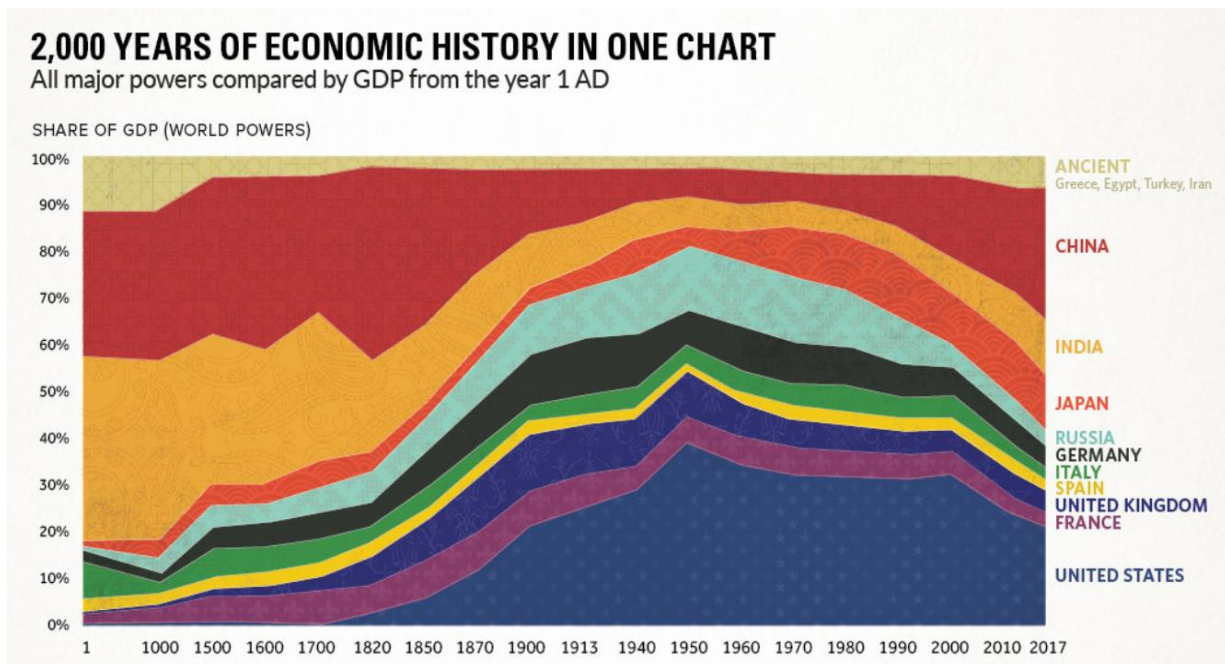


Figure 1. Major Powers Compared by GDP (1-2017) (Source: Visual Capitalist).

China's economic progress can be categorized into three distinct phases from a macro-historical viewpoint: the Stabilization Age, the Withering Age, and the Development Age.

During the Stabilization Age (AD-1840), China's economy was primarily driven by silk, ceramics, and tea, which were considered to be the most significant innovations and export products [1]. The aforementioned goods played a pivotal role in the accumulation of substantial riches by the nation and constituted a major determinant in the ascendancy of China's economy, which accounted for 30% of the global GDP [2].

During the Withering Age (1841–1978), China's economy was predominantly characterized by the agricultural sector and the handicraft industry [3]. Following the Opium Wars and other conflicts, China was compelled to establish contact with the international community. The star commodities, namely silk and tea, missed out on the optimal chance to withstand competition and were eventually supplanted by foreign or mechanized goods. The advent of machine-made western cloth and Japanese yarn proved irresistible for the silk industry, leading to a significant decrease in both export and domestic sales [4]. The advent of navigation, coupled with the rise of slavery and colonization in tandem with global trade, posed a significant challenge for the tea industry. Specifically, the export volume of domestically produced tea experienced a decline due to the emergence of a foreign, large-scale mechanical product known as "Ceylon tea," which boasted superior pricing and branding. Instead, the categories that constituted the majority of exports were agricultural products and light textiles, which lacked brand premiums, origin advantages, or category innovation but were primarily sold based on their price. During this particular time frame, the Chinese economy constituted approximately 10% of the global GDP [5].

During the Development Age (1978–present), which was initiated by the Reform and Opening Up policy, China underwent a transition from imitation to creation by actively seeking out opportunities for innovation. China's identification of novel categories, such as "small appliances" and "automatic data processing equipment", has led to the generation of fresh wealth, propelling the nation to gradually ascend to the position of the world's second-largest economy.

2.2 Transformations in China's National Perception

Table 1. China's exports and positioning in dynasties (years).

| Dynasty (year) | The largest proportion of exports of categories | Country Name | Positioning |
|-----------------------------|---|--------------|------------------|
| Han | Silk | Sinae | Celestial Empire |
| Tang and Song | Ceramics | | |
| Ming and Qing dynasties | Tea, Silk | China | |
| 1888 ago | Tea | | |
| After 1888 | Silk and silk products | | |
| 1928 | Beans | | Orientalism |
| 1950 | Agricultural Products | | Red China |
| Before the change | Textile products | | Made in China |
| After the change of opening | Manufactured goods | | |
| 2000 | Small Appliances | | |
| 2020 | Automatic data processing equipment and parts | | |

The prevalent notion among the general populace is that the lowercase china "ceramics" epitomizes the Western perspective of China. The West's initial understanding of the East was established through the porcelain trade. It is noteworthy to observe that China appears to have a correlation with the commodity of "silk" as per additional investigation. Ptolemy's Guide to Geography, an ancient Greek cartographic work, depicts two countries, "Sinae" and "Serica," located to the east of ancient India. The term "Sinae" was historically utilized in ancient India to refer to the luxurious fabric known as "silk". Based on pertinent research findings, it can be inferred that during the period of Greek civilization, the introduction of Chinese silk into Europe was facilitated by the "Silk Road" [6]. Consequently, the term "silk" was assimilated into the Greek lexicon, with its pronunciation bearing a resemblance to the Chinese equivalent. In subsequent periods, the enunciation of the term "silk" in Latin exhibited a marked resemblance to the enunciation of the term "CHINA", while in French, the orthography of "silk" underwent modifications. The French term for "silk" is spelled as "CHINE", exhibiting a striking similarity in both pronunciation and orthography with the English word "CHINA". From a certain perspective, the trade category of "silk" held the greatest share in the commerce along the Silk Road. This, in part, shaped the Western understanding of China and contributed to the formation of the initial Chinese national identity.

Undoubtedly, the demonstration of leadership and technological superiority through the production of silk and ceramics reflects a prosperous economy and positive national perception. When considering the implementation of this trade as a proactive measure, it is evident that China has made significant strides in the areas of "technology insight," "market insight," and "mind insight," thereby enabling them to effectively penetrate the market and generate profits. Through the implementation of advanced silk technology, exquisite pottery technology and products, and the introduction of a mysterious tea with a unique aroma, the Eastern world was able to establish a dominant position in the Western world. These three innovations effectively filled a void in the Western world's perception of the Eastern world. During a specific era, China was synonymous with the East, and conversely, the East was synonymous with China. Furthermore, the aforementioned metaphorical connotation underwent a gradual process of sublimation in human cognition, ultimately transforming the enigmatic and inscrutable into an abstract realm of imagination. This phenomenon has led to a strong association between the East, particularly China, and the concepts of mystery and opulence. Simultaneously, China had accomplished the establishment of the "Celestial Empire" through the introduction of novel products, brands, and positioning strategies. When considering the

national brand and its level of recognition during a given timeframe, it is apparent that "Silk Road" and "Zheng He's Voyage" serve as two dynamic elements that facilitate the transformation of static perceptions into dynamic ones. In contrast to the Silk Road, Zheng He's expedition can be viewed as a national branding and public relations endeavor aimed at promoting China's cultural and national prestige. Through the utilization of external corroborations, China was able to reinforce the concept of the "Celestial Empire".

The transition from the Stabilization Age to the Withering Age brought about a shift in the perception of the "Celestial Empire," which was gradually supplanted by Orientalism. This mode of thinking and cognitive framework became increasingly prevalent in the global understanding of the East and China from the 19th century until the early 21st century [7]. The term "Orientalism" (Said, 2003) pertains to Foucault's discourse as a representation of Said's interpretation of the East, which has had a significant impact on the comprehension and outlook of the "East" through the utilization of power and discourse. Undoubtedly, the concept of Orientalism pertains to the fabrication of an Eastern identity from a Western perspective, which characterizes the East as "heterogeneous", "other" and a place in need of being rescued. From a positioning perspective, it can be argued that China experienced an economic depression characterized by a lack of innovation. The concepts of "mystery" and "wealth" were devoid of internal creativity and vitality, resulting in the fragmentation of the "Celestial Empire." The disintegration of the internal framework of the "Celestial Empire" led to the establishment of the external image of the Sick Man of East Asia, which subsequently impacted the Western perception of China. The process of transitioning from an internal to an external focus was initiated through the acquisition of technological advancements and skilled personnel. China has undergone a significant transformation from being perceived as the Sick Man of East Asia to a producer of goods that are labeled "Made in China". The hallmark features of such products are their affordability, substandard quality, lack of branding, and dearth of innovation. Over the course of recent years, this perception has solidified into a tangible representation of the concept of "China".

3. New opportunities for Chinese brands under the national perception

The national perception is a composite construct that encompasses the interplay of economic, technological, and political factors. The perception influences consumers in a more micro way through the outbound enterprises and products. The impact of macro-state image on consumers' attitudes and behaviors is mediated by micro-state image, as suggested by Oberecker et al. (2011). Additionally, consumers' purchase intentions are positively influenced by their identification with the state image, as demonstrated by Chao and Rajendran (1993) and Wang et al. (2012). In a similar vein, enterprises that operate internationally develop their positioning strategies by leveraging the cultural resources of the countries they are targeting. The GCCP strategy pertains to a brand's positioning approach that establishes a connection with universally recognized cultural symbols and values that surpass the boundaries of distinct national cultures (Alden, 1999). The positioning strategy known as FCCP pertains to the linkage of a brand with distinct cultural symbols of foreign consumers. The Foreign Cultural Communication Program (FCCP) holds significant value for Chinese brands and other entities that have entered the international market at a later stage. It enables Chinese brands to leverage the cultural resources of their home country to expand their presence in the global market.

In 2008, a poll was conducted by Newsweek among internet users from the United States, Canada, and the United Kingdom. The purpose of the poll was to identify the 12 most influential cultural powers globally and the top 20 cultural symbols within these countries. According to recent reports, China Cup has been recognized as the second largest cultural country globally. The top 20 cultural symbols in China have been identified as the Chinese language, Beijing Forbidden City, Great Wall, Suzhou Garden, Confucius, Chamfering, Sun Tzu's Art of War, Terracotta Warriors and Horses, the Mogao Caves, Tang Empire, Silk, Porcelain, Beijing Opera, Shaolin Temple, Kung Fu, Journey to the West, Temple of Heaven, Chairman Mao, Acupuncture, and Chinese Cooking. According to the 2014 survey report on the perception of Chinese culture among foreigners, the top three cultural

symbols that were most widely recognized by respondents were the Panda, Green Tea, and Yinyang. According to the Opportunity Report in National Mind Resources conducted by Ries Strategic Positioning Consulting in 2020, China was assigned a neutral negative score of 2.3/5 on the country's intuitive impression score. The report also revealed that China's traditional culture and modern technology were identified as the country's primary strengths based on the poll results. It is evident that only a subset of Chinese cultural elements contribute to the establishment of a worldwide consumer cultural identity. Two distinct factors can be identified: the incorporation of traditional cultural elements and the manifestation of values such as self-transcendence, willingness to change, and self-improvement.

The cognitive foundation of traditional Chinese culture comprises of various elements such as kung fu, ancient philosophy, and artworks. Chinese enterprises have the potential to distinguish themselves from other brands by leveraging their indigenous cultural resources. The values espoused by the brand, namely self-transcendence, a willingness to change, and a commitment to self-improvement, have the potential to exert a favorable impact on consumers' perceptions of the brand as a global entity. The utilization of fundamental traditional values such as benevolence, wisdom, courage, joy, and elegance can serve as a distinguishing factor between Chinese brands and those originating from other nations.

4. Conclusion

For modern Chinese firms that operate internationally, the transformations in the perception of and image of China serve as a strategic foundation. It is undeniable that customer purchase intentions are positively influenced by their identification with the national image, and it makes sense and is different for outbound businesses to construct their positioning strategies by utilizing cultural resources of the nations they come from. All China's brands which want to go abroad inevitably face the effective implement of global strategies under the national perceptions. Outbound businesses can leverage available and useful resources from traditional Chinese culture, such as the appropriation of traditional cultural components and the statement of principles like independence, adaptability, and self-improvement. Finding the precise components to utilize in practice and understanding how perceptions have changed in the digital era are still being studied.

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