

Repackaging globalization: A case study of the advertising industry in China

Lanchih Po

Beijing Development Institute, Peking University and China Center for Economic Research, Peking University, Beijing, 100871, China

Received 12 April 2005; received in revised form 11 October 2005

Abstract

This paper analyzes the transformation of China's advertising industry as a result of China's economic reforms and the globalization of the advertising industry. Spatially clustered in the city-regions of Beijing, Shanghai and Guangzhou, the industry has been structurally and operationally integrated with the global advertising giants, as well as developing local strategies to attract the interest of local consumer markets. While the entry of global multinational advertising businesses has compelled China's advertisers to accept and adapt to the industry's globalized institutions, standards, operational procedures and corporate culture, the transformation of China's advertising industry is best understood as a consequence of the interaction between globalization and localization.

© 2006 Elsevier Ltd. All rights reserved.

Keywords: Globalization; Global and local; City-regions; China; Advertising

1. Introduction

Economic globalization is redefining China's regional spatial structure. Since the country embarked on its program of economic reforms in 1979, the introduction of market mechanisms, the arrival of foreign investments, the expansion of international trade, and increasing global flows of information, people, and technology have fundamentally changed China's economy and society. However, the effects of globalization on a given nation or region are never evenly distributed across different spaces and social sectors, and its impact on local institutions and culture is far from homogeneous. This paper focuses on the advertising industry, an important part of the producer services sector¹ that has become increasingly globalized in the last two decades. Specifically, the paper will assess how the advertising industry in China has been affected by the glob-

alization of the industry and their spatial and operational consequences. Advertising globalization is the vanguard in opening up new markets for the influx of global commodities. By linking consumer products, mass media and regional markets together, the globalizing advertising industry has significantly reshaped local consumer cultures while at the same time moving local places closer to global networks of economic production and distribution. This case study of China will provide some evidence for these developments.

In an interview in 2003, Saskia Sassen argued that the "global economy" might be more aptly described in terms of the emergence of a set of institutional structures and mechanisms (including a range of regulations and standards) that enable the global operations of businesses (Hsia et al., 2003, p. 42). Any enterprise that wishes to operate globally will need to enter this framework. Many scholars have also noted that the concentration of producer services in cities is crucial for the sound management of such businesses, given the complexity of international divisions of labor (Sassen, 1991; Daniels, 1993). Following along these lines, an important theoretical framework has been

E-mail address: lanchih@pku.edu.cn

¹ Or "advanced services" as Hall (2001) calls them, which mainly refer to insurance, banking, legal services, accounting, consultancy, advertising, etc. (Singelmann, 1978).

developed that positions global cities as the key command and control posts used to build global economic networks. (Friedman, 1986; Sassen, 1991, 1994; Daniels, 1993; Castells, 1996; Hall, 2001). Because multinational companies are the driving force in promoting functional integration across borders (Dicken, 2003), the diffusion of branch offices of multinational producer services firms in cities throughout the world has enabled these urban areas to be linked together through the newly globalized networks of different industries. The Globalization and World City Research Group, led by Peter Taylor and Jon Beaverstock, has argued that the primary actors linking world city networks are not local urban policy makers, but multinational corporations (Beaverstock et al., 1999; Taylor, 2001; Taylor et al., 2002). Moreover, in the geography of transnational production networks, regional headquarters act as the intermediary between corporate headquarters and their affiliates within a particular region (Dicken, 2003, p. 239). In this sense, regional headquarters, and by extension, large cities, represent ‘strategic windows’ on regional development and opportunities (Yeung et al., 2001, pp. 169–170). These facts merit serious investigation by scholars and policy makers who seek to understand the complexities of global markets in rapidly emerging economies.

However, the discourse of global cities literatures, as McCann (2002) points out, tends to be bifurcated between the world’s leading cities and “ordinary,” “less global,” or “local” cities. London, New York, and Tokyo have been used as the benchmarks for determining how “global” a city is. This conceptualization has strongly influenced urban theory and practice in the developing world. With increasing integration into the global economy, for instance, cities in China are eager to be seen as being “global” or international in nature, as is evident in the drive to achieve the status of ‘internationalized large cities’ (*guojihua dachengshi*) on the part of many large and medium-sized cities.² At the same time, much effort is being expended in academic circles in China to develop various indexing systems—based on GDP, infrastructure, international traffic flows, etc.—that purport to measure the level of “globality” of individual cities.³ Indeed, the whole global city theory has helped create an (imagined) dichotomy between modern/global cities and backward/third world cities. However, this new version of the core and periphery hypothesis regarding the world’s spatial structure is inadequate (Robinson, 2002; Stahre, 2004). I argue here that coming to a better understanding of the specific *processes* through which China’s cities and regions are being trans-

formed ought to be the focus of our efforts. From the perspective of the spatial logic of the new global system, what matters is the versatility of its networks. Therefore, “the global city is not a place, but a *process*” (Castells, 1996, p. 386). Such an interpretation has rescued the global city hypothesis from the fruitless task of categorizing and ranking cities with respect to some ‘normative’ standard or degree of globalization. Cities in any part of the world can have some segments that function globally, while at the same time exclude a considerable portion of their area and people from global economic networks. Indeed, the defining characteristic of the global city phenomenon is precisely in the coexistence of the local and the global.

Multinational service firms, together with their multinational clients, are locating in specific cities in the newly developing markets to service globalization. This involves a process of building globalized institutional frameworks, rules, and, more importantly, discourses and ideologies of globalization. Firm strategies are important in the transformation of business systems and institutional configurations as they adapt to a changing context (Yeung and Olds, 2000). However, the processes whereby global firms have established their businesses in China’s cities and regions remain little understood. Existing literature on China’s role in the global economy has mainly focused on manufacturing, emphasizing the extent to which China has become a large “world factory” producing goods for the global market. The service sector, especially producer services, has heretofore been understudied.⁴ This paper tries to show how China’s advertising industry is spatially concentrated and to suggest that the restructuring of China’s advertising agencies is a consequence of the impact of global forces and the subsequent adoption of locally-based advertising strategies aimed at developing local consumer markets.

As a highly globalized and conglomerated industry, advertising is emblematic of globalization. As in other industries, multinational giants have been the trend-setters for advertising globalization. The top 10 advertising agencies account for 70% of the global market share.⁵ Moreover, these top 10 agencies are mainly owned by four multinational holding groups—Omnicom (New York), WPP (London), Interpublic (New York), and Publicis (Paris)—that have come to collectively control business standards and (re)shaped the basic characteristics of advertising. In this paper, I focus mainly on the processes transforming China’s advertising industry. Specifically, I discuss three vital processes involved in the penetration of the global advertising industry into China: (1) the restructuring of

² There are currently 118 such cities that claim to be developing themselves into “internationalized large cities” (*guojihua dachengshi*). This figure is cited by Yao Bing, a high-level official in the Ministry of Construction (China Youth Daily, 10/14/2003).

³ A typical title, from a research project conducted in 2001 by a think tank associated with the municipal government of Beijing, reads “Which index should be employed in building Beijing into an internationalized large city?” See the *Beijing Research Institute for Economic and Social Development* (*Beijing shi jingji yu shehui fazhan yanjiusuo ketizu*).

⁴ Research on China’s advertising industry has been limited to market research. Professional advertising journals tend to focus on the characteristics of the Chinese market only (Prendergast and Shi, 2001; Zhou et al., 2002; Gao, 2003). Although Wang’s work on *glocalization* (2000) is important, the latest data it covers is from 1996.

⁵ They are Dentsu, McCann-Erickson, BBDO, J. Walter Thompson, Euro RECG, Grey, DDB Needham, Ogilvy & Mather, Leo Burnett, and Publicis (Ad Age International, 2002).

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات