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# The Politics of Goods: A Case Study of Consumer Nationalism and Media Discourse in Contemporary China

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# The Politics of Goods: A Case Study of Consumer Nationalism and Media Discourse in Contemporary China

Jian Wang

This study advances the concept of consumer nationalism in the international marketplace. It examines the complex role of the media in its formation and expressive practices through a case study of an incident involving Toshiba Corporation in China. The concept rests upon three key arguments of self-definition through consumption, globalization, and symbolic national unification. In their encounter with the global brand Toshiba, the Chinese media and consumers re-discovered and evoked a strong nationalistic sentiment underlined by Japan's past aggression and atrocities in China. The media discourse of national pride and dignity in the case study represents the complex confluence of China's continuing ambivalence towards Japan, sponsor activities by key advocacy groups, and the changing Chinese media practices. Further research is called for to consider the concept of consumer nationalism, its processes, participants, and consequences.

Keywords: Consumption; Nationalism; Media; China

In 1999, the global electronics giant Toshiba Corporation reached an unprecedented out-of-court settlement of \$1.05 billion in a class-action lawsuit in the US concerning potentially faulty floppy disk drives in its laptop computers. To Toshiba's great dismay, more than six months later, the US settlement backfired in China. It angered Chinese consumers, who accused Toshiba of downright discrimination, as the settlement only applied to the US market while the same laptops had also been sold in mainland China. For awhile, Chinese national pride and dignity permeated the media and public discourse surrounding Toshiba; and the settlement story transpired and turned into an 'incident' (事件).

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If nationalism is, in essence, a consciousness and an expression of belonging to a nation, the Toshiba incident is an illustrative example of how nationalism is also casting a shadow on economic life and consumer behavior in the process of globalization. While the world's economy is increasingly integrated and borderless, other divisions and especially symbolic boundaries are growing more visible and prominent (e.g. Barber, 1996). One such symbolism is consumer nationalism.

Linking nationality to commodities, this particular type of nationalism refers to consumers' invocation of their collective identities based on their nationality to accept or reject products perceived of certain other countries. Such sentiments and behavior are usually not state-sponsored in the form of deliberate government policies, but rather manifest themselves by means of consumer grassroots movements and voluntary participation. In its milder form, it is embodied in 'Buy Domestic' campaigns; and of its most extreme through product boycotts and consumer militancy against 'foreign' products. Most of these activities are short-lived because of the lack of consumer commitment for a variety of reasons (Friedman, 1999). However, this should not discount the communicative value and symbolic significance of these events in defining and reaffirming one's national identity. In other words, their significance reaches far beyond the economic impact they might have engendered.

The mainstream view of nation and nationalism has focused on the nation as a polity and nationalism as a political ideology (e.g. Breuilly, 1982; Hobsbawm, 1990). In consumer nationalism, national identity is awakened and expressed in consumers' encounter with products and brands. It reflects national spirit in the cultural realm of consumption. Despite the political, economic, and cultural importance of such expressions, consumer nationalism remains little understood and inadequately studied.

Two basic conditions are needed for any consumer nationalism event to occur—a consumer base with strong nationalistic inclinations and corporate concerns with highly visible national association. Consumers' nationalistic advocacy is often triggered by 'focusing events' (Birkland, 1997)—events that garner public attention and mobilize communities of interest to act and express. The development of a focusing event in the public spotlight is facilitated by the creation and circulation of cultural signifiers such as symbols and narratives (Duara, 1996, p. 44); and one of the prime purveyors of such signifiers is the communication media.

The purpose of this paper is twofold. First, at a broader level, we seek to advance the concept of consumer nationalism, its theoretical premises and manifestations. It is our intent to generate interest in exploring and investigating this important phenomenon in the international marketplace. However, the making of a consumer nationalism event is multifaceted, and involves an interactive set of institutions, discourses, and participants (Gerth, 2003, p. 6). To fully explore the dynamic interplay requires cross-level analysis. Our attempt in this study is much more modest. So, our second objective is to use the Toshiba incident as a case in point to examine one particular aspect of consumer nationalism—its intersection with the

media—and to highlight the complex role of the media in its formation and expressive practices in contemporary China. Although some media have established a global presence (e.g. CNN, MTV), much of the media landscape around the world remains primarily local. In this case, the Chinese media represent the site where the discourse of national identity is expressed, contested, and negotiated.

China has undergone dramatic transformation since the launch of economic reforms in the late 1970s. For multinational corporations such as Toshiba, China is not only their manufacturing workshop but a coveted consumer market as well. Such remarkable developments are also taking place in its social and cultural realm. The Chinese media, one of the last bastions of rigid government control, has slowly but surely embarked on its own transformation (Huang, 2003; Lynch, 1999; Zhao, 2000). A far cry from the staid, conservative party press of yesteryear, facing increasing market pressure, today's oft-aggressive and variegated Chinese press (including the Internet news sites) dares to spark debate on a variety of business and social issues. In this respect, the contemporary Chinese media are no longer just party propaganda tools, but forums for public discourse, both shaping and crystallizing issues and contention, while reflecting public sentiments and opinion.

To address the goals of this study, we commence with the concept of consumer nationalism. We will cast the discussion in the broader theoretical context by arguing that an essential part of modern consumption is the reproduction of social and cultural identity and that, in relation to globalism, nationalism is a core social identity in contemporary times. Before delving into the Toshiba case, we will describe the media discourse framework developed by Gamson and Modigliani (1989) for insights into the dynamics among media, advocacy groups, and public opinion in the formation and expression of 'issue cultures' and, in this particular case, consumer nationalism. Next, we will examine how consumer nationalism was represented and revealed in the Chinese media through the Toshiba's case study, and explore why the Chinese media and the larger public discourse framed the controversy as such. Finally, we will discuss the significance of expressions of (Chinese) consumer nationalism in the larger social context.

# The Concept of 'Consumer Nationalism'

Defining Consumer Nationalism

Consumer nationalism refers to the invocation of individuals' collective national identities in the process of consumption to favor or reject products from other countries. Product nationality thus becomes the central, organizing meaning of a commodity; and consumers are in fact 'citizen-consumers'. Here, consumption is both literal and figurative. It includes consumption of material goods as well as narratives and communication about products and brands.

It is important to point out that the concept of consumer nationalism should not be confused with the notion of product country-of-origin (COO) effects on consumer behavior (e.g. Bilkey & Nes, 1982; Papadopoulos & Heslop, 1993; Samiee, 1994). COO is concerned with product nationality only in the sense of consumers' perception of product attributes associated with certain countries (e.g. German engineering). COO effects on consumer choice are generally not an expression of consumers' national identity, allegiance or dissociation.<sup>1</sup>

# Theoretical Premises

The construct of 'consumer nationalism' rests on three theoretical premises. First, consumption fulfills one's vital needs of self-definition (Douglas & Isherwood, 1996; Lury, 1996). Mundane as they are, consumer goods are powerfully communicative. As part of our possessions, material objects are our 'extended selves', shaping and reflecting our identities (Belk, 1988). Goods are carriers of meaning; and yet the meaning is not intrinsic in them. Consumption is the process by which these meanings are created, communicated, and circulated. One such social identity embodied through the process of consumption is one's national identity. Campaigns for or against products based on their nationality are a potent expression of political and cultural solidarity, and serve as a strong affirmation of one's own national identity.

Second, nationalism is part and parcel of the globalization process. As a relational concept, national identity is meaningful in the context of internationalization or globalization. With increasing market liberalization, rapid technological advances, and extensive development of communication infrastructure, the world of business is truly becoming more connected and integrated (e.g. A.T. Kearny/Foreign Policy's Globalization Index, 2004). Or, as Ghemawat (2003) observed, market integration has reached an in-between stage of 'semi-globalization'. The contemporary movement toward economic and cultural globalization is characterized by the concomitant centripetal and centrifugal forces (e.g. Friedman, 1990; Giddens 1990; Robertson, 1995). Nationalism seeks the well-being and betterment of the nation-state by placing one nation's interest and welfare over that of another. By definition, it runs counter to the central tenet of globalization and hence often disrupts the globalization movement. But, as Eley and Suny (1996, p. 32) stated, 'being national is the condition of our time', and is one of the core features of human association in the contemporary world.

Third, nationalism is symbolic and cultural as well as territorial and political. The discourse of nationalism and nationality encompasses many forms and assumptions (e.g. Goodman, 1996; Wiley, 2004). As Smith (2001, p. 26) explained, territorial unity becomes only 'the first step to the much more important kind of *social and cultural* unification of the members of the nation'. Calhoun (1997, pp. 2–3) saw the significance of nationalism not merely in conflict situations, but it is 'basic to collective identity... Indeed, nationalism is not only a matter of politics, but of cultural and personal identity'. Thus, nationalism can be examined along the lines of politics, economy, culture, and communication.

Consumer nationalism is not unique to any specific country; yet its sources and manifestations may vary. The global spread of consumer culture is uniting the world around common identities as consumers. But in the meantime, nationalistic consciousness is also awakened in the very same process. Consumers project national identity onto the products/services they choose or choose not to consume. In this respect, nationalism becomes symbolic, communicative, and deeply personal.

#### Chinese Consumer Nationalism

The pursuit of nationalism encompasses various goals, including national unity, autonomy and identity (Smith, 2001). In China, for instance, rising nationalism in the last decade came on the heels of its remarkable social and economic development and the ensuing new challenges it faced (Gries, 2004; He & Guo, 2000; Zhao, 1997, 2002). The substance of Chinese nationalism is varied, ranging from the enduring national sovereignty issues (e.g. the recovery of Hong Kong and Macau), national pride and dignity, to moral order and the preservation of traditional values (Zheng, 1999, pp. 14–15). They may not be all present in any one nationalistic project. The focal point in this study is the (re)-discovery of national dignity.<sup>2</sup>

As Gerth (2003) has aptly argued, nationalism and consumer culture in China are parallel social forces that mutually define each other; and consumerism has played a critical role in China's nation-making. The many national goods movements and Chinese boycotts of 'foreign' products (洋货) throughout the first part of the 20th century were common outlets for nationalistic expressions (p. 125). National advocacy was vividly represented through various communications media, from newspaper coverage and advertisements, to product exhibitions and store displays.

With the remarkable economic development over the last two decades, a consumer revolution is taking place in China (Davis, 2000; Li, 1998). The long-held view of China being the perpetual market of tomorrow has finally come true. The accelerating influx of 'foreign' products and brands into China has resulted in Chinese consumers' growing encounter with them in their everyday life. Commodities and consumption become an important platform for self-expression. During the protest in the aftermath of the US bombing of the Chinese embassy building in Belgrade in 1999, calls for boycotting American products to 'cleanse national humiliation' (雪耻) were abound. Here is an excerpt of a poem that best captures such sentiments that weave together consumption and nationalism (in Gries, 2004, p. 103):

When we are wearing Pierre Cardin and Nike... When we are driving Cadillacs, Lincolns, and going to KFC and McDonald's . . . Do we have a clear conscience? No!!!

# Media Discourse

As pointed out earlier, in consumer nationalism situations, a triggering event links a nationalistic consumer base with an international corporate concern. Typical 'focusing events' are conflicts in international political and economic relations. The question becomes how the event develops its focal power to mobilize consumers to express their national identity through their consumption choice. Many players are involved in the process, such as consumers, international corporations, merchants, advocacy groups, government, and the news media. Media discourse is a central point of concern, for it helps to shape the event and competes for public attention (Hilgartner & Bosk, 1988); and its construction is a tangled and often times contentious process.

Media framing entails 'selecting and highlighting some facets of events or issues, and making connections among them so as to promote a particular interpretation, evaluation, and/or solution' (Entman, 2003, p. 417). Or, as Gamson and Modigliani (1987) have simply put it, framing is a 'central organizing idea or story line that provides meaning' (p. 143). At issue is how and why certain issue frames are picked among all the 'sizing choices' (Entman, 1991). Gamson and Modigliani's (1989) media discourse framework is most instructive, as they argued that media discourse is 'the outcome of a value-added process' and is defined by the dynamics among cultural resonances, sponsor activities, and media practices. Cultural resonance refers to the degree of resonance any interpretative package in the media discourse has with the larger society. Sponsor activities are strategies and programs by agents advocating agendas on behalf of various interest groups. Media practices are journalistic norms and practices that impact the media discourse.

Along similar lines, in his studies of the intersection between media discourse and public opinion in political communication, Manheim (1994) formulated a model of 'agenda dynamics' by arguing that persuasive political communication takes place within 'a comprehensive system of interactive agendas' (p. 150). The major agendas include the public, policymakers, and the media. The agenda dynamics framework takes into account not only the internal complexity within each of the agendas but also the interactive dynamic between the agendas. In our case study, we will extend the media discourse perspective to the examination of the consumer nationalism event involving Toshiba and its representation in the Chinese media.

# The Case Study

# Case Background

The Toshiba case began in early 1999 when two Toshiba notebook owners filed a class-action lawsuit in the federal court in the state of Texas in the US, alleging that Toshiba knowingly sold its notebooks with defective floppy disk controllers. By then, Toshiba had sold 5.5 million notebooks in the US (and about 200,000 in China). Although there didn't seem to be any quality or technical problems in its notebook

PCs, on 29 October 1999, Toshiba announced to settle the lawsuit out of court for a total sum of \$1.05 billion in compensation without admitting any liability.<sup>3</sup>

The news about the Toshiba settlement was immediately reported by the Xinhua News Agency in China, one of Toshiba's fastest-growing overseas markets (about 8% of Toshiba's global market share at the time), and the story didn't raise any eyebrows. However, more than six months later, the story re-emerged in the Chinese media on 8 May 2000 when 21 DNN, a then newly-launched Beijing-based Internet news Web site, published a story on the Toshiba settlement. This time it quickly caught on fire. As the Chinese media and consumers discovered that the settlement didn't apply to the Chinese market, public discontent grew into an uproar.

# Focus of This Study

To understand how the Chinese media represented the incident, we examined the themes (or 'interpretative packages') during the height of the story from 15 May to 31 May 2000. This study investigates two research questions: (1) what are the recurring themes in the media coverage of the Toshiba case, and (2) what was their path of development in the coverage?

The controversy broke out when on 15 May the China Youth Daily published a story with a provocative headline: 'Differences in legal systems or outright discrimination: why Toshiba compensated Americans, not Chinese'. The ensuing two weeks were certainly not normal days for Toshiba in China; they were 'critical discourse moments' (Chilton, 1987), where the tension and emotion highlighted in the case became most poignant. The story dropped out of coverage shortly thereafter. Despite its short news-cycle, as will be discussed later, the coverage manifested the critical and complex role the Chinese media played in developing the Toshiba settlement story into an incident of consumer nationalism.

We studied 56 related items (mostly news stories and some letters to the editor) from the online news catalog of the People's Net (www.people.com.cn), the Web platform for the newspaper People's Daily (daily circulation 1.7 million) (China Journalism Yearbook, 2003). We included letters to the editor, because we believe that they are part and parcel of the information environment for the coverage. The unit of analysis is each individual item. Although not as popular as news portals such as Sina and Yahoo, the People's Net is viewed by Chinese Internet users as more credible than the more popular news portals (Chinese Academy of Social Sciences, 2003). On the Toshiba story, the People's Net has amassed a series of related stories from general interest media, business press, special interest media, various regional newspapers, and online news sites. 4 This doesn't mean that the news catalog is complete or most representative of all the coverage out there, but for the purpose of this case study it does give us a good indication of the range of issues surfaced during the controversy.

Our analysis of the 'interpretative packages' began with an examination of a randomly selected sub-sample representing 25% from the story catalog. The selected items were scanned in their entirety to identify salient themes (i.e. issues that form

Theme category	Definition	Examples
Toshiba settlement as discrimination against Chinese consumers	Asserts that a clear distinction made by Toshiba based on consumers' nationality (e.g., Chinese vs. American) in handling the allegation and that Chinese consumers were discriminated against	References about Chinese consumers being regarded by Toshiba as "second-class" and receiving "unfair treatment"  Statements that accuse Toshiba of looking down upon Chinese vis-a-vis American consumers
Toshiba settlement as an outcome of different market conditions	Explains that Toshiba's U.S. settlement and its policy for consumers outside the U.S. was an outcome of market differences.	Statements that highlighted the unique legal context in the U.S. that led to the settlement deal  References about Toshiba's U.S. settlement policy not even applicable in its home market Japan
Toshiba settlement as an act of consumer rights violation	Focuses on how Chinese consumers' right-to-know about products and services (in this case potentially faulty products) weren't respected by Toshiba	Statements about Toshiba failing to adequately inform Chinese consumers about the potential defect and the settlement arrangement.  References to Toshiba only making the announcement on its global Web site in English, not in Chinese

Figure 1 Coding Scheme for Theme Analysis.

the prevalent part of the item), as embodied by keywords, depictions, metaphors, and catchphrases (Gamson & Modigliani, 1989, p. 3). This allowed us to uncover and reveal the themes and threads based on the information rather than imposing an external framework on the narratives (Strauss & Corbin, 1998). We categorized them into common themes through an iterative process to best capture the main 'interpretative packages'. Based on this initial analysis, we developed a coding scheme of the theme categories (see Figure 1).

We then employed a combination of systematic counting of content categories based on the coding scheme and interpretative analysis. For each item, we identified themes suggesting what is at issue and theme salience. Theme salience refers to the degree of prominence of a theme pertinent to the story/item. Mean scores were calculated based on the presence or absence of the themes in headline and/or body copy. If the theme was present in both headline and body copy, it had the highest degree of exposure (code 3), followed by headline only (code 2) and body copy only (code 1). If the theme was not mentioned in either headline or body copy, it didn't have any exposure (code 0). A sub-sample of randomly selected items (25% of the entire sample) was coded by two independent coders, and the inter-coder agreement is 86%.

In addition, we also noted types of media vehicles the story/item appeared in (i.e. national vs. regional, general interest vs. specialized media), and types of spokespersons used in the story (i.e. interviewed or quoted in the item).

# **Interpreting the Toshiba Settlement**

We identified three prevalent themes in defining the nature of the incident: is Toshiba's settlement policy an act of discrimination against Chinese consumers, a violation of Chinese consumer rights, or a result of differences in market environment? The discrimination theme posits that Toshiba made a clear distinction based on consumers' nationality in handling the alleged selling of potentially faulty products. As some of the coverage claimed, Chinese consumers were regarded by Toshiba as 'second-class' consumers and thus received unfair treatment. They accused Toshiba of looking down upon Chinese vis-à-vis American consumers.

The competing media frame argued that Toshiba's US settlement and its policy for consumers outside the US (including its home market Japan) was an outcome of market differences. It highlighted the unique legal context in the US that led to the settlement deal, and disputed the overtly nationalistic reaction to the settlement.

The 'consumer rights violation' frame represents the middle-of-the-road position. Instead of accusing Toshiba of willful discriminatory practices, the discussion focused on the more general notion of how Chinese consumers' right-to-know about products and services weren't respected by Toshiba in this case. For instance, it was pointed out that Toshiba didn't inform Chinese consumers about the potential defect and the settlement arrangement, because the company only made the announcement on its global Web site in English, not in Chinese.

The media discourse was clearly anchored around national pride and humiliation, and specifically Toshiba's alleged discrimination against Chinese consumers. The most salient of the three themes during the study period is the 'discrimination' package (M = 0.64), followed by the 'consumer violation' package (M = 0.43) and the 'market difference' package (M = 0.41) (see Figure 2).

The central indicators of consumer nationalism in this case are references that place product nationality and consumer nationality as the most important meaning of the commodity and the merchant-consumer relationship, and that Chinese consumers were discriminated against by Toshiba. Throughout the press coverage of the Toshiba incident, national identity of the company and consumers of its products was front and center. Toshiba was not viewed as a global/borderless company but a distinctly Japanese company; consumers in China were not merely Toshiba consumers but distinctly Chinese. Key words and phrases, such as 'discrimination'

Time periods Themes	5/15-5/22 (N=15)	5/23-5/24 (N= 14)	5/25-5/31 (N=27)	Average mean
Toshiba settlement as discrimination against Chinese consumers	1.07	0.36	0.57	0.64
Toshiba settlement as an outcome of different market conditions	0.67	0.07	0.43	0.41
Toshiba settlement as an act of consumer rights violation	0.13	0.43	0.59	0.43

Mean scores

Figure 2 Thematic Development in the Toshiba Coverage.

(歧视), 'looking down upon' (看不起), and 'hurting Chinese people's feelings' (伤害中国人民的感情), were frequently used. In a report in *The Internet Weekly* (16 May 2000), the war metaphor between Toshiba and Chinese consumers was evoked, reminding readers of Japan's past aggressions and atrocities in China. Some computer retailers refused to sell Toshiba notebooks as a gesture to boycott the company and to show solidarity against continuing Japanese humiliation of China as perceived in the settlement (*The Science Daily*, 24 May 2000). In a letter to the editor on the People's Net (24 May 2000), a reader wrote that Toshiba's argument that current Chinese law didn't necessitate such a settlement 'is a direct insult to the Chinese people, and it scorns the Chinese people; no Chinese should tolerate such an action'.

The prevalence of a certain theme is often dependent on the development of the events. As Gamson and Modigliani (1989, p. 2) pointed out, interpretative packages 'ebb and flow in prominence and are constantly revised and updated to accommodate new events'. Similarly, Entman (2003, p. 418) stated, 'The framing of a given actor, issue, or event during a defined time period can be arrayed along a continuum from total dominance by one frame to a completely even-handed standoff between competing frames'.

In the Toshiba incident, we also observed dominant themes in flux as events unfolded. We divided the coverage period into three sub-periods (i.e. 15–22 May, 23–24 May, and 25–31 May) based on three 'milestone' events. It was the publication of the widely talked about article in the *China Youth Daily* ('Downright discrimination or market differences...?') on 15 May that set off the controversy in the media spotlight. While the Chinese media and consumers demanded an explanation from Toshiba, Toshiba's corporate communication team in China initially only repeated the official line on the US settlement and failed to provide further explanation without any directive from its headquarters in Japan. As the outburst of anger grew stronger, on 22 May, Toshiba's Vice President Masaichi Koga flew to Beijing for damage control (e.g. holding a press conference, giving media interviews, and meeting with Chinese government representatives). Two days later (24 May), the Chinese Consumers Association (CCA) invited a group of experts from legal, business, and IT sectors for an open forum to discuss the case.

As Figure 2 shows, the discrimination theme started off strong (M=1.07), but tapered off after Masaichi Koga's news conference (M=0.36). The contesting theme of market difference followed a similar trajectory of the discrimination theme, but with an overall lower prominence than the discrimination package. Over the two weeks' period, we see the rise of the consumer rights violation theme, especially after the CCA-sponsored forum (M=0.59). In China's state bureaucracy, CCA, the national consumer advocacy group, is a quasi-government agency, given the charge to advocate consumer rights protection and monitor consumer rights violation. By intervening in the Toshiba case through hosting a forum, CCA came forward and stated its position. Subsequently, there was wide press coverage of the forum, and a different consensus from the media coverage seemed to have emerged, stating that Toshiba violated Chinese consumers' right-to-know, rather than downright

discrimination. In short, while during the initial period of 15-22 May, the discrimination package clearly dominated the coverage, as the story developed, the coverage was shared by three main themes, with the consumer rights violation package, a position preferred by the Chinese government, becoming the most prominent.

# **Exploring Consumer Nationalism and Media Discourse**

So, why did national discrimination in the Toshiba settlement issue possess such focal power in the Chinese media? Why, out of all its 'sizing choices', did the Chinese media and consumers primarily frame it as an extension of national humiliation and pride? What role did the Chinese media play in the dramatic unfolding of the event? And, why was the Toshiba incident short-lived, despite the intensity and extensity of nationalistic advocacy during the controversy? To explore these questions, we now turn to Gamson and Modigliani's (1989) media discourse perspective, in which they postulated that 'three broad classes of determinants that combine to produce particular [issue] package careers: cultural resonances, sponsor activities, and media practices' (p. 5). In our case study, we argue that the media discourse on consumer nationalism is the result of the complex confluence of China's continuing ambivalence towards Japan, sponsor activities by key advocacy groups, and the changing Chinese media practices.

# China's Japan Complex

Cultural resonance refers to the potency of any interpretative package, in terms of the degree of resonance it has with society at large. As Gamson and Modigliani (p. 5) pointed out, '[r]esonances increase the appeal of a package; they make it appear natural and familiar'. The nationalistic outcry against Toshiba in this case is indicative of China's profound 'Japan Complex'.

As noted earlier, nationalism has many faces. One of its manifestations is a sense of national pride and dignity. An elusive concept as it is, national dignity is generally understood as the opposite of national humiliation and oppression (Smith, 2001, p. 30). The nationalism expressed in the Toshiba case reflects deep-seated feelings and emotions out of China's colonial experience in the second part of the 19th century and the first part of the 20th century, when China suffered national humiliation as it was repeatedly defeated and occupied by Japan. The collective memory of Japanese oppression was never too far below the surface and well alive at the turn of the millennium.

With the rapid growth of the Chinese economy, Chinese attitudes toward Japan seem to have become more ambivalent over the last two decades. On the one hand, Japan has been a major source of foreign investment, and Chinese consumers have consistently given highest ratings to Japanese brands and products (The Wall Street Journal, 7 June 2004, p. 17); but on the other hand, Japan is generally viewed by Chinese society as not being repentant about its colonial past. A major survey of Chinese attitudes toward Japan in 2002 revealed that only 5.9% of the Chinese public felt any closeness to Japan, while 43.3% held the opposite view (Jiang, 2004). Diplomatic scuffles between the two countries are frequent and widely reported in the Chinese media. They are primarily concerning Japanese government officials' paying tributes at the Yasukuni Shrine in Tokyo where top Japanese war criminals were buried, the revision of history textbooks on Japan's role during WWII, and the popular demand for an official apology for all the hardships China suffered during the Japanese occupation.

Japanese multinationals have long been aware of Japan's colonial past and its lingering effect in many parts of Asia, including China. They were among the first to enter the Chinese market when China opened its doors to foreign investment in the late 1970s. Some Japanese companies, such as Sony, Mitsubishi, and Sanyo, began to advertise and cultivate brand awareness well before their products were even available in Chinese stores. The very first print ad after the Cultural Revolution (when commercial advertising was banned) was an ad for the Japanese camera brand Minolta. Over the years, Japanese products have won over legions of Chinese consumers. But Chinese consumers' flare-ups with Japanese brands due to the colonial past have grown persistent. In 2001, more than 100 Chinese passengers accused Japan Airlines of discriminatory treatment in its customer service (China Business News, 20 March 2001, p. 7); and Toyota had to apologize for its Prado ads that were criticized in the Chinese media as being offensive to Chinese national pride, because certain lion symbols used in the ads resembled those at the opening battleground on the outskirts of Beijing during the Japanese invasion in 1937 (The Wall Street Journal, 21 January 2004, p. B7). Most recently, there was an Internetbased movement to boycott Japanese products for the entire month of May 2005. The climate of opinion toward Japan provides the macro-social environment for the (re-)emergence of Chinese consumer nationalism. As Gamson and Modigliani (1989, p. 6) argued, such cultural resonances 'amplify the effect of sponsor activities and media practices'.

#### The Role of Advocacy Groups

By sponsor activities, Gamson and Modigliani (1989) refer to agents who represent certain social organizations to promote collective rather than personal agenda. Sponsors may advocate a position on behalf of an organization; they may just comment on an issue by playing to 'journalists' fancy for the apt catchphrase and provide suitable ones to suggest the frame they want' (p. 7).

As Figure 3 shows, a broad array of issue advocates was represented in the media coverage during the controversy, from Toshiba executives and distributors, to experts from various fields and consumer rights advocates. Not surprisingly, Toshiba executives and Toshiba business partners were among the most interviewed and

#### Number of times interviewed/quoted

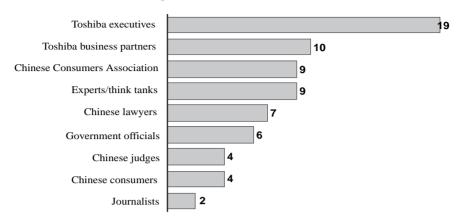


Figure 3 Spokespersons in the Coverage.

quoted in the coverage. We also found that the Chinese Consumers Association and experts in various fields (e.g. IT, law) were prominently featured.

Toshiba executives were certainly at the center of the controversy when the story broke; however, they weren't able to anticipate and manage the sudden public uproar. That was clearly evident in the way the Toshiba management handled media and consumer inquiries in the early stage. Toshiba only repeated the basic rationale outlined in the original press release regarding the US settlement, but failed to address the emotional concerns of Chinese consumers. When later reflecting on the episode, Omori Keisuke, Toshiba's Chief of Public Relations, commented that Toshiba's mistake was its over-confidence in letting its product quality defend the brand and that the company didn't make much effort to effectively manage the symbolic realm in which its products were made and sold (Xu, 2000). When Toshiba finally dispatched a senior executive to Beijing for a series of damage control activities, their effort was primarily to articulate the market difference rationale in the public debate. Notwithstanding its outreach activities and sympathetic comments by various Chinese experts interviewed by some papers, the market difference theme was clearly overshadowed by the discrimination and consumer rights violation discourses.

The quasi-government agency Chinese Consumers Association played a crucial role in shaping the tone of the debate. It works closely with the state in setting its agenda and practices, and its decisions and pronouncements often carry a strong government ring. Although the Chinese government periodically launches patriotic campaigns to promote cultural symbols of the Chinese nation (He & Guo, 2000, p. 2), the state can no longer monopolize the nationalism discourse (Barmè, 1996). This particular outburst of nationalistic advocacy was not state-sponsored but, instead, a case of popular nationalism. The Chinese government was caught in the middle of such 'bottom-up' nationalistic expression. The dilemma facing the Chinese government is well illustrated in the anti-American protests in the aftermath of the US bombing of the Chinese embassy in Belgrade in 1999. As Zhao (2002, p. 102) explained, on the one hand the Chinese government encourages patriotism (爱国主义) to hold the country together and to legitimize its control, but, on the other, it is also concerned that popular nationalism (民族主义) may get out of hand and become a mass movement that puts the government in a bind in its policy choices and priorities. In this case, the government did try to intervene, mostly through CCA.

CCA framed the Toshiba issue as a violation of consumer rights, specifically consumers' right-to-know as stipulated in the 1994 Consumer Rights Protection Law. Coincidentally, CCA had earlier designated 2000 the year to promote transparency and trust in consumer transaction. The Toshiba incident thus became a perfect case in point of companies failing to play square with consumers. In an interview with the *China Youth Daily* (25 May 2000), CCA's general secretary emphasized that it was important to explore legal implications in such a case and discouraged the overly nationalistic sentiments expressed by some media and consumers by calling them not conducive to resolution. CCA's official position was echoed by various commentators and especially those at the CAA-sponsored forum.

In short, the fact that nationalism transpired and became an issue of contention in the Toshiba case was partly due to Toshiba's inability to effectively manage the original outburst. When its corporate communication went into full swing to explain the rationale for the settlement, it was too late and did not address the core concerns of the Chinese public. CCA, on the other hand, tried to defuse consumers' nationalistic expressions by appropriating their sentiments for its own public policy debate on consumer rights.

# Chinese Media Practices

The active involvement of organized sponsors doesn't imply that the media are passive in the construction of media discourse (Gamson & Modigliani, 1989, p. 7). With the overall systemic decentralization and the introduction of market mechanism into the media system, the Chinese media, in Lynch's description (1999, p. 224), have become 'commercialized and globalized, its sources pluralized'. For many of the newspapers, for instance, their livelihood primarily, if not completely, depends on advertising, subscription, and newsstand sales. Even though the state still subsidizes media operations in myriad ways, the level of support is only partial and clearly diminishing. Such a change has significant implications for the spirit and practice of the Chinese press.

First, despite the party-state's effort to maintain a solid hold on public discourse, its hegemony is becoming 'increasingly fragile' (Latham, 2000, p. 635). The decline of the ideological control is largely attributed to the fragmentation of the Chinese media in terms of the number and types of media outlets available; and hence audience fragmentation. This trend is now amplified by the rise of the Internet news media. We can see in this case the strong presence of the Internet in unfolding the controversy. It

was an Internet Web site that resurrected the original Toshiba story, and the establishment press followed suit—another example of how the Internet media may drive the news agenda in the mainstream media. Aside from the mainstream news media, about one-third of the items (33%) in this case catalog came from online media, such as Chinabye, CCIDNet, Yesky, and the Web platform of the People's Daily.

Second, with the market imperative introduced into the Chinese media, news production takes on a commercial logic with the target audience at the center. The evening papers, metro papers, and some establishment papers have 'become aggressive in marketing, packaging, distribution, and self promotion' (Zhao, 2000, p. 11). They seek controversial stories and provide social critique to satisfy their readership, without appearing to challenge the party-state's mandate. Latham's (2000) study of news production and consumption in Guangdong is quite telling of such a trend in Chinese journalism as a whole. That is, 'truths have become remarkably contingent and always potentially destabilized by contending formulations, sources and legitimations ...' (p. 651). It was in this journalistic context that the Toshiba story developed and evolved; hence the presence of competing interpretative packages in the media discourse.

Third, media fragmentation is also evident in the involvement of diverse local media in covering this case. Clearly, the story took on a life of its own in different parts of the country. Among the offline media, the regional press made up of more than one-third of the related items (38%) in the sample. Furthermore, it's important to note that the local press in this case didn't simply relay the coverage from the national media; they formed their own story angles and reported on the local implications of the story. For instance, Chengdu Business Times reported that the local stores refused to sell Toshiba PCs in the aftermath of the incident. Shu Bao reported on the first lawsuit filed against Toshiba on the settlement issue by a local resident. The power of the local media was tacitly acknowledged even by Toshiba. For instance, in a flurry of damage control activities after Toshiba's vice president arrived in Beijing, he granted one exclusive interview to Beijing Youth Daily, the top selling and arguably the most influential local newspaper in the Beijing area.

Last but not least, while the Chinese Communist Party has loosened its control over many aspects of the society, it remains dominant in determining political ideology and public policies. The Chinese media no longer play the sole role of a 'propaganda' mouthpiece (Huang, 2003); however, on certain issues of critical importance to the Chinese government, the Chinese media willingly or unwillingly would oblige themselves to the dictates from the party.

In our case study, various interpretative packages were allowed to showcase the contest and drama. Provocative and sensational headlines and metaphors were used to depict Toshiba and its settlement policy. It is beyond the scope of this study to determine to what extent such coverage is a result of media nationalism, i.e. nationalistic inclinations of journalists and editors; but at the very least, the Chinese media recognized the resonance of the story among the Chinese public, and galvanized public sentiments by helping to turn the settlement story into an incident. When the government started to intervene through the Chinese Consumers Association and to contain nationalistic expressions, the media also followed suit.

In sum, the media discourse of consumer nationalism in the Toshiba case was an outgrowth of a combination of cultural resonances, sponsor activities (or lack thereof), and contemporary Chinese media norms and practices. The Chinese public's anti-Japan sentiments were crystallized and expressed through the Chinese media, which now enjoy relative autonomy in selecting and presenting news and information to reflect the tastes and expectations of their audience. The inability of Toshiba's communication strategy and management further catapulted the story into the media limelight. As the story started to transpire into an 'incident' (事件), the direct actions taken by the Chinese government through CCA provided another interpretative package into the discourse, and effectively shifted the focus of the debate. In light of the confluence of these factors, it is no surprise that the Toshiba settlement story developed into an incident of consumer nationalism, but never became a movement.

#### Conclusion

We set out to examine the phenomenon of consumer nationalism in the global marketplace and the vital role of the media in constructing and expressing national identity in the process of consumption. We explored the concept through Chinese press coverage of the Toshiba settlement. We sought to explain and understand how and why the settlement issue was framed and communicated as an expression of one's national identity and pride.

As argued earlier, consumer nationalism has three key components of self-definition through consumption, globalization, and symbolic national unification. This study manifests the ongoing tension between the process of globalization and the advocacy of nationalism, and China's continuing ambivalence toward international influences during its development process. The emotional power of nationalism draws not mainly from the prowess of the nation-state but more from the symbols in the nation's depository of history. It is also this emotional power that 'gives us a link with history' (Calhoun, 1997, p. 3). Consumption becomes one of the social processes whereby such national spirit is expressed, communicated, and made visible.

This study also suggests that consumer nationalism events are not isolated occurrences. Such expressions have historical precedents in China (e.g. Gerth, 2003), and in many ways the significance transcends the immediate financial impact that negative publicity and boycotts may bring to businesses. If anything, consumer nationalism provides a symbolic victory to the public.

This leads to our next argument that consumer nationalism represents empowerment, as it is another platform for the public to express and contest identity and solidarity. This is particularly poignant in China, where public opinions on certain issues are often contained and restricted.

To sum up, the media discourse of national pride and dignity in the settlement incident was developed through a dynamic combination of cultural resonances, sponsor activities, and media norms and practices. In their encounter with the global brand Toshiba, Chinese media and consumers invoked and re-discovered a strong nationalistic sentiment underlined by Japan's past colonial occupation of China. Toshiba, otherwise successful in cultivating the Chinese market, stumbled in the spotlight of overwhelming negative publicity. Its failure to effectively address the issues involving the differential settlement arrangements between the US and China (and the rest of the world) fueled the rise of popular discontent. Walking a fine line between embracing and controlling such popular nationalistic outburst, the Chinese government through its surrogate did succeed in offering a 'compromising' issue frame. Aside from China's establishment media, the Internet media and regional press in China played an active role in shaping the controversy as they vied for public attention in the ever more decentralized and competitive media market in China.

This study expands the concept of nationalism to also include the realm of consumption. It provides a deeper and fuller understanding of the multiplicity of national identity and the complex role of the media in its formation and expression. Whether such expressions are attributed to foreign policy, trade disputes, or history, they are definitely fraught with political, economic, and cultural significance. There is reason to believe that consumers will play a more active role in the global marketplace. Further research is needed to consider the concept of consumer nationalism, its processes, participants, and consequences. Moreover, with China emerging as the world's largest consumer market, it is essential that marketers develop a better understanding of Chinese consumer behavior. In light of this case study and other similar episodes involving multinational companies in China in recent years (e.g. Japan Airlines, Toyota, McDonald's), a larger question as to whether consumer nationalism is an integral and important part of Chinese consumer behavior awaits examination. Research in this area may call for a revision of the traditional consumer behavior model when looking at China.<sup>5</sup>

# **Notes**

- [1] Consumer expressions of national identity can at times be mixed with those of other social issues (e.g. labor practices, product safety).
- [2] It is important to note that the term nationalism as used in the Chinese context can encompass patriotism (爱国主义)—often represented by government-sanctioned or -sponsored expressions of national sentiment—as well as popular nationalism (民族主义), an outgrowth of public debate and grassroots movement. The consumer nationalism event as discussed in this study is more of the latter kind.
- [3] In its press release on 29 October 1999, Toshiba explained the two reasons for the settlement (PR Newswire, Toshiba Corporation, 29 October 1999). First, it settled the case out of concern for 'a serious risk that a substantial amount of compensation could be awarded through a jury

- verdict' based on legal precedents in the US. According to some analysts, such a scenario could bankrupt the entire corporation. Second, Toshiba hoped to maintain its brand name through a quick settlement. As outlined in the Toshiba decision, the settlement only applied in the US. As for its non-US market, including its home market Japan, Toshiba would ship modified PCs after November 1999 and make free software patches available for current users.
- [4] A broad array of the Chinese press was represented in the case study. Offline media include general interest papers (e.g. the *People's Daily, China Youth Daily*), the business press (e.g. *China Business News, China Economic Times, Financial Times,* and *China Industrial and Economic News*), and other prominent special interests papers (e.g. *China Consumers News, Legal Daily, Science Daily, The Internet Weekly,* and *Computer World Daily*); online media, such as Chinabyte, Yesky, CCIDNet, and the Web platform of the *People's Daily.* There was a strong presence of the regional media in the coverage of this controversy. These regional newspapers included *Beijing Youth Daily, Beijing Daily,* and *Beijing Morning News* in the Beijing area; *Shu Bao* in Southwest China; and *Liaoshen Evening News* in Northeast China.
- [5] This particular point of the potential of the construct of Chinese consumer nationalism for the examination of Chinese consumer behavior was suggested by one of the reviewers. This author gratefully acknowledges the addition of this comment and observation.

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