

China is a country still perceived in the outside world through a series of stereotypes. In this year's Grand Prix-winning study, *Kunal Sinha*, with *Mickey Chak*, uncovers the reality beneath seven false perceptions about China – one of which is the extraordinary diversity of Chinese people and culture.

Many faces of the real China



There is a popular thesis about China, one that is reinforced by articles and books, that China is this huge consumer market which is controlled and kept unified by a strong central government, where everyone speaks and

understands Mandarin, where everyone shares the same racial characteristics.

Can 1.3 billion people ever be the same?

So how did this perception get created in the first place?





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Seven false perceptions about China



China is one big market unified by a common race, language, Confucianism and a strong central government.

Reality: There is immense diversity amongst its 1.3 billion people.



China's 'Little Emperors' – the one child generation – are a pampered lot without discipline or drive.

Reality: The 'Little Emperors' bear the brunt of their parents' mounting aspirations.



There is an erosion of traditional culture in China.

Reality: The Chinese are rediscovering their cultural heritage and are at the cusp of a creative renaissance.



In China, there are few avenues for self-expression and self-determination.

Reality: The Chinese are constantly finding new ways of expressing themselves, and their power.



Consumers in China pay scarce attention to environmental/social concerns when they buy.

Reality: Chinese consumers are greener than their Western counterparts, and socially-responsible businesses are profiting hugely.



Consumption in China is driven by its youth market.

Reality: The middle-aged and elderly population are actually the two groups that are driving mass consumption.



Chinese consumers are always chasing value for money.

Reality: Chinese consumers are looking to be recognized, gratified and rewarded – and willing to spend money for it.



Racial unity

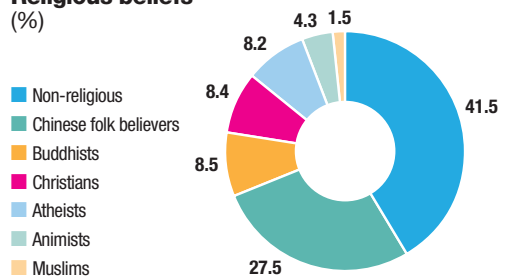
Read the international news magazines (and a recent *National Geographic*), and what you usually find are articles which refer to the government’s resettlement plans by which regions such as Tibet and Xinjiang are being flooded by the Han Chinese, and the local cultures are being wiped out. Reality: this cultural invasion is only a superficial layer that hides the resurgence and preservation of myriad traditions. “You can take away our jobs, or our oil, but you can’t change the way we eat or dress”, these ethnic groups will tell you.

This ethnolinguistic map of China reveals that while the majority of the population is indeed Han Chinese, there are significant proportions of the population of different ethnic stock: Turkic, Hui, Tibeto Burman, Mon-Khmer, Mongolian, Miao-Yao, Tajik and so on. Most visitors never go that far inland as to get a sense of that diversity.

China commentators often propagate the notion that the doctrine of Confucianism is a primary determinant of social and consumer behavior in China. The religious and spiritual belief systems in China are much more complex than that, however.

Going by the enthusiasm by which local city planners are renovating, restoring and building Buddhist shrines across China, one would believe that now that people have the freedom to practice religion, they are embracing Buddhism with gusto.

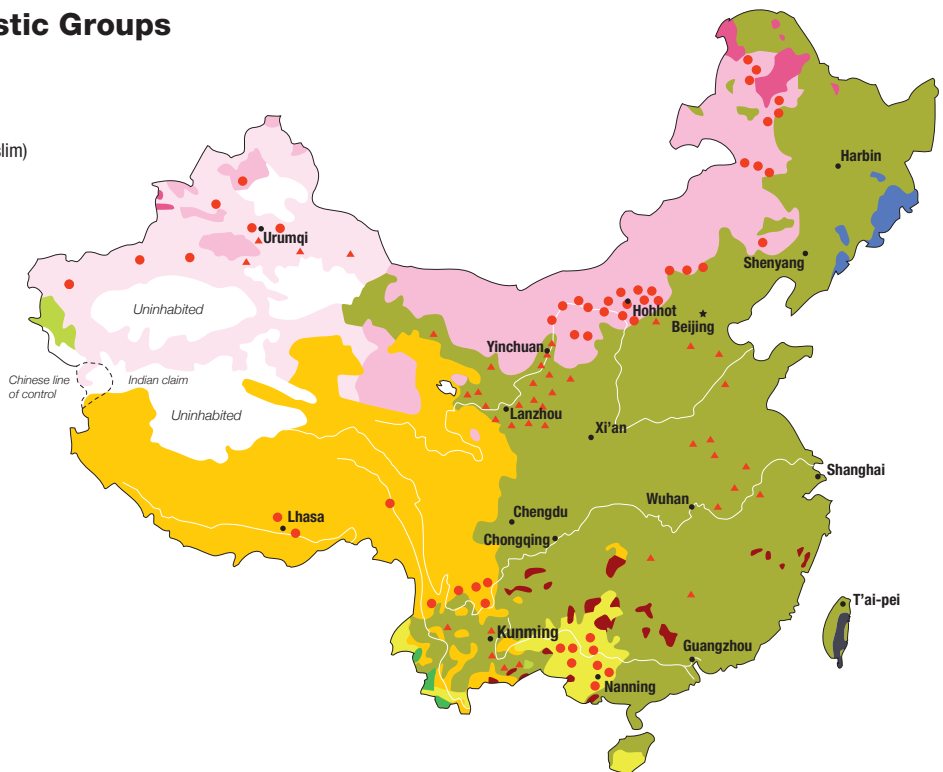
Religious beliefs (%)



Believe it or not, it isn’t Buddhism but Chinese folk religion – practiced by many ethnic minorities – which is the most popular religious denomination you’ll find in China. The proportion of Buddhists and Christians is roughly the same. And the Muslims, on whom much separatism gets blamed, are a mere 1.5% of the population.

China: Ethnolinguistic Groups

- SINO-TIBETAN**
 - Han (Chinese)
 - ▲ Hui (Chinese Muslim)
 - Tai
 - Tibeto-Burman
 - Miao Yao
- INDO-EUROPEAN**
 - Tajik
- AUSTROASIATIC**
 - Mon-Khmer
- KOREAN**
 -
- ALTAIC**
 - Turkic
 - Mongolian
 - Tungusic
- MALAY-POLYNESIAN**
 - Indonesian



Collectivism

Many Western commentators are quick to point towards the creative displays of Chinese inventions during the 2008 Olympic Games opening ceremony as an example of collectivism – masterminded by one powerful, imaginative choreographer called Zhang Yimou.

It is entirely a matter of perspective. Because of their upbringing and education, Western viewers remember the discrete elements in that dazzling display. The Chinese retain a gestalt of the event, in which all the elements are fused together in a stream of consciousness aimed at establishing the nation’s glory. When the country teams march into the stadium in the

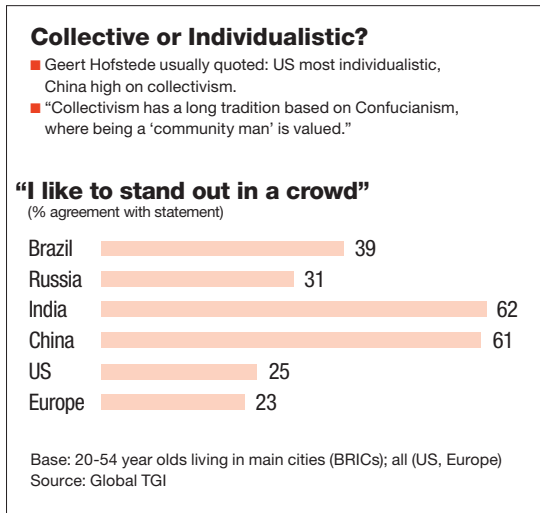
order of the Chinese alphabet, not the Western one, it throws Western viewers.

Marketers love quoting a study done more than 30 years ago, among the employees of a Western multinational company, which states China is high on collectivism – as opposed to the US which is high on individualism. This belief is, of course, cross-referenced against the Confucian value of being a community man.

A much more recent cross-cultural study, done by TGI, tells us quite the opposite: that the Chinese (like the Indians – another allegedly collectivist society) like to stand out in a crowd. And why not? If you want to get ahead in a fiercely competitive society, that’s the only way. Get noticed first!

So people in China’s big cities do not like it when they spot someone else wearing the same clothes as themselves. Small wonder that one sees far more different styles on Shanghai’s streets and offices than one does in New York or London.

In an anecdote published in *Newsweek*, popular novelist Yu Hua recounts: “I saw a TV program where an interviewer asked a child from Beijing what he wants, and the child wanted a Boeing airplane. The interviewer asked the same question to a girl from China’s northwest, and she said a pair of white sneakers.” To try to paint all ‘young children in China’ with the same brush on a scale of aspiration would be dangerous.



64% of consumers in Beijing and Shanghai agree with the statement “I don’t like it when I see others wearing the same clothes as me.”

Source: China 3D 2007, base 37 million people aged 15–45 in 15 cities





Diversity in food preferences

If you thought that Chinese food is all about noodles and dumplings, look closely at this diagram. There is probably as much variety and difference across the regions of China as across many continents. With such varying weather, terrain and soil conditions, how can food be the same?

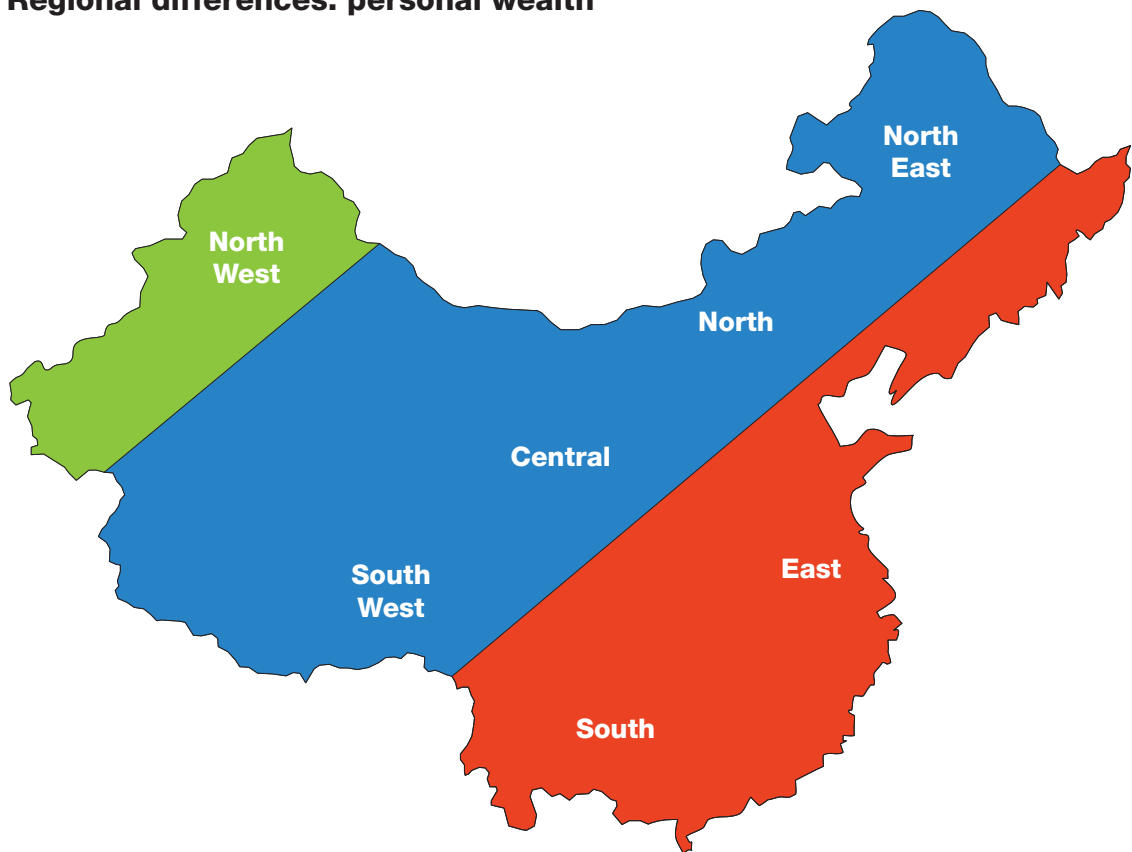
For starters, the staples are different. North China eats wheat, South China rice, and Tibet barley. Each region has its own distinctive style of cooking, ingredients and level of spice and heaviness/lightness.

Even noodles are so different in different regions of China.

In Guangzhou (Canton), for example, they will tell you that you can eat anything that has its back to the sky. That leaves aside only one species – thankfully: homo sapiens. This is a picture of a wandering crocodile, mouth taped, in the city’s Yumin Seafood restaurant. Sit down on your chair, and point “That one looks appetizing”. I’m sure the crocodile is sizing up restaurant patrons in the same way.



Regional differences: personal wealth



Average urban per capita annual income (RMB)

North West	South West	North	South	East
Shaanxi Gansu Qinghai Ningxia Xinjiang 10455	Chongqing Sichuan Guizhou Yunnan Tibet 11345	Beijing Tianjin Hebei Shanxi Inner Mongolia 12772	Guangdong Guangxi Heinan 15583	Shanghai Jiangsu Zhejiang Anhui Fujian Jiangxi Shangdong 15496
	Central	North East		
	Henan Hefei Hunan 11727	Liaoning Jilia Heilongjiang 11319		

Personal wealth

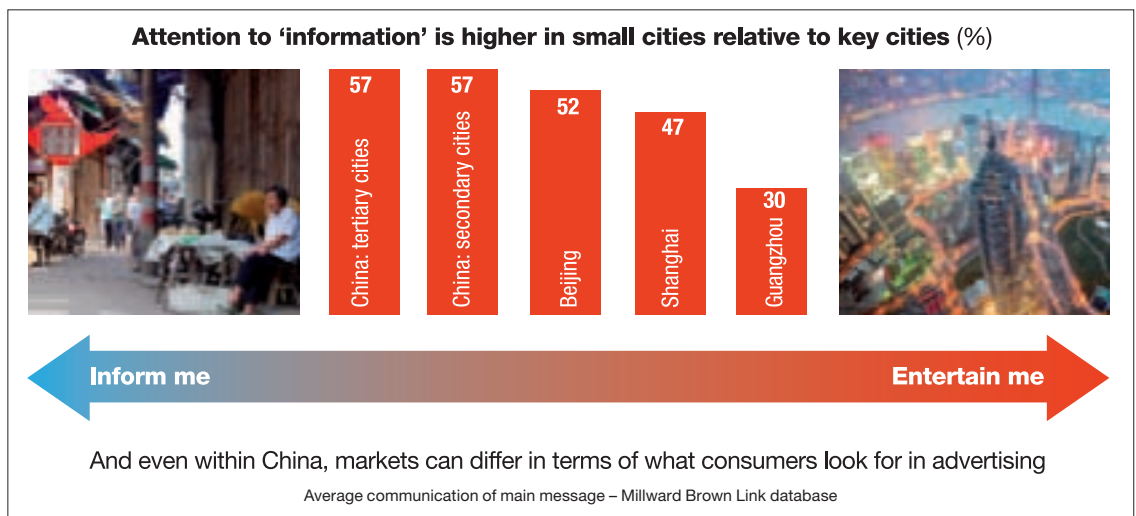
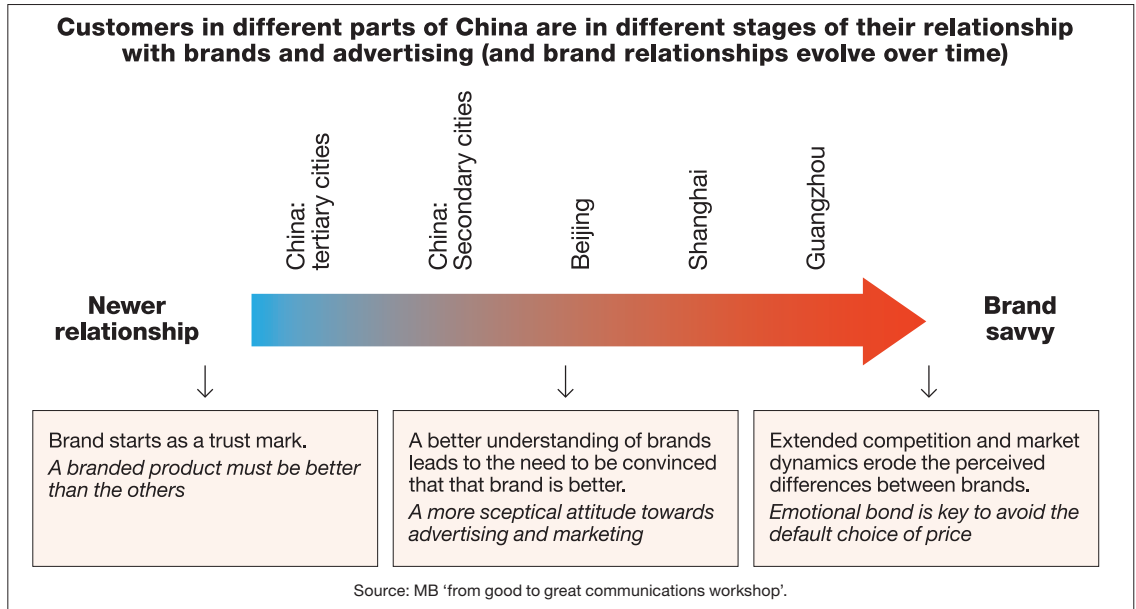
Everyone will tell you that when you do business in China, start on the eastern coast – that’s where the money is, then go central and finally west. The lines of prosperity don’t quite run vertically, as we’ve found. In fact, they run

diagonally. So, central China – comprising Henan, Hefei and Hunan – is more prosperous than the Dongbei (Northeast) region. Does your market expansion strategy in China reflect this?



It follows that people's relationships with brands and advertising are not the same. Research done by Millward Brown suggests that consumers in Guangzhou are the most savvy about brands (sorry Shanghai-Beijing believers), and those in Beijing seem to be skeptical about advertising.

People in China's tertiary cities seek information from their ads, whereas those in Guangzhou seek to be entertained. Now, would you run the same ad everywhere across China?



Implications

What does this mean for marketers?

The pride in the collective Chinese identity coexists with a strong desire for expressing and finding one's own voice in China. Individualism is competitive, a way of defining personal identity. But because it is a relatively recent urge, brands have the opportunity to define, refine and embrace what might be a uniquely Chinese version of individuality.

Likewise, we also appeal to marketers to use diversity as an opportunity to connect better with

the various groups of Chinese consumers, and not reduce brand appeals and communication to the lowest common denominator. We've seen that their attitudes and responsiveness towards communications are not quite the same, and need to calibrate the communications accordingly. The media in China permit that. It is a matter of investment, and the returns are likely to be higher if we do. Brands in India do that all the time – and we wonder why marketers in China do not take the lesson.

Case study: Kentucky Fried Chicken



One company which DOES recognize diversity is Kentucky Fried Chicken. Above are pictures of just some of the things they have on their menu – rice congee, noodle soup, steamed cucumber and beef-corn wrap. It’s a far cry from their staple fried chicken.

What KFC does is simple: every month, they introduce something from China’s diverse culinary tradition that can be rustled up in minutes, and offer it on their menu. Now, KFC is a family destination, and the fried-chicken eating kids are often accompanied by their parents and grandparents – who find something for themselves too. This drive towards localization has been extremely profitable for KFC, and China is the only country in the world where they outperform McDonald’s. But localizing the menu is not the only smart thing that KFC does in China.

They are building their business by acquiring restaurant chains that specialize in local cuisine, like Little Sheep, a Mongolian style hotpot restaurant, and Dong Fang Ji Bai,

a homestyle chain. The Chinese have a penchant for eating out, and acquisitions that add diversity to their offer are key to their expansion plans. ■



Kunal Sinha with Mickey Chak
Ogilvy & Mather
Shanghai and Beijing
Unmasking the Chinese Consumer

