

## Louvain School of Management

# Successful Gifting Strategies in China: Analysis of the Millennials in the Food Market

Project Master's Thesis submitted by  
**Julie Balass**

With the view of getting the degree in  
**Master 120 crédits en sciences de gestion, à finalité spécialisée (à finalité approfondie)**

Supervisor  
**Nicolas Kervyn de Meerendré**

Academic Year 2016-2017

First and foremost, I want to thank my thesis supervisor, Nicolas Kervyn de Meerendré for his guidance and patience. His availability was a great support throughout the writing of my thesis.

I would also like to thank my friends and family, who supported me and encouraged me when I needed it the most.

I would like to address my thanks to the participants of the interviews, who willingly agreed to spend their time to help my research. Their enthusiasm toward the topic of this study was very pleasing.

Finally, I address a special thanks to my grandma for her presence and her moral support.

## Content

---

INTRODUCTION.....	1
PART 1: The Chinese Consumer .....	3
1/ Introduction .....	3
2/ Chinese culture.....	3
2.1 Introduction .....	3
2.2 History .....	4
2.3 Schools of thought.....	5
2.4 Chinese Worldview .....	7
2.5 Conclusion.....	8
3/ Brands .....	9
3.1 Introduction .....	9
3.2 Brand name.....	9
3.3 Brand vision.....	10
3.4 Trust.....	10
3.5 Advertisement.....	11
3.6 Conclusion.....	13
4/ Customer profiles.....	13
4.1 Introduction .....	13
4.2 The consumer landscapes .....	14
4.3 Regional factors.....	15
4.4 Socio-economic segmentation.....	16
4.4.2 The mass market .....	16
4.4.3 The new middle class.....	16
4.5 Chinese millennials.....	18
4.5.1 Characteristics.....	18
4.5.2 Buying motivations.....	19

4.5.3 Suitable advertisement .....	21
4.6 Conclusion .....	22
PART 2: Analysis of the Chinese Gift Exchange .....	23
1/ The gift exchange culture .....	23
1.1 Introduction .....	23
1.2 Principle of reciprocity .....	24
1.3 Gift giving etiquette: the principle of Renqing .....	25
1.4 “Face” in gift exchange .....	26
1.5 Packaging .....	27
1.6 The gift economy .....	28
1.7 Classification of gifts .....	28
1.7.1 Instrumental gifts .....	29
1.7.2 Suili: gifts in ritualized situations .....	29
1.7.3 Songli: Gifts in non-ritualized situations .....	30
1.7.4 Festivals .....	30
1.8 Conclusion .....	31
2/ Gift giving and interpersonal relations in Chinese society: the concept of Guanxi .....	32
2.1 Introduction .....	32
2.2 The importance of guanxi in modern-day Chinese society .....	33
2.3 The process of guanxi building .....	34
2.4 Corruption .....	35
2.5 Conclusion .....	35
3/ Alimentary gift .....	36
3.1 Introduction .....	36
3.2 The consumers’ expectation for food .....	36
3.3 Food exchange .....	38
3.4 Conclusion .....	39
4/ Successful Gifting Strategies .....	40

PART 3: Empiric Analysis.....	41
1/ Introduction.....	41
2/ Methodology.....	41
2.1 Introduction.....	41
2.2 Sampling.....	41
2.3 The importance of in-depth interviews.....	43
3/ Results: The gift.....	44
3.1 Introduction.....	44
3.2 Definition of a gift.....	44
3.3 Category of gifts.....	45
3.3.1 Family.....	46
3.3.2 Close friends.....	47
3.3.3 Remote friends.....	48
3.3.4 Guanxi Networks.....	49
3.3.5 Lovers.....	50
3.3.6 Conclusion.....	51
3.4 Packaging.....	51
3.4.1 Introduction.....	51
3.4.2 Importance.....	51
3.4.3 Size.....	52
3.4.4 Color.....	52
3.4.5 Food.....	53
3.5 Conclusion.....	53
4/ Results: The role of brands in the purchase of alimentary gifts.....	54
4.1 Introduction.....	54
4.2 Trust.....	54
4.3 Promotion.....	57
4.3 What should a brand focus on to drive the purchase of a gift?.....	59

4.4 Why is <i>Wangwang</i> a popular brand for gift purchase? .....	60
4.5 Conclusion .....	61
5/ Results: Occasions of food exchanges .....	61
5.1 Introduction .....	61
5.2 Food as a formal gift.....	62
5.3 Informal food exchange.....	62
5.3.1 Introduction.....	62
5.3.2 Visits .....	63
5.3.3 The Spring Festival .....	63
5.3.4 The Chinese festivals .....	66
5.4 Conclusion .....	67
6/ Recommendations .....	68
6.1 Introduction .....	68
6.2 Remote friends.....	68
6.3 Family.....	70
6.3.1 Introduction.....	70
6.3.2 Grandparents .....	70
6.3.3 Children of the relatives.....	71
6.3.4 Parents.....	72
6.3.5 Festivals .....	72
6.3.6 Conclusion .....	73
6.4 Close friends .....	73
6.5 Global Recommendations.....	74
6.6 New Product .....	75
CONCLUSION .....	78
GLOSSARY .....	81
BIBLIOGRAPHY .....	83
ANNEX.....	96

Annex 1: Bagua .....	96
Annex 2: Non-exhaustive Yin and Yang Food Chart.....	97
Annex 3: China’s 7 regional markets .....	98
Annex 4: Increasing brand loyalty.....	98
Annex 5: Map of Chinese tiers cities.....	99
Annex 6: GDP Growth .....	100
Annex 7: China’s Middle Class as Percent of Urban Household.....	101
Annex 8: Millennials hourly earnings and the future expansion of the middle class.....	102
Annex 9: Western Approach to Shopping .....	102
Annex 10: List of Gifts to avoid .....	103
Annex 11: Interview Guide .....	104
Annex 12: Modified Interview Guide .....	106
Annex 13: Recapitulative table of the categories of gifts based on the receiver .....	107
Annex 14: Elaboration Likelihood Model.....	109
Annex 15: Transcriptions of the interviews .....	110
15.1 Interview 1: Charlotte .....	110
15.2 Interview 2: Lilas .....	117
15.3 Interview 3: Lilou Xing(邢璐).....	128
15.4 Interview 4: Stephanie Wei (Dongdong) .....	139
15.5 Interview 5: Laurent (高麒麟) .....	149
15.6 Interview 6: Caroline Zhang .....	159
15.7 Interview 7: Zhou Peng.....	170
15.8 Interview 8: Anonymous.....	179
15.9 Interview 9: Alexandra Wang .....	186
15.10 Interview 10: Yann Dai.....	195

## INTRODUCTION

---

The aim of this paper is to draw valuable marketing recommendations that exploit the purchase of alimentary gifts by the Chinese millennials from the middle-class. This will help Western and international companies to establish successful gifting strategies that will harness the potential of the Chinese millennials market. Therefore, this paper is divided into three parts. The first chapter reviews the existing literature to analyze the Chinese Consumers and draw impactful insights on their worldview, brand perception and buying motivations. It will more specifically analyze the middle-class millennials. The second part consists in an anthropological analysis of the cultural phenomenon of Chinese gift exchange, while putting emphasis on the alimentary gift. The last part is an empiric analysis of the gift buying motivations of Chinese millennials, based on 10 in-depth semi-structured interviews with individuals of the target group. Such interviews allow flexibility, while researching an intricate issue (Bryman, 2003).

The overall Chinese market holds many marketing opportunities that are yet untapped. Among those, the cultural phenomenon of gift exchange endorses a major economic role. Indeed, the amount spent for gifts is substantial (Stafford, 2006). In the 1990's, a study conducted in XiaJia, a Chinese village located in the North, showed that on average, Chinese people spent 20% of their household income on gifts (Yan, 1996). This number can give a rough estimation of the amount spent on gifts all over China. Gift-giving is, in some cases, even more important than the Chinese' basic consumption (Chen, Kanbur, Zhang, 2012) as it influences an individual's social position and drives their actions (Yang, 1994).

The overall gift giving activities in China are too complex to address them all and still bring valuable advice. We decided to concentrate on alimentary gifts, as during gift giving activities, food exchange plays a crucial role to enlarge one's social networks. Besides, food also endorses an enormous role in the Chinese culture. "Food enjoys a long and distinctive tradition" (Lu, Fine, 1995). "The Chinese culture can be labeled a food culture for the interest and honor given to food and its rituals" (Newman, 2004).

The economic interest of this study lies in the Chinese market. China holds huge opportunities that are yet untapped. According to the IMF and the World Bank, China is the world's largest

economy in terms of purchase power parity<sup>1</sup> (Willige, 2016). Since the economic reform of 1978, China's growth has been enormous (Doctoroff, 2005; Daxue Consulting, 2015; Zhang et al 2008; Kotler, 2010) with an average growth rate of 9.5% (Zhang, 2008). The average income has increased greatly as well as the purchasing power (Zhao et al, 2013) and disposable income level. Consequently, the living standards improved.

There is much confidence that this Chinese economic growth will continue (Davies et al, 1995; Zhang, 2008). Therefore, China's importance in the global marketplace is expected to keep expanding (Zhang, 2008). Despite China's economic slowdown, (Kuo, 2016) and the 2008 economic crisis that had an impact on unemployment (Cai & Chan, 2009; Fix et al., 2009) Chinese consumers are still confident that their income will keep increasing (Atsmon, Magni, 2016). Besides, consumer economy is expected to double by 2020 (Kuo, 2016). This growth of disposable income conduces to many marketing opportunities.

China is a very attractive market full of opportunities (Zhang et al, 2008; Rosenbloom, Haefner, Lee, 2012). However, many Western companies have failed in China (Zhang et al, 2008). Indeed, Westerners and Chinese are very different. Marketers need to understand the differences between Western and Chinese cultures (Hsee K., Weber U., 2000), understand consumers' behavior (Zhang, 2008) and fundamental motivations (Doctoroff, 2005) to adapt their value proposition accordingly (Zhao et al, 2013). A marketer cannot apply Western marketing strategies to Chinese markets without adapting it (Davis et al, 2012; Rosenbloom, Haefner, Lee, 2012). Hence, this paper will analyze the Chinese culture to draw pertinent marketing insights and make useful recommendations that will be adapted to the Chinese market.

The Chinese market is huge. Consequently, the need to target one segment of the population led us to concentrate on the Chinese millennials from the middle class. The millennials will drive the expansion of the middle class and have enough disposable income to purchase superfluous goods and to pay price premiums (Zhang et al, 2008). Furthermore, a Golden Sachs report estimates that the millennials will see their aggregate income grow by \$3 trillion by 2025 (Lu & Yiu, 2015).

---

<sup>1</sup> A measure that adjusts countries' GDP according to the price of life within the country.

## **PART 1: The Chinese Consumer**

---

### **1/ Introduction**

---

In China, consumer-driven marketing strategies<sup>2</sup> are very fruitful (Doctoroff, 2005). Identifying the needs and expectations of the target market are crucial aspects to establish successful consumer-driven marketing strategies that create value to the consumer. Consequently, this chapter first analyzes the Chinese culture, to understand the characteristics and the worldview of the Chinese consumers. Secondly, this chapter analyzes the brand perception of the Chinese consumers and what they value in a brand. Finally, this chapter depicts more specifically the target group, identifies their needs and values.

### **2/ Chinese culture**

---

#### **2.1 Introduction**

It is essential to understand the Chinese culture to draw valuable marketing insights on Chinese consumers. Indeed, as China might share some buying behaviors with more mature markets, it appears that the traditional Chinese culture maintains its influence on consumerism (Yu & Bastin, 2010).

The Chinese system of thought has been greatly influenced by China's history as well as by two schools of thought: Confucianism and Daoism (Faure, 2017).<sup>3</sup> Hence, this paper will analyze those influences and try to depict a Chinese common worldview.

---

<sup>2</sup> Consumer-driven marketing strategy is a strategy that focuses on the needs and expectations of the consumers to cater them. An example of a successful consumer driven marketing strategy in China would be from the brand *Sanyuan*. As they understood that the Chinese were torn between morning time shortage and the ancient belief that the breakfast is the most important meal of the day, they positioned their product as the "nutrition made easy" (Doctoroff, 2005).

<sup>3</sup> Buddhism held a huge influence as it taught the Chinese to tolerate pain and endure it (Faure 2017). However, Buddhism is outside the scope of this research.

## 2.2 History

Chinese value greatly their history as they are proud of their cultural inheritance (Yates, 1992). Consequently, demonstrating knowledge and respect toward China's past is crucial. Indeed, as Ambler and Witzel wrote, "In China, history is important if for no other reason, because the Chinese themselves believe it is" (Ambler, Witzel, 2004). "The complexity of the market situation and cultural characteristics of today's Chinese society and consumer behavior [are] closely related to the combined experience of generations of Chinese" (Li, 2007).

A key element to understand Chinese actual worldview is that China has suffered a lot. First, China experienced many natural disasters, from heavy floods to earthquakes. Among the deadliest natural disasters that stroke China, we cite the earthquake in Shaanxi that killed 830.000 people in 1556, (Poirier, 2017), the 1887 Yellow River flood that killed more than 900.000 people (Kozlowski, 1984) and the China floods, in 1931, that are estimated to have killed between 400.000 people and 3.7 million people (Kundzewicz & Takeuchi, 1998). As they have experienced lethal disasters frequently, the Chinese began to believe that gods are unstable and can be cruel. Consequently, Chinese people crave for security, stability and predictability whereas they fear chaos (Doctoroff, 2005). They are more risk-averse in material decisions than their American counterparts (Hsee & Weber, 1999; Hsee & Weber, 1998) and will adopt a conservative behavior notwithstanding their socio-economic level (Doctoroff, 2012).

Second, Chinese have been deeply scorned by international domination. The opium wars resulted in the signature of unfair treaties. It led to the beginning of what Chinese call the "century of humiliation" (1839-1949). For them, the international system is composed of nations that want to dominate others (Kaufman, 2010). However, according to Fu Ying, the current vice minister of the Foreign Ministry of the PRC: "The essence of Chinese culture opposes aggression and hegemony...The Chinese people were victims of aggression and bullying, and will never agree to make their own country one of hegemony" (Kaufman, 2010). The century of humiliation led to the rise of a strong feeling of nationalism and patriotism (Callahan, 2004).

Third, China has recently witnessed many changes and reforms. In 1949, Mao Zedong came to power. The Maoist regime regarded religion and commerce as the absolute evil. The Cultural Revolution in 1966 not only confirmed that opinion but also eradicated all forms of cultural heritage. The cultural icons were destroyed, the cultural values were forgotten or

criticized and the traditional school of thought (Confucianism, Daoism and Buddhism) were profoundly criticized and rejected. All that was foreign was demonic. Being rich was being sinful. Consequently, the Chinese had nothing spiritual to rely on anymore (Faure, 2017).

However, when Deng Xiao Ping became the leader of the PRC, China experienced a radical change. He recognized that China needed foreign investment to boost the economy. Hence, he established in 1978 the Open-Door policy. Deng Xiao Ping redefined a pragmatism focused on facts and truth. He said, “It doesn't matter whether the cat is black or white, as long as it catches mice”. He also stated, “get rich is glorious” but “some people get rich first” (Faure, 2017). This economic reform changed the country from a centrally planned economy to a market oriented economy (Kotler, 2010).

Fourth, the communist party is the absolute power center (Xia, 2006) and it tolerates no opposition. The massacre of Tian An Men ascertains that violence is a means to eradicate divergent opinions (Faure, 2017). Furthermore, the government maintains solid censorship over news media and freedom of speech (Assandri & Martins, 2009). The Chinese had to go through “the exchange of economic liberty against political silence” (Faure, 2017).

### **2.3 Schools of thought**

This chapter will depict the two schools of thought that influenced the Chinese worldview the most: Confucianism and Daoism (Doctoroff, 2005; Faure, 2017). We chose to describe them as schools of thought, as their status has not reached a consensus among scholars (Is it a religion? A philosophy?).

We will consider that Confucianism is a school of thought founded by Confucius (551-479 BC) and his disciples. It deeply influenced Chinese culture from education and government to ethics and family (Slot, De Vos, 1998).

Confucianism stresses values that are still deeply engraved in the Chinese minds today: the importance of scholarship, hard work, perseverance, (Yeung, Tung, 1996) as well as the importance of harmony, morality, respect for rituals and filial piety (Doctoroff, 2005). Family was (and still is) considered as the primary organizational unit. A harmonious family positively affects every facet of life (Geren, 2010; Doctoroff, 2005).

Moreover, Confucianism depicted a social world where individuals are interconnected (Yeung & Tung, 1996). Confucius established a system of interdependent relationships described in the *Wu Lun*. There are 5 key relationships: ruler/subject; father/ son; husband/ wife; older

brother/younger brother, and friends (Doctoroff, 2005; Geren, 2010; Yeung & Tung, 1996). The hierarchy among those relationships are strictly defined and filial piety should be respected in all circumstances (Weber, 1922). The respect of one's place and the responsibilities that come along the role one is given (regimentation) ensures the smooth functioning of society (Yeung, Tung, 1996).

Moreover, the *Wu Lun* establishes absolute respect of hierarchy. Consequently, Confucianism will prefer governance by ethics to governance by law, as Confucian ethics are the righteous way. This leads to the disinclination for laws and litigation. Hence, the power and authority lies in the hands of the upper hierarchy (Hassan, 2013). To climb the social ladder, it is therefore important to develop social exchanges with the superiors. Moreover, Confucianism stresses reciprocity and the return of favors (Wall, Minocha, Rees, 2009). This will have an influence on the culture of gift exchange as a way to climb the social ladder.

On the other hand, the Confucian system is a reward-based system (Doctoroff, 2005). It depicts a utilitarian and opportunistic doctrine (Weber, 1978). Confucianism created a conflict between on one side regimentation and abnegation to hierarchy and on the other side the system of rewards that encourages initiative and differentiation (Doctoroff, 2005).

Although the influence of Confucianism has lessened since the 20<sup>th</sup> century (Moneta, 2004), it remains deeply engraved in the Chinese way of thinking. Indeed, the view of family, the respect of hierarchy, the lack of institutional law and the schizophrenia created by both regimentation and differentiation remain the main driver for Chinese actions (Doctoroff, 2005).

Whereas the influence of Confucianism on the Chinese worldview is enormous, Daoism plaid a big part on the establishment of the Chinese identity. Daoism is "the second most potent cultural influence after Confucianism" (Doctoroff, 2005). Its first texts go back to 500 BC, and are said to be written by Lao Zi (Kohn, 2001).

Daoism revolves around the idea of the "Dao", which is the way, the path. It is the "ultimate principle of the universe" (Tai, 2004). Daoism teaches that human beings should be in harmony with nature, that is, with Dao. Health depends on this harmony (Chen, 2001). Daoism holds the belief that humans are intrinsically good, but that society corrupts. Consequently, any unnatural forces, be it money and its corruptive power or chemicals in food are evil (Doctoroff, 2005).

In Daoism, harmony is tightly connected to achieving a balance between the elements described in the *bagua* (See Annex 1: Bagua). In Daoism, the Yin and the Yang represent the opposite yet complementary forces, respectively the female and the male energy. As such, they must be in equilibrium in every facet of life, from office space (*fengshui*) and exercise (*qigong*) to food (*qibu*) (Doctoroff, 2005). Some ingredients are “Yin ingredients” and others are “Yang ingredients” (See Annex 2: Non-exhaustive Yin Yang Food Chart). The balance between Yin and Yang in food must be calibrated well lest the flow of the body’s energy would be interrupted, which would lead to illness and other disruptions (Doctoroff, 2005). Hence, the Chinese who believe in Chinese medicine, will be careful to reach a balance of Yin and Yang ingredients in their diet.

The extreme opposites obey to the universal law of cyclicity. Indeed, The Yin and the Yang are in constant rotation. The night, which is Yin, will transform into the day, which is Yang, and will go back to being the night (Yin) repeatedly. Fate is ineluctable. Humans are not the masters of their destiny. This built a sense of fatality and pessimism that remains today in Chinese minds (Doctoroff, 2005).

In Daoism, order and predictability are good, whereas the absolute evil is chaos. Hence, unfamiliar products were (and still are, especially for the older generation) disorienting to Chinese people. Consequently, conventional Chinese will be very wary when choosing unfamiliar products, or unfamiliar ingredients. Some brands used that to their advantage. Indeed, Chinese know that the cities’ landscape is separating them from nature. Therefore, Chinese search for the “natural goodness” in every product. For instance, the brand *Yili* highlighted its pure Mongolian origin, as Chinese consider Mongolia to be a place connected to nature (Doctoroff, 2005).

## **2.4 Chinese Worldview**

Chinese have a cyclical view of time and space. Hence, the Chinese believe in predestined temporal rotation. They believe in lucky dates and time for everything (Doctoroff, 2005). This can be detrimental for many brands in unexpected ways. For instance, Chinese see as bad luck to marry during the rooster year. The sales of diamonds during such years (it is rooster year every 12 years) plummet (Doctoroff, 2012). It can also be an asset. We will cite, as an example that consumers will consider buying high involvement products (like a car) only after the Chinese New Year (Doctoroff, 2012). Therefore, marketers should understand the relevant timing to be present on media, depending on the product they want to sell.

The Chinese have a fatalistic view of the world (Hsee & Weber, 2000), which is a normal consequence from both their cruel history and their belief in Daoism. Hence, Chinese see the external world as a threat. They still feel very insecure about their health but also their wealth. Indeed, the Chinese strongly feel that legal institutions do not protect their material interests (Doctoroff, 2005).

Confucianism's influence propels the Chinese to rely on their family, on the clan and on hierarchical order (Doctoroff, 2012). Consequently, the Chinese think that an individual by himself is powerless. They perceive the world as based on a network of relationships that they rely on to survive. Hence, they are socio-centered (Hsee & Weber, 2000; Doctoroff, 2012). Family values are still at the top of their priorities (Atsmon, Magni, 2016). The members of the family, especially the safety of the child, are more important than self-actualization. Furthermore, the respect of hierarchy is more important than personal rights (Doctoroff, 2012). Their way to gain power and security is to gain favor in high places. Hence, they have very coded and important gift exchange policies that we will develop hereafter.

Chinese' way of thinking is less creative as they prefer to concentrate on concrete facts. Indeed, "almost all Chinese philosophical systems are practical, moral or mystical and indifferent to abstract speculation" (Hsee & Weber, 2000). They prefer to follow traditions rather than to think critically. They believe that what worked in the past must be good and will work again in the future (Yates, 1992).

## **2.5 Conclusion**

The worldview of the Chinese has been greatly influenced by their cultural inheritance. It impacted their perception of the world as well as their behavior. The Chinese are pessimistic and have a fatalistic view of the world. Consequently, they need reassurance, security, predictability. Plus, they will depict a conservative and protective behavior. Conformity and respect of the hierarchy drives their actions. They don't believe in legal institutions and will rely on their social networks for self-protection. The family is the more important social network of an individual and is the top priority of the Chinese.

## **3/ Brands**

---

### **3.1 Introduction**

Brands are a strategic asset for the company. However, The Chinese market is brand illiterate, (Frumkin, Thapa, & Gencalioglu, 2006) as China does not have many power brands yet (Doctoroff, 2005). Hence, the marketing opportunities in branding are huge. Furthermore, the purchasing power of the Chinese consumers is rising. Consequently, they are more willing to pay price premiums for products they deem worthy as they are trading up their purchases (Rosenbloom, Haefner, Lee, 2012). Besides, brand loyalty is rising (See Annex 4: Increasing Brand Loyalty) (Atsmon, Magni, 2016). Moreover, Chinese companies are starting to recognize that brands are a key factor of success (Warc, 2017).

A brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods [...] and to differentiate them from those of the competition” (Kotler, 1997). Customers differentiate brands according to their own set of values (Schuiling, 2015). Consequently, this paper will dissect the components of a brand and understand how the Chinese consumers value brands.

### **3.2 Brand name**

Choosing a brand name adequately can be very important for the success of the product because of the various meanings the brand name can recall in consumers’ mind (Peter, Olson, 1999); A brand name is even more important in China as the symbolic of a brand name may greatly influence Chinese’ purchase decisions, and play a role in the successful introduction of new products (Dong 2001). A brand name should be simple, easy to understand and have a good connotation to positively impact the brand image (Balmer, Chen, 2016). “To the Chinese consumers, a brand name has a soul, a feeling, and it inspires them” (Hammel, 1997).

Given the complexity of the Chinese language and the importance of homophony in the connotation of a word, one needs to be extra careful in choosing a brand name. For instance, the words “song zhong” means sending someone to death but the same sounds mean offering a clock. Consequently, a name cannot contain the word “clock” lest it induces a negative feeling (Dong, 2001);

### **3.3 Brand vision**

The brand vision should be the union of a product's selling point and consumer insights. Concretely, a brand vision should not exceed 8 Chinese characters. The Nestlé's brand vision, "sensational escape" describes the product as sensational (the product selling point) and plays on the Chinese consumers' insight that wants to escape from the day-to-day pressure (Doctoroff 2005).

The positioning statement should be consistent with the brand vision and emphasize it. In China, a crucial selling point for products is their ability to forge domestic harmony and bring family members together. Ajinomoto, a brand that sells seasoning, has positioned itself as "a family magnet that draws loved ones together" (Doctoroff, 2012). Another wine company adopted a gifting strategy, where the gift strengthens the ties between extended family members (Doctoroff, 2012). Beers companies present their product as a beverage that brings people together and reinforce (or build) trust, rather than a refreshing or tasty product (Doctoroff, 2005).

The logo should also be consistent with the brand vision. However, as Chinese customers' sophistication increases, conspicuous consumption becomes less chic. The need to extravagantly project wealth and status changes into a need of a more discreet and refined display (Doctoroff, 2012). Concretely, logos should be in Chinese and in English. Indeed, English language is a signal of quality. However, the meaning of the logo needs to be translated, lest most of the consumers will not understand it (Doctoroff, 2005).

### **3.4 Trust**

Trust is vital for brands and companies as it induces a positive cycle. Indeed, trust will not only make consumers choose a product from a certain company, but the trusting consumers will recommend it, share positive opinions, defend the company and pay more for the products (Edelman, 2016). Moreover, trust endorses a crucial importance in the Chinese mind, as their quest for security is what prevails in difficult times whether they will buy food, cosmetics or apparel (Doctoroff, 2005; Davies et al, 2012). Trust is one of the four most important constructs to predict brand purchase in China (Rosenbloom, Haefner, Lee, 2012). According to the 2016 Edelman trust barometer report, China is the country where people trust institutions the most. Also, Chinese citizens place undue reliance on businesses and the government (Edelman, 2016).

The Chinese do not give trust easily. Indeed, the e-commerce became popular only after the payment was completely safe, with guarantees, or with delayed payments schemes... Moreover, the economic landscape offers little protection of the individuals, which adds to their suspicious tendencies (Doctoroff, 2012). As their way of thinking relies on the concrete, a corporate must clearly describe their long-term objectives to ensure a sense of security (Doctoroff, 2012).

Nevertheless, a big corporate scale is a symbol of credibility and reliability. First, consumers think that big companies and big stores have better managerial control and quality control abilities (Davis, Peyrefitte & Hodges, 2012). Second, Chinese people believe in concrete facts. Hence, they trust precedents and big companies do not have to prove anything anymore. As they are big, other consumers already tasted it, which makes them feel safer (Doctoroff 2005; Doctoroff, 2012; Yates, 1992). Third, larger companies have more consumers. Consequently, buying such a brand makes them fit it with many other consumers. The risk of losing face by choosing the wrong brand decreases and loyalty toward the brands increases (Doctoroff, 2012).

However, Chinese have experienced many scandals of poisoning and counterfeits. For instance, the dairy scandal in 2008 killed four children and around 52 000 children were hospitalized for kidney stones and kidney failure in relation to the Melamine present in the milk in China (Pary, 2008). Hence, they do not believe local manufacturers and tend to have more trust in foreign brands. Although, for some scholars such as Cui and Liu, Chinese prefer greatly domestic products (Cui and Liu, 2001), many others consider that Chinese consumers prefer foreign brands, especially brands from the West and from Japan. Those brands have a better status, reputation and perceived quality (Laforet, Chen, 2012; Doctoroff, 2012; Zhang 1996). Consequently, Chinese are willing to pay a price premium for western brands and expertise. International brands should insist on their country of origin. However, many MNC products are too expensive or not adapted to the Chinese preferences. Hence, they are not affordable for the bottom of the pyramid (Doctoroff, 2012).

### **3.5 Advertisement**

The influence of Daoism probably impacted the way Chinese regard advertisement. Indeed, they regard it as spiritual pollution (Doctoroff, 2005). It used to be almost inexistent. However, Chinese are now exposed three times more to advertisements than consumers living in the United Kingdom (Doctoroff, 2012). The sudden overload of advertisement confuses

them. Therefore, communication in China must be very simple as audiences are not used to bursts of creativity or new ideas (Doctoroff, 2005). The communication of the brand should be clear, focused on the key benefits of the products, and directly related to the consumer's daily life (result oriented). The typical ad is realistic and shows the performances of the product in extreme situations. It will typically show a happy woman and a man on the ladder of success. Yet, the Chinese don't appreciate too deep promises. The situation in the advertisement must be realistic and within reach of the target group (Doctoroff, 2005). However, it appears that the millennials have become a lot more accustomed to advertisement, and that they prefer more creative and sophisticated advertisement (Magni & Po, 2013).

The ideal channel is heavy mass media, big enough to incite trust and credibility (on tv or prints) (Doctoroff 2005, Doctoroff, 2012). However, recently, it appears that digital advertisement has taken over traditional media. Young internet savvy customers who spend more than the older generation drive this shift (Emarketer, 2016). The popularity of C2C and O2O is rising as Chinese become more likely to try new technologies (Atsmon, Magni, 2016).

As Confucians, modesty and regimentation remain very important. Although a brand can imply they are the best, they can't say it (Doctoroff, 2005). The Chinese government strictly proscribed the use of superlatives in an updated advertising law passed in 2015. The fine now ranges from 30 000 USD to almost 160 000 USD (Ho, 2015; Iyengar, 2015; Thomson, 2015). Moreover, censorship in China is still present and censorship standards need to be strictly respected. This means: No sex, no disrespecting the hierarchy no impolite children, no affronts to china... (Doctoroff, 2012).

Chinese want acknowledgement of their nation's achievements. Therefore, actors should be Chinese in 9 cases out of 10. Besides, celebrities' attributes need to reinforce the core brand position (Doctoroff, 2005; Doctoroff, 2012).

To create emotional connection with customers, using a child or a baby is always a good option. Indeed, the baby is sacred. It will always have a positive image in the mind of Chinese consumers, especially if the child is smart, which shows that he has much potential and will be able to succeed (Doctoroff, 2005). For instance, the logo for the popular brand *WangWang* is a cute cartoon young child.

With the influence of Daoism, advertisement should focus on the quality, the natural ingredients that compose the product, and the absence of added chemicals. For instance, the

brand *Yili* as mentioned above, concentrates on the Mongolian origin of the ingredients (Doctoroff 2005).

In China, bargaining is omnipresent (Faure, 2017). Consequently, striking good deals is admired as it is not only a way to gain money but it is also considered as a token of ingeniousness. Hence, promotional tactics that present promotions or good deals, such as “2+1free”, or “3benefits in 1 products” are popular in China (Doctoroff, 2012).

### **3.6 Conclusion**

The Chinese are starting to pay more attention to brands and their brand loyalty is rising. The brand name is particularly important in China, as the connotations behind the brand name will deeply influence the perception of the brand. The brand vision should be in accordance with the consumers’ insights and be coherent with the positioning and the logo. Chinese don’t give trust easily, but they do believe that bigger companies are more trustworthy. Besides, as Chinese don’t trust local products, MNC should insist on their country of origin. For promotion tactics, a brand should consider that simplicity is the best way to transfer a message, as the Chinese are not yet used to advertisement. However, this appears to be changing, as the new consumers (the millennials) want more sophistication and originality in the ads.

## **4/ Customer profiles**

---

### **4.1 Introduction**

Chinese people share many similarities, thanks to their long-shared history and common social and cultural roots. However, the population comprises different segments. This chapter will first analyze the consumer’s landscape and how it is evolving. Secondly, it will explore the impact of the regional differences on the behavior of the consumers. Thirdly, we will conduct a socio-economic segmentation between the middle class and the mass market, and analyze the segment of the middle class in details. Lastly, we will introduce the millennials segment of the population to understand their buying motivations and expectations as they represent the target group of this research.

## 4.2 The consumer landscapes

The Chinese consumers' landscape is changing very fast. First, China is facing a rapid urbanization. The rate of rural population is plummeting (Data Worldbank, 2017). With the urbanization and the concentration on big cities, the consumer markets of Shanghai and Beijing become saturated. On the other hand, China's second-, third- and even fourth-tier cities (See Annex 5: Map of China's tier cities) continue their fast development, and might represent opportunities for companies that want to avoid the fierce competition of the big cities (Allen, 2016).

Secondly, China has been experiencing a huge economic growth since 1965. The GDP (see Annex 6, GDP Growth) and the GDP per capita kept increasing, and are still expected to grow (Zhang, 2017; Zhang, 2008; Doctoroff, 2012; World Bank, 2016). Besides, the number of rural inhabitants living in absolute poverty plummeted (Doctoroff, 2012). The increase in purchasing power triggered a willingness to spend more, especially in the health and environmentally responsive categories. However, Chinese became more pragmatic and price aware. They will look for promotion and compare prices (Atsmon, Magni, 2016).

Third, the Chinese middle class is expanding very fast. The Chinese middle class is considered by the consultant group McKinsey as households that earn between 60 000 to 229 000 Renminbi a year (9 000 USD to 34 000 USD on an adjusted purchasing power parity basis)<sup>4</sup> (Braton, Chen, Jin, 2013). Their growth rate is extremely rapid: more than 10 million Chinese enter this class each year (Doctoroff, 2005). By 2020, it is estimated that 75% of the urban household will belong to the Chinese middle class (See Annex 7: China's Middle Class as Percent of Urban Household) (The Economist, 2016; Barton, Chen, Jin, 2013).

Fourth, after Deng Xiao Ping's Open-Door policy, the influence of Western cultures became more important (Faure, 2017; Zhao et al, 2013). The most prominent example is the individualization and the importance of the self (Docotorff 2012, Faure, 2017). Indeed, free will and the desire of independence are emerging. Besides, the buying behavior is also changing. Although Chinese are traditionally conservative, it appears that they are starting to become similar to consumers in more developed economies. Indeed, they go beyond functionality benefits to evaluate products, and they start to trade up for products of better quality (Rosenbloom, Haefner, Lee, 2012).

---

<sup>4</sup> 5000 RMB equals 1400\$ on an adjusted purchasing power parity basis

### 4.3 Regional factors

A study of the Chinese landscape would not be thorough without analyzing regional differences and cultural diversity. Indeed, China, as many other transitional economies, is composed of regional markets that may differ in the way the consumers shop, buy and consume products (Tsang et al., 2003; Zhang et al, 2008; Davies et al, 2012). Furthermore, the size of China (9.6 million square kilometers), the scarce infrastructure and hostile terrain, reinforced by the communist government policy that strictly prohibited the movement of people within the country deepened regional differences (Zhang et al, 2008).

Cui and Liu divided China in 7 regional markets based on economic development, consumer purchasing power, local cultures... (See Annex 3: China's 7 Regional Markets). Those markets are South, East, North, Central, Southwest, Northwest, and Northeast (Cui and Liu, 2000). In different markets people have distinct tastes, brand preferences (Garner, 2005) spending behaviors (Davis et al 2012; Doctoroff, 2005; Tsang et al, 2003; Garner, 2005) and personal values (Zhang et al, 2008).

The South and the East province are the most developed and rich markets (Cui and Liu, 2000). The economic development between costal and inner regions is very unbalanced, as the coastal areas were the first to receive foreign investment (Cui & Liu, 2000). In the South and the East, Chinese are more individualistic and have more active lifestyles (Cui and Liu, 2000; Zhang et al., 2008).

Consumers in Beijing are conservative and rational, while those in Shanghai are pursuing brand names. Furthermore, the North is more bureaucratic, whereas the South is entrepreneurial. Accordingly, the importance for status projection we see in the North changes into a desire to offer gifts to build relationship networks in the South. For instance, Northern citizens would buy a Rolex for status projection whereas people in the South would buy a Rolex to offer it as a gift (Zhang et al, 2008).

Regarding the spending behavior, consumers in the South are more willing to pay more for better or healthier products. Furthermore, brand loyalty increases much faster in the South (Shanghai) than in the North (Beijing) (Atsmon, Magni, 2016).

The climate is also very different, hence the effects it has on the body differ. Indeed, for shampoo, the users in the North will desire something oilier, whereas in the South they would rather have drying shampoo (Doctoroff, 2012).

However, despite those regional factors, Chinese all share the same Han worldview (except for the 56 minorities that account for 8% of the population.) (Doctoroff, 2012). Indeed, according to Tom Doctoroff: “It is easy to pay too much attention to regional particularities and not enough to national similarities” (Doctoroff, 2005). As Yan Yunxiang said: “[...] in a strict sense all ethnographic case studies are typical and atypical of Chinese society” (Yan, 1996).

## **4.4 Socio-economic segmentation**

### **4.4.1 The mass market**

As of 2012, the mass market was composed of 1.2 billion people who earn less than 9 000 USD a year (on an adjusted purchasing power parity basis). Their means are very limited. Consequently, marketers tend to ignore them. However, it appears that marketers should divide the mass market. Indeed 400 million rural consumers that are part of the mass market already have little disposable income and will probably contribute increasingly more to Chinese consumption. However, the 700-800 million poorest consumers, who live in rural areas have almost no disposable income, and often consume what they produce. Hence, we recommend companies to target the yet untapped market composed of those 400 million people (Doctoroff, 2012).

### **4.4.2 The new middle class**

In Chinese, the middle class is referred to “*xiaokang*” which means “la petite bourgeoisie”. The people belonging to the middle class have enough disposable income to buy products that are not necessities (Doctoroff, 2012; Barton et al, 2013).<sup>5</sup>

The motivations of the Chinese middle class are hard to grasp as they are rapidly changing. In 2010, the key buying factor of the Chinese middle class was the functional benefits (for the goods studied in the research). However, in 2012, emotional benefits became the key buying factor in many consumer goods categories. Consequently, many aspirational brands tried to create positive association and emotional connection, for instance, by offering sample of products during happy activities such as karaoke. As the preferences of the Chinese middle

---

<sup>5</sup> See chapter 4.1 Introduction for a more detailed description of the Chinese middle class.

class change very fast, companies must build insights on Chinese consumers on a day-to-day basis and be adaptive to change (Magni, Poh, 2013).

The middle class is still intrinsically Chinese: they are cautious and consider family as their top priority. They need to protect the child from external threat and cultivate their talent. Hence, products that make one smarter or that develop concentration will be very popular (Doctoroff, 2012).

However, their distinctive characteristic is a huge hunger for social and financial advancement. They are extremely ambitious. There are two distinct categories of people belonging to the middle class. First, there is the protective one, who lives in fear of losing their wealth and desperately tries to protect it. Secondly, there is the individual driven to success, who would take more risk to satisfy their ambition (Doctoroff, 2012).

The middle class is individualistic, and more sophisticated than their counterparts from the mass market (Magni, Po, 2013). The middle class is more brand loyal and more eager to try new products and services (DaxueConsulting, 2015). Furthermore, they are willing to spend more (Rosenbloom, Haefner, Lee, 2012). Chinese middle-class consumers are ready to pay a huge price premium for goods consumed in public. Public consumption needs to show status and address the middle class' longing for material gratification. For instance, good wine during a business meeting helps not only to show their high status but it also helps getting recognition for financial success (Doctoroff, 2012). Besides, for the Chinese middle class, price is an indicator of quality, and they are willing to pay for it (Doctoroff, 2012).

It appears that the middle class now shops not only for utilitarian reasons but they also care about the stores location, design, style of merchandise and service quality to choose a shopping center or a store (Davis, Peyrefitte, Hodges, 2012).

The Chinese middle-class consumers spend lower percentage of their income on food. They tend to spend more on health, or for healthier products. However, their main expenditures go to traveling and recreational activities (Atsmon & Magni, 2016). There is a significant shift in consumption from necessities and semi necessities to discretionary products such as cars or apparel (Wong, 2013; Atsmon & Magni, 2016). Middle-class consumers have traded up their purchases not only in cosmetics, but also in categories such as food, where 25 percent of customers have traded up whereas 3 percent traded down (Atsmon & Magni, 2016; DaxueConsulting, 2015).

As the middle class is future-oriented and ambitious, advertisement should be aspirational. The potential future should be beautified, but within reach of the target group. It should be realistic enough as the Chinese middle class does not believe in unrealistic promises. Concretely, the advertisement will preferably focus on the perfect family with one child (Doctoroff, 2012).

Modesty and conformity are important in Confucian societies. Hence, the advertisement should discreetly show its assets with an elegant style that is “right between recognition and ostentation” (Doctoroff, 2012). Furthermore, in Confucian society, pragmatism is an important quality. Consequently, the Chinese will need an excuse to attract attention. As such, they will pretend that they buy a product for pragmatic reasons even if the real purpose is to project status. Nike for instance is a well-renowned, semi luxury brand, but it is advertised as an item to do sport rather than a luxury (Doctoroff, 2012).

## **4.5 Chinese millennials**

### **4.5.1 Characteristics**

The Chinese millennials are Chinese born in the 1980's and 1990's. According to a report by Goldman Sachs, they represent 415 million Chinese (31% of the Chinese population). The Chinese millennials were the only child in the household (however, some households still had two children despite the one child policy). They lived during an unprecedented economic growth and bathed in an era of technology (Lu & Yiu, 2015).

Because of the one child policy (that ended in October 2015), the youth are under a lot of pressure. During their early childhood, the single child was the treasure of the family, the “little emperor” or the “little empress”, with a strong sense of self. Then, the child enters school and realizes that they are only one among many and that they must follow the rules of regimentation. Indeed, many schools in China have standardized uniform. In some cases, girls are obligated to have the same hairdo, and cannot wear any accessories. This acute conformity coupled with a stronger sense of self, lead to confusion. Hence, their way of standing out will be different from their western counterparts. Indeed, they need to stand out but within the limits of conformity. Consequently, they need to attract attention in a subtle way. Intelligence is valued more than a more obvious way to attract attention: appearance (Doctoroff, 2005). However, they want to express their personal identity and uniqueness subtly through their purchase, and are looking for more distinctive products (Daxueconsulting, 2017; Chung,

2017). Millennials need acknowledgment of their potential, rather than admiration for their achievements (Doctoroff, 2012).

They are more educated, independent and tech-savvy than their parents (Allen, 2016; Lu & Yiu, 2015). Consequently, their buying behavior and motivations are different from the other generations, even though their average salary is still low: they earn in average U\$3-4 an hour (See Annex 8: Millennials hourly earnings and the future expansion of the middle class) (Lu & Yiu, 2015). However, a Golden Sachs report expects that the average annual incomes of the millennials will grow from 5,900 USD to 13,000 USD a year in the next 10 years (which represents a growth of an aggregate amount of \$3 trillion). It will propel many consumers into the middle-class segment (Lu & Yiu, 2015).

The will for independence and individualization propels the importance of the internet for the millennials. An IAC JWT survey of young digital users found that “61 percent of Chinese admit having a parallel life on the net where demands of the society fade and anonymity reigns” (Doctoroff, 2012). The net is a place where they can be released from the restrictions of a regulated structure (Doctoroff, 2012).

#### **4.5.2 Buying motivations**

The buying motivations of the millennials are also changing very fast. However, it is still possible to draw some impactful insights.

First, the Chinese millennials are more brand-conscious and more attracted to foreign ideas (The Economist, 2005; Allen, 2016). According to a survey of 1200 students conducted by Hill & Knowlton, all their favorite brands were foreign, (Nike, Adidas, Bmw...) (The Economist, 2005) as they believe they are of better quality. Besides, they want to see the world. Therefore, the cross-border retail ecommerce sales are skyrocketing and EMarketer estimates them to reach more than 110 billion USD in 2017. According to Alibaba's Tmall Global annual report, this increase in sales is mainly due to the millennials (EMarketer, 2017). However, as the domestic goods are becoming more sophisticated the focus on foreign goods might become less restrictive (Allen, 2016).

According to a report from OMD China, the post 90's Chinese consumers are not “narcissistic wunderkinds”. This generation has a growing desire to do some good in the world, be it by charitable contribution, by being careful of their environment or by looking for brands that have a good ethical or CSR image. Moreover, younger millennials want to free themselves

from conformity. Indeed, they want independence, and reject the external pressure (Emarketer, 2016).

Chinese millennials adopt a more western approach to shopping (See Annex 9: Western Approach to Shopping). They are confident and discerning spenders. They are less price-sensitive, and are willing to spend more (Daxueconsulting, 2017; Kuo, 2017) especially for the quality and the image of the goods. They are more hedonic (Rosenbloom, Haefner, Lee, 2012; Davis et al, 2012). They want to enjoy life and have new experiences. They consume for their own satisfaction (Kuo, 2017). Consequently, they are very demanding as they want the best and they want it fast (Daxueconsulting, 2017). They want more than quality of goods as they also demand a good quality of service: they want personalized and customizable retail experiences both online and offline. They enjoy retailtainment. Shopping is for the Chinese the perfect place to socialize or spend time with their family. There is still a need for offline store as Chinese appreciate experimental consumption. Indeed, 33% of shoppers need to interact with the product before buying it online (Daxueconsulting, 2017). Therefore, the O2O (online to offline commerce), have become more attractive (Allen, 2016).

Despite the need of retailtainment and in-store shopping, millennials (from 20 to 39 in this study) constituted more than half of the internet users in China in 2016 (EMarketer, 2017). Besides, they are very tech-savvy and 97% to 98% of Chinese people from 14 to 47 years old own a smartphone (Hou, Chung, 2014). A report from Golden Sachs, estimates that 40% of the millennials' purchases happen online (Lu & Yiu, 2015). Furthermore, in 2016, the volume of Chinese mobile shopping transactions was four times higher than the ones in the United States. Besides, 70% of the post 90's shop more on their mobile rather than on their computer. Mobile shopping has a huge popularity, as it is the best medium to ally convenience, trendiness and personalization (Daxueconsulting, 2017). The net has also become a medium to offer gifts. For instance, De Beerse website enables consumers to offer love monuments in their partner's mailbox. *Wechat* (the equivalent of What'sapp) gives the opportunity to offer *hongbao* to one's contact (Doctoroff, 2012).

This omnipresence of internet generates the rise of the *zhai* (homebody) culture, where consumers spend most of their leisure time at home online where they socialize, shop, and rarely go outside. As they stay at home, they will buy their food and drinks online. In 2015, the sales of online food and beverages (that are not fresh) reached 7.2% of the overall food and beverages sales (Atsmon, Magni, 2016). According to the Chinese market research

company, Analysis International, the Chinese online takeout market is set to increase by 30.5 billion USD from 2015 to 2018 (Allen, 2016).

They think more critically than the older generation. Many millennials do not believe the government's propaganda and use VPN to go through the Chinese internet firewalls and inform themselves on the truth (Kuo, 2017). As they are very open-minded compared to the elder generations, they are willing to try new products and adopt easily new technologies. Moreover, they desire more sophistication (Kuo, 2017) and want the best quality that they can afford (Daxueconsulting, 2017).

Despite the economic growth, Chinese millennials live under pressure. Indeed, the price of the real estate is booming and might force many millennials to move from tier 1 cities to tier 2 or 3 cities (See Annex 5: Map of Chinese tiers cities). Moreover, the concerns over health following the food scandals and the rising pollution degrees add to that pressure. Finally, the new economic slowdown that China is experiencing today increases that feeling of insecurity (Gentlemen, 2016).

Millennials are still intrinsically Confucians, even if Confucianism is not explicitly taught at school (Kuo, 2017). Indeed, not only the respect of hierarchy is still present, (Doctoroff, 2005) but they still value family as the most important social unit (Gentlemen, 2016; Doctoroff, 2005). They respect their parents and send them money on a regular basis. Moreover, the women will stay at their parent's home until they get married, even if they are still single at the age of 30. Besides, many millennials like to keep many customs, among which family traditions hold the most importance (Gentlemen, 2016; Doctoroff, 2005).

#### **4.5.3 Suitable advertisement**

As Chinese fear to speak publicly because they are afraid to lose face, Chinese youth need to find a place to speak their mind and demonstrate their individuality. Hence, to fulfill this need, brands can benefit from the internet and create chat rooms, that allow customers to express their opinion anonymously (Doctoroff, 2005).

Furthermore, ads should express peer recognition, as it is the main key to success in Chinese millennials' minds. Ads should present a good-looking hero, clever and with an understated individuality (Doctorff, 2005).

Millennials want in premium goods an "artistic connoisseurship". An advertisement should not scream for attention but demonstrate cleverness and subtlety (Doctoroff, 2012). As the

millennials have become more accustomed to publicity, they prefer more creative and sophisticated advertisement (Magni & Po, 2013).

#### **4.6 Conclusion**

The consumer landscape is changing very fast. Although the coastal areas are considerably richer and more influenced by Western cultures, the inland cities also benefit from an unprecedented economic growth. Consequently, the purchasing power of all the Chinese is rising and the proportion of the population that will belong to the middle class is set to reach 75% of the urban population. As many customers have more disposable income, the Chinese are trading up their purchase.

The middle-class millennial is affected by this changing landscape. First, they also tend to trade up their purchase and are willing to pay huge price premium for goods consumed in public and in healthy or environmentally friendly categories. Second, the preferences and buying motivations of the middle-class millennial are changing very fast. Consequently, marketers need to pay attention to their purchases on a day to day basis, to keep valuable insights on the target group. The middle-class millennials are very ambitious and very demanding. They are ready to pay huge price premiums for products of very high quality.

Internet plays an integral role in their life. They make 40% of their purchase on the internet, establish their own identity and socialize on the internet. As they are very curious and willing to try new goods or services, marketers should exploit every new gadget that can be launched on the internet. Brands should invest in their website, and strive to keep the consumer entertained. Indeed, the middle-class consumer looks for retailtainment and shops also for hedonic reasons. Besides, curiosity leads them to try foreign products and to prefer foreign brands.

Despite the influence of the internet and of Western culture, the middle-class millennials are still intrinsically Chinese. The family is still the most important social unit. Modesty and conformity is deeply engraved in their behavior and preferences. Consequently, advertisement should display successful people with an understated personality. However, publicity should be original, and distinguish their message from the competition.

## **PART 2: Analysis of the Chinese Gift Exchange**

---

### **1/ The gift exchange culture**

---

#### **1.1 Introduction**

China is a collectivist culture where the ability to connect with others and to enlarge one's social network (*guanxi*) is what differentiates success from failure (Yan, 1996). Furthermore, the Chinese rely on their relatives or other members of their in-group for protection in exchange for loyalty (Chan, Denton, Tsang, 2003) rather than on institutional laws.

Consequently, social-exchange activities hold a huge importance. They are ritualized and highly respected. One of the most essential means of social exchange is gift-giving activities. Indeed, "The obligatory give and take maintains, strengthens and creates various social bonds, be they cooperative, competitive or antagonistic" (Yan, 1996). However, the Chinese ways of gift exchange are very complex, as they follow strict rules of etiquette and moral obligations.

Furthermore, gift exchange plays a big economic role. In the 1990's, a study conducted in *XiaJia*, a Chinese village located in the north, showed that on average, 20% of the household yearly income was spent on gift exchange (Yan, 1996). As this amount is the only estimate that we found, we evaluate that the amount spent for gifts in circulation is substantial and affect deeply certain categories (alcohol...) (Stafford, 2006).

Gift exchange is a self-perpetuating system of reciprocity summarized by the obligation to give, to receive and to repay (Mayet & Pine, 2010). There is "a logic of gift return" (Mauss, 1924). Whereas one gives because of the religious or moral necessities, the receiver is morally obligated to accept it. However, it creates a tension as it generates a bond of mutually dependent ties (Mayet & Pine, 2010). When a gift is not returned, it shames the person who accepted it. Indeed, "charity is most shameful for the one who accepts it" (Mauss, 1924).

In the West, gifts are said to be an expression from the heart and don't hold a material value (Yan, 1996). However, according to James Carrier, "In industrial capitalist societies [...], the gifts are not spontaneous expressions of sentiment but are recurrent, predictable and socially regulated" (Carrier, 1990). Furthermore, the material value of a gift can generate status, prestige, power, and wealth (Yan, 1996).

In China, gift exchange deserves to have its own definition. For Chan, Denton and Tsang, gift giving is a: “Signifier of *renqing* (appropriate emotion), a demonstration of *li* (social courtesy), a practice of bestowing *mianzi* (respect) and *lian* (dignity), and a process of *bao* (reciprocity) and *guanxi* (relationship building)” (Chan, Denton, Tsang, 2003).

In Chinese, a gift is a *Liwu* (礼物). It has two characters. The first, *Li*, means rituals, ceremonial expression of ethics, like filial loyalty. The second, *Wu*, signifies material things (Yan, 1996). Hence, gift giving is more than a material transaction, it is also a form of ritualistic behavior that has its own set of rules and symbolism (Chan, Denton, Tsang, 2003). There is more in the exchange itself than in the gift (Levi-Strauss, 1969).

## 1.2 Principle of reciprocity

For Marcel Mauss, reciprocity, or the sense of indebtedness, guides the gift exchange system (Mauss, 1924). One gives because of the expectation of return, and the other reciprocates for fear that the partner will stop giving (Mayet & Pine, 2010). The gift is returned to reach a ‘balanced reciprocity’, between giver and receiver (Roberts, 1990; Mayet & Pine, 2010). However, factors like age, financial resources or status may modify the nature of reciprocity (Belk 1979; Yan, 1996).

Chinese respect highly the *bao*, which refers to reciprocity, return, or repayment (Chan, Denton, Tsang, 2003). It is also highly valued by Confucianism (Yang, 1989). Indeed, in the book of rites, Confucius explains: “What the rules of propriety value is that reciprocity. If I give a gift and nothing comes in return, that is contrary to propriety” (Legge, 1885). The notion of propriety, which is the basic concept of Confucianism confers to gift giving the highest value (Yang, 1989). The principle of reciprocity is also true for favors, as the failure to reciprocate will destroy one’s reputation and face (Yau et al, 2000). Besides, Confucianism states that the favors returned must have a higher value. As the Chinese saying states, “if someone pays you an honor of a linear foot, you should reciprocate by honoring the giver with ten linear foot” (Yeung, Teung, 1996). It will demonstrate *li*, or the knowledge of ritualistic actions (Chan, Denton, Tsang, 2003). The obligation to repay a gift or a favor can be called a *Renqing* Debt (Che W., 2016).

However, in some cases the law of reciprocity might not need to be respected (Yan, 1996). For instance, there is the case of the “unbalanced reciprocity” that arises when a disparity of status exists. Indeed, in those cases, the person who gains prestige is the receiver of the gift (if

the etiquette is respected). The social inferior keeps giving to create or maintain a good relationship with their superiors, as climbing social ladders in China was (and still is in many cases) mainly possible through *guanxi* (social connections) with superiors (Yang, 2013). Such instrumental gifts did not need to be reciprocated. Consequently, superiors received many gifts that they did not feel the need to repay. However, when there is no hierarchical difference, the person who gains prestige and power in gift exchange activities is the donor, as he transforms the recipient into a debtor obligated to repay the gift (Yan, 1996).

*Bao* (Reciprocity) is the foundation of *guanxi* (Bian, Ang, 1997; Chan, Denton, Tsang, 2003). A Chinese proverb says, “If you receive but do not return a favor, you are not conforming properly to *li* (rituals).” A person receiving benefits from another should look for chances to reciprocate. This will not only demonstrate *li* but also help maintain the ongoing contacts between parties (Chan, Denton, Tsang, 2003). The concept of *bao* implies that gift giving can be a ritual that assists in maintaining an ongoing bond between business partners. Consequently, giving gifts creates *guanxi* (connections) and eventually forges trust (Chan, Denton, Tsang, 2003). Failure to reciprocate may result in the loss of one’s social network and the multiple resources embedded in it (Millington, Eberhardt, Wilkinson, 2005).

### **1.3 Gift giving etiquette: the principle of *Renqing***

Gift exchanges are very complex. Understanding the etiquette of gift exchange in China not only provides a good reputation but also shows a mastery of the Chinese culture. *Renqing* is the basic rule for gift giving etiquette (Che W., 2016). It is a system of ethics (Yan, 1996). It literally means humans feelings. However, in a context of social exchanges, *renqing* is translated by mutual personal obligation (Gold, Guthrie, Wank, 2002). *Renqing* consists in showing appropriate emotions and the observance of proper social form in relationships (Chan, Denton, Tsang, 2003).

In China, the monetary value of a gift must obey the rules of *renqing* (Yan, 1996) to keep “face” (*mianzi*) and be well received (Leung, Heung, Wong, 2008). For instance, the gifts for seniors must be of higher value than the gifts for juniors. Furthermore, the gifts given to people who hold a different rank in the company can’t be of the same value (Mack, 2017).

When there is not much intimacy in the gift exchange situation, the *renqing* is increasingly important (Yang, 1994). In such situations, material gifts should be bought with cash. Food gifts should be purchased rather than homemade, as the receiver should know the monetary

value of the gift. The receiver will then repay a gift that holds a similar (but slightly higher) value (Yan, 1996). The gifts do not need to be expensive, but their monetary and symbolic value need to be appropriate according to the *renqing* (Yang, 1989). A gift that is too expensive could be perceived as materialistic and signifying greed, or even bribery (Chan, Denton, Tsang, 2003). Hence, it is best to offer “a small, carefully chosen gift [ presented with the correct timing, that] conveys a great deal of respect and is a sign that the [...] relationship is valued by the giver” (Pitta et al, 1999).

The respect of the etiquette requires also to pay attention to the connotation of the gift. Indeed, the Chinese language presents many homophones. For Chinese, the homophony has a consequence on the perception of a word, but also on a choice of a gift (Wang, 2015). Many gifts are best avoided for such reasons. For instance, pear (*li*), sounds the same as the word separate (*li*), hence giving pears has a very negative connotation (See Annex 10: List of Gifts to Avoid).

#### **1.4 “Face” in gift exchange**

*Mianzi* could be translated by face, reputation or dignity. It is a construction of personhood and it determines the identity of an individual (Yang, 1994). “Face” depends on one’s success or social position (Chan, Denton & Tsang 2003). Face provides prestige and security during social transactions (Yang, 1994). For the Chinese, saving one’s face is a priority. Losing face is “like a tree being stripped of its bark—a life and death situation” (Yao, 1987). Face is composed of *mianzi* and *lian*. The first refers to honor, whereas the second refers to society’s confidence in a person’s integrity (it is also translated by dignity). Public praise or discredit will directly impact one’s *mianzi*, as it will be transformed in a gain or loss of face. However, taking *mianzi* from another is considered as very offensive and destructive (Chan, Denton & Tsang 2003).

In gift giving activities, face plays a big role as it constrains the actions of a gift recipient (Yang 1994). Saving face holds so much importance that it modified the habit of the gift exchange. Indeed, the receiver of the gift will not open it in front of the giver, to save the giver’s face, in case the gift might be broken or inappropriate (Chan, Denton & Tsang 2003). Furthermore, face determines the monetary value of a gift. It should match the income of the giver but it should not be too expensive lest the receiver is perceived as greedy, which would create a loss of face (Chan, Denton & Tsang 2003). The giver offers *mianzi* to those who receive the gift, by sacrificing material wealth or labor. In exchange, they gain *lian* (Yang

1994). The donor is morally and symbolically superior to the receiver, who needs to repay the debt to restore balance (Yang, 1994). Accepting a gift means losing control and stature as the receiver is morally obligated to the donor (Yang, 1994).

### **1.5 Packaging**

The packaging of a gift should respect the etiquette (*renqing*) to be well perceived and keep face. It should be elegantly grand, while remaining conformist. It needs to stand out but not too extravagantly. As Tom Doctoroff says, “to attract the most attention, whisper” (Doctoroff, 2012).

Concretely, the popularity of a packaging of a gift depends on features like the color and the size (Abramson, 2002). The colors obey to the rules of symbolism that are predominant in China. Red is a festive color recommended for packaging whereas white or black are bad luck, and would be contrary to the rules of *renqing* (Abramson, 2002).

The packaging of products is important as it is a powerful advertising tool to sway users. It incites the potential consumers to purchase the product (Lo, Tung, Huang, 2017). The appearance of the packaging is one of the key incentives for purchase (Abramson, 2002; Sun, 2015).

Nowadays, the purchasing power of the Chinese is rising. Consequently, they buy more expensive gifts, and prefer better quality for the packaging of a gift, as it shows personal taste and a cultural touch (Daxue Consulting, 2015). Moreover, Chinese are willing to pay a price premium for a fancy packaging (Qiu, 2011). To illustrate, the gift box industry in China witnessed an enormous growth rate since 2003. There are many different wrappings for gifts: moon cake box, wine box, underwear box, shoe box, mobile phone box, tea box, card box... (Daxue Consulting, 2015). Furthermore, Chinese will consider greatly the packaging of a gift, in order to keep or save face. They will always buy products that have the nicest packaging, all other things being equal (quality, price...). The packaging can also compensate the poor quality of the gift (Qiu, 2011) and help save face. However, despite the need of a suitable packaging, the quality of the packaging must match the quality of the gift (ebeiing, nd).

## 1.6 The gift economy

In the 1990's, a study conducted in XiaJia, a Chinese village located in the north, showed that on average, 20% of the household yearly income was spent on gift exchange (Yan, 1996). This amount is the only estimate that we found. Consequently, we evaluate that the amount spent for gifts in circulation is substantial and affect deeply certain categories (alcohol...) (Stafford, 2006).

“The gift economy consists of the personal exchange and circulation of gifts, favors and banquets” (Yang, 1989). The gift establishes qualitative relationships between the subjects. The value of a gift is not computable in money, as its value is subjective and symbolic (Yan, 1996).

The gift economy is characterized by cultural and moral imperatives of reciprocity and mutual aid, in pursuit of social and instrumental ends. Gift exchange activities create both gift capital and body capital. The gift capital represents the material gifts exchanged, whereas the body capital refers to the labor and time spent to purchase the gift or to perform a favor. The gift economy is the system of transformation of capital. The gift capital, changes into a symbolic capital of face (*mianzi*), in the form of gratitude and indebtedness. The symbolic capital then turns into office and political capital, which allows the donor to access desirable resources unreachable by themselves (Yang, 1989). The symbolic value of the debt is what differentiates gift exchange from bribery, as the receiver repays the gift when and how they want (Yang, 1994).

## 1.7 Classification of gifts

In China, gift exchanges must follow many rules to be appropriate and in accordance to the *li* (the respect of the rituals). The use of gift lists in the rural areas shows that people record the gifts they received. They base their interpersonal relations depending on the value of the gift. The gift list is a social map that displays the *guanxi* networks of the individuals (Yan, 1996).

Codified gift exchange gives rise to a classification of gifts. According to Yan Yunxiang, there are three main types of gift. The first category is the “*Suili*”, which literally means to follow others in offering a gift. The “*Suili*” are obligatory. They are gifts that are offered in ceremonial or routinized situations, such as weddings. The second category is the “*Songli*”, that consists in every little event of daily gift exchange. Both categories are important to

cultivate *guanxi*. In addition to those two categories, the instrumental gifts also play an important part. Aside from this classification, Allan Chan et al proposed another way to categorize gifts, based on the occasions of gift giving. First there are the gifts related to business. Their purpose is to build and strengthen *guanxi* networks, or to celebrate business related occasions such as opening a new store. The gifts are mostly functional, such as pens or card holders. Second there are the *Suili*, that correspond to the classification of Yan Yunxiang. Finally, there are the gifts given during festivals. As the complexity of Chinese festivals is difficult to grasp, this subject will be explained further hereunder (Chan, Denton & Tsang 2003).

### **1.7.1 Instrumental gifts**

Instrumental gifts are offered when an individual wants personal favors from someone who is not within the individual's *guanxi* network. There are 3 categories of instrumental gifts. First, the indirect payment is a gift that someone offers to repay the favor they have been granted. Second, the flattery gifts (*Liuxu*) are personal services that someone with a lower status gives to their superiors. Finally, there are the gifts of lubrication (*Shangyou*). They are offered before a favor is asked and are seen as a bribe (Yan, 1996). However, giving an actual gift rather than money alleviates the suspicion of an illegal goal (Chan, Denton & Tsang 2003).

### **1.7.2 *Suili*: gifts in ritualized situations**

*Suili* are obligatory gifts. Failure to offer a *Suili* gift might destroy a relationship. There are many occasions that require *Suili* gifts. First, people need to give gifts for childbirth celebration. When someone visits a newborn child, during the first month after the delivery, one needs to bring a gift. The women offer mainly baby clothes, blankets, and nutritious food for the mother (Yan, 1996), as there is a Chinese belief that the quality of food the mother ingests will impact positively the lactation (Simoons, 1990). However, since the 1980's people started to give monetary gifts (Yan, 1996). Second, betrothals require gifts. It is common that the bride and a groom transmit a list of gifts. Third, the gifts for weddings are very important. They can consist of personal gifts for the bride and groom, if the guests have a very close relationship with the couple (Yan, 1996; Doctoroff, 2012). However, red envelopes filled with cash (*Hongbao*) are the most common gift for such occasion. The amount given depends on the closeness between the giver and the couple (Yan, 1996; Mack, 2017). Other occasions like birthday, funeral, and house construction also fit in that category.

### 1.7.3 *Songli*: Gifts in non-ritualized situations

Such gifts have become routinized, but they are equally important than the *Suili* to build social networks. As the relevance of citing all the occasions of non-ritualized gift is low, this chapter will just mention the most important ones.

First, visiting relatives is a good occasion to bring gifts, especially during the Spring Festival. For such occasions, gifts are mostly material, like food to be shared or bottles of wine... Second, there are the *Xiaojing*, which are the gifts for seniors, like parents or teachers. Those gifts are completely routinized in the daily life, and expect no return. Third there are the *Yasui*, which is the cash that the elders give to the younger generation the eve of the Chinese lunar New Year. It does not need to be returned either. Finally, when visiting a sick person, one often offers food that the patient enjoys, such as fruits (Yan, 1996).

### 1.7.4 Festivals

Traditional festivals used to be celebrated for seasonal or historic reasons, such as the arrival of Spring or the celebrations for the harvests... The major events are the Spring Festival (also called the Lunar New Year), the *Qingming* festival, the Mid-Autumn festival, the Winter Solstice, and the Dragon Boat Festival<sup>6</sup> (Chan, Denton & Tsang 2003). Those festivals have a symbolic role, and reinforce the feeling of nationality and cultural identity (Wang, 2007), as well as the importance of the family. Traditional festivals are a time for traditional Chinese food, small gifts, visits to relatives and most of all, a time to share moments with the family. Every festival has its own traditional food. For instance, the Mid-Autumn festival is the time where everyone eats mooncakes with their family (Chan, Denton & Tsang 2003).

The most important traditional festival is the Chinese New Year, also known as the Spring festivals (Chan, Denton & Tsang 2003). This festival is the opportunity to reunite the entire family to have dinner together, give red envelopes filled with cash (*hongbao*), buy firecrackers, new clothes and decorations. More modern celebrations include watching the CCTV Gala, instant message greetings, and sending cyber money gifts (Tang, 2017). It is also the time to offer wine and candies to superiors who reciprocate by giving red envelopes (Chan, Denton & Tsang 2003). This is also the opportunity to visit the relatives. During those

---

<sup>6</sup> Those festivals are described in the glossary

visits, it is common to offer small gifts, or things to eat, like fruits... (Moriarity, 2002; Yan, 1996).

Under the Western influence, some festivals have been added to the Chinese calendar, such as Christmas or Saint Valentin's Day. Christmas is a day to go out and party. People rarely give gifts (and if they do, the value of the gifts doesn't exceed 20 yuans<sup>7</sup>). They don't celebrate it for Christian reasons and don't believe in Santa Claus (Pradelle, 2016). For Valentine's Day however, the gift is obligatory for the boyfriend. The value of the gift a boyfriend gives needs to be high in order to reassure the girlfriend and her family that he will be able to take care of her. Furthermore, such gifts should project status (Doctoroff, 2012).

## 1.8 Conclusion

Gift exchanges endorse a huge importance in the Chinese' mind. It creates mutually interdependent relationships based on the moral obligation to reciprocate a gift. It also fosters *guanxi* network. *Guanxi* is the main way to climb the social ladder, thus, giving gifts determines your social status in the Chinese society. However, gift giving is very complex and must obey to a lot of *renqing* rules to be perceived as proper. An individual should consider the social status of the receiver and the favor asked to determine the price of the gift. Furthermore, its price should respect the etiquette to save face and avoid being greedy, as being perceived as greedy is tantamount to a loss of face. The exchange of gift can be translated in an exchange of gift capital and body capital to a favor that will open doors to more powerful positions.

The occasion of the gift exchange and the ritual/routinized aspect of the gift determine the type of the present. There are occasions when a gift is obligatory and need to strictly respect the rules of the etiquette. Those are the *Suili* gifts. The day to day exchange of gifts during visits or festivals is characterized as the *Songli* gift. Finally, there are the instrumental gifts, that are given in exchange of a favor. Regardless of the category of gift, food is always a suitable choice, whether it is a *songli*, a *suili* or an instrumental gift. The main reason to offer gifts however is to create and foster one's *guanxi* network.

---

<sup>7</sup> 2,54 euros

## 2/ Gift giving and interpersonal relations in Chinese society: the concept of Guanxi.

---

### 2.1 Introduction

*Guanxi* plays a major role in interpersonal relations in China (Yan, 1996). *Guanxi* (关系) has no universally agreed definition (Fan, 2002) because of its “intricate and pervasive nature” (Wan, NG, 2012). It refers to the establishment of a connection between two independent individuals (Yeung, Tung, 1996; Fan, 2002). It can be understood as personal connections, social networks or particularistic ties (Yan, 1996). It defines one’s place and role in society and provides trust and security (Hammond & Glenn, 2004), as it generates obligations and reciprocal exchange (of gifts, cash, favors...) (Cropanzano & Mitchell, 2005; Fan, 2002).

In commercial activities, *guanxi* is the Chinese way of doing business based on personal relationships (Wan, NG, 2012), that were built on mutual benefits and interests (Yang, 1994).

*Guanxi* relies on mutual trustworthiness (Millington et al, 2005) and boosts business transactions (Doctoroff, 2005). It opens doors and brings opportunities. It is a form of social investment (Butterfield, 1983). It is an important resource that can provide help or support (Fan, 2002).

Chinese society does not have a strong functional legal code (Doctoroff, 2005). It is a relation-based system. The social structure rests largely on person-centered social networks, (*guanxi*) rather than on institutions or laws (Yan, 1996; Doctoroff, 2005). In Confucian societies, the individuals who occupy positions of authority (the *renzhi*) decide what is permissible. They have more power of influence than institutional authority (Yeung, Tung, 1996). Hence, the personal connections (*guanxi*) with the appropriate authorities or individuals endorse an economic, politic and social function (Yan, 1996). This is supported by the popular saying from Confucius: “Who you know is more important than what you know.” (Yeung, Tung, 1996)

According to Lee Kuan Yew, founding father of the Republic of Singapore, the Chinese use *guanxi* “to make up for the lack of the rule of law and transparency in rules and regulations” (Yeung, Tung, 1996). As the legal and communication infrastructures are often inadequate, or too weak, *guanxi* assists in accelerating the pace and efficiency of all business relations,

enables companies to access scarce resources, and fosters the legal approval of business activities (Chan, Denton & Tsang 2003). Hence *guanxi* provides an ethical framework that stimulates transactions as it creates trust and maintains long-term relationships (Wong & Chan, 1999). In such environments, *guanxi* may reduce transaction costs (Millington, Eberhardt & Wilkinson, 2005).

## **2.2 The importance of *guanxi* in modern-day Chinese society**

A large majority of Chinese (92% according to a study conducted by Gordon Chu and Yanan Ju in 1993 on 2000 Chinese) think that *guanxi* plays a role in their daily life. Moreover, 71% prefer to use *guanxi* connections over normal bureaucratic channels to advance personal interests and solve problems (Yeung & Tung, 1996). Besides, in 1993, bribes and gifts to build connections in the Chinese government represent an estimated amount of 3%-5% of the operating costs of the companies (Smeltzer, Jennings, 1998).

In commercial activities, *guanxi* is one of the most important key success factors (Yeung & Tung, 1996), and a source of sustainable competitive advantage, that helps increase the firm's performance, as it facilitates access to information and resources (Tsang, 1998; Luo & Chen, 1997). Furthermore, "high-*guanxi*" firms have more chance to survive and grow (Davies et al., 1995). *Guanxi* simplifies the business process, improves negotiations and encourages long term business transactions (Davies et al., 1995). Besides, gift exchange to create *guanxi* has been used to pursue political and economic interests. In rural China, *guanxi* is the guarantee of having mutual assistance, which endorses an economic function during labor intensive period (Yan, 1996).

Although *guanxi* has been an important part of Chinese culture for thousands of years (Buckley et al, 2006), the influence of Western culture and ethics, as well as the market liberalization diminishes the *guanxi's* importance (Wilson & Brennan, 2010). Furthermore, the market is becoming more transparent with the advances in technology. Thus, the need for *guanxi* as an intermediate is decreasing. As China is witnessing the emergence of a more solid legal system, *guanxi* networks that traditionally established trust and insured the fulfilment of contracts, become less important (Millington, Eberhardt & Wilkinson, 2005). In addition, the influence of *guanxi* might have been overestimated and may have no effect, or a negative one, on a firm and its performance (Fan, 2002).

Nonetheless, Chinese use *guanxi* to do business with multinational companies, and stimulate cultural interactions (Yang, 2011). It also has a positive influence for the performance of the salespersons (Wang et al, 2011). Furthermore, some people still rely completely on their *guanxi* to live (Butterfield, 1982). Given the significance of *guanxi*, Thomas Gold invented the term *guanxixue* (relationology) to describe the art of establishing and maintaining *guanxi* (Gold, 1985).

### **2.3 The process of *guanxi* building**

According to Mayfair Yang, *guanxi* building is “the transformation process whereby two independent individuals construct a basis of familiarity so that those individuals become part of the inside social circle of the other” (Yang, 1994). It is the gradual transition from outsider to insider (Davies et al, 1995). Obtaining *guanxi* is the ultimate purpose of every ingratulatory behavior (Tsang, 2015).

Familiarity is the first step to establish *guanxi*. It can be gained through blood connection, common locality, shared experience, or through an intermediary (Yang 1994). However, the quickest way to initiate and maintain *guanxi* is to offer favors and gifts (Yang 1994; Yeung and Tung 1996; Abramson, 2002). There are many ways to enrich *guanxi* such as offering payments, overseas trips, sponsoring, visiting, doing favors or to throw banquets (Yang 1994; Yeung & Tung, 1996; Hwang 1987). In 1980, instrumental gift exchanges became the primary means to cultivate *guanxi* and climb the social ladder (Gold, 1985; Yan, 1996). In gift exchange, Chinese consider the relationship that the gift will create rather than the gift itself (Yan 1996). When an exchange of favor or gift happens, it creates a “symbolic breaking down of the boundaries between persons” (Yang 1994).

To maintain a *guanxi*, it is important to develop a unique personal relationship with the partner (Yeung & Tung, 1996). However, gift giving remains the most crucial strategy to establish instrumental *guanxi* networks (Yang, 1989). In *guanxi* networks, the flow of exchanges must be balanced, as every *guanxi* transaction will impact the balance of favors (Fan, 2002; Yeung & Tung, 1996).

Whereas gift exchanges create familiarity, it is not sustainable. Indeed, the gifts are expensive, and easy to duplicate. Furthermore, there is a risk that this would be considered as a wrongdoing as *guanxi* is also “the synonym for corruption and other wrongdoings such as nepotism, bribery and fraud” (Yang, 1994).

## 2.4 Corruption

As Chinese society is structured through connections between individuals rather than on institutions, the reciprocal favors and gift-giving activities to build *guanxi* networks have often been linked with corruption (Millington, Eberhardt & Wilkinson, 2005; Yang, 1994). However, the goal of gift-giving for *guanxi* purposes is to build and strengthen relationships whereas the goal of gifts as bribes is to strike illicit transactions for personal interest at the expense of the employer (Steidlmeier, 1999).

Nonetheless, as Chinese society has a weak legal system, practices within *guanxi* may have been an opening for corruption (Yang, 2002). It is especially the case in the public sector where the *guanxi* activities were in fact bribes wearing a disguise (Lovett et al., 1999). For instance, in 2005, 70 to 80% of suppliers offered advantages to their buyers such as ATM cards... (Millington, Eberhardt & Wilkinson, 2005).

However, when Xi Jinping came to power in 2013, he launched a strong anti-corruption campaign. The anti-unfair competition and the criminal law punish any transfer of “money or any tangible property and other advantages which can be calculated with money”. The punishment for bribery can go as far as a ten-year sentence of imprisonment. It has had an unprecedented effect on corruption, (Wombolt, Hunt, Philips, 2017) as a few months after the launch of the campaign, the sales of luxury goods dropped by 53% compared to the sales of the previous year (Jarry, 2013). The anti-corruption efforts and investigations on corruption cases increased by 30% and it is expected that corruption activities will decrease (Holcz, 2016).

## 2.5 Conclusion

Although the importance of *guanxi* is diminishing, it remains the main way to climb the social ladder. Expanding and fostering one's *guanxi* network to create relationships are the main goals behind the gift exchange. However, *guanxi* practices have often been an opening for corruption and bribery.

### **3/ Alimentary gift**

---

#### **3.1 Introduction**

The aim of this paper is to exploit fully the purchase of gifts by the millennials in the food market. Consequently, this chapter analyzes the exchange of food and its specific characteristics. First, this chapter describes the expectations of the consumers regarding food. Secondly, this chapter describes the occasions of food exchange and the symbolic value of food.

#### **3.2 The consumers' expectation for food**

The Chinese food market has its own set of characteristics that differentiate it from the other food markets.

First, in China, the role of food is to reunite. It establishes and maintains interpersonal relationships (Ma, 2015). On one side, it is a business facilitator, as business transactions happen often around a repast. For instance, during the "Cantonese breakfast" Chinese talk about business and drink tea together (Ma, 2015). On the other side, it reunites family around a meal, to share a moment together. Consequently, advertisement for food can concentrate on the projection of good emotions that the reunion around food creates. For instance, the breakfast should be a warm and soft moment that one spends with their family (Doctoroff, 2012).

Second, in the Chinese mind, the famine caused by the cultural revolution (in 1966) is still a trauma. Consequently, eating large quantities of food is vital, as Chinese think that eating a lot provides more nutriment, and is healthier. Unilever used that insight to promote their product by showing a very healthy family who wants to eat more as they find the taste very pleasing (Doctoroff, 2012).

China's has witnessed many food scandals. The Chinese consumers believe that the regulating laws of the government are not strict enough. They want direct government involvement in the food safety system for a higher safety of the food (Ortega et al., 2011). Government association and medical organization reinforce trust in food products and increase sales (Doctoroff, 2012). Every aliment needs to be safe and healthy, especially the food for the infants. Many advertisements put emphasis on immunity and germ-killing abilities, rather

than on physical enhancement (makes one taller...) (Doctoroff, 2012). Besides, the Chinese's concerns for their own health and for the safety of the food drives their purchase of organic food (Yin, et al., 2010). However, since Chinese people trust more international brands, MNC should build on their reliable reputation and put emphasis on the health requirements they respect. MNC must also adapt their products to the Chinese' taste and price (Doctoroff, 2012). Indeed, "Foreign goods can no longer rely on exoticism in order to attract sales, but now they have to compete with domestic products on key elements of quality, packaging, price and services" (Access Asia, 2011, cited by Dayal-Gulati, Lee, 2004).

Third, according to the Maslow's pyramid, once the basic needs of nourishment and safety are fulfilled, consumers want to satisfy more complex needs such as belongingness, esteem and self-actualization. Hence, once the food is guaranteed to be safe, it becomes a tool of success: it should make the children smarter to succeed academically. Hence boosting the intelligence, energy and concentration is a key success factor for many food products for the young. Thus, a snack should be presented as a sugar pill that will help you go through the day with more energy (Doctoroff, 2012). Besides, food is also a way to project status, especially for the middle-class consumers. Indeed, whereas foreign food is successful when consumed in public, as it is more expensive and expresses wealth, Chinese will prefer their familiar food in private. They fear trying new products and the potential consequences it can have (Davis, Peyrefitte & Hodges, 2012). Besides, Chinese remain Confucians at the core, and are drawn to predictability and order (Doctoroff, 2012). Hence, Chinese will accept to pay a price premium for public consumption, whereas foreign products sold to be eaten at home like *Pizza Hut* home delivery will almost meet no success. However, pizzas from *Pizza Hut* will meet their success for parties or any event happening in public. Besides, the *Haagen Dazs* restaurants are very successful, whereas their ice-cream for home consumption have no success (Doctoroff, 2012).

Finally, Chinese look for equilibrium. The opposites (such as Yin and Yang, sweet and salty) should be calibrated well, as it may drive sales. For instance, *Nestlé's* 3 in 1 coffee is successful because the sweetness of the product balances the bitterness of coffee (Doctoroff, 2012). Furthermore, dairy products are damp, as such, adding dry products increases the sales (Doctoroff, 2012).

### 3.3 Food exchange

Historically, women wanted to gain recognition and respect by displaying their cooking skills. Hence, food exchange was very common among women and was part of building female *guanxi* network. This social function of food has contributed greatly to the conception of Chinese Cuisine (Yan, 1996).

Nowadays, people still use food as a means for social exchanges (Yan, 1996). Food brings people together (Doctoroff, 2012). Many companies use that function of food to promote it. Shan Foods for instance, displayed a Chinese woman in a foreign country who cooks Shan Food to share with her neighbors and become their friend (Shan Foods, 2017).

Food as *Suili*, offered in ritualized situations, is bought rather than made, as its value must be estimated by the receiver and then repaid (Yan, 1996). Such exchange of food must obey to the rules of the etiquette. The social status of the receiver will influence the price of the food or the size of the banquet (Yang, 1989). Expensive and rare food show respect (Ma, 2015). The occasion of the exchange of *Suili* are mentioned in section 1.7.2. As the value of a gift expresses the closeness of the relationship, the value and the rarity of food also indicates the depth of the relationship (Ma, 2015). Food as *Songli*, exchanged on a daily basis, is usually simple and homemade. This is a way to express attachment and friendship, and to expand one's *guanxi* network. The exchange of alimentary *Songli* mainly happens during visits to relatives and close friends (Yan, 1996).

Specific food will correspond to specific social events. Festivals have their own proper food associated to it. During the Dragon Boat festival, it is common to eat rice dumplings, whereas moon cakes are offered during the Mid-Autumn Festival (Ma, 2015). During the New Year festival (the Spring Festival), fresh fruits represent life and a new beginning. Hence, they are very common gifts during that festival (Newman, 1996).

Food symbolism influences greatly the process of food exchange (Newman, 1996). In China, symbolism is everywhere (Faure, 2017). Food is also used in metaphors. For instance, a “familiar person” is a “cooked person” whereas a stranger will be qualified as an “uncooked or raw person” (Yang, 1989).

Much of food symbolism derives from the classification of hot and cold food (Yin and Yang). For instance, water-melon, a cold food, is believed to cause miscarriage (Wu, Tan, 2001).

The meaning behind food symbolism has been used to transmit messages (Ma, 2015). For marriages, fruits in the citrus family are very usual gifts as they symbolize a happy family life. Wild geese or a picture of them is an appropriate engagement or wedding gift since it serves as a symbol of everlasting love. Beans are a symbol for sexual relations. In some regions, during weddings, the mother-in-law gives the bride a cake made from dried bean-curd. Soybeans however, are said to cool sexual energy, and it is very popular in Buddhist monastery where celibacy is a condition to abide by (Newman, 1996).

Families love to share melons and pomelos, as they are a symbol of family unity. Apples are considered to bring peace, whereas peaches and deer symbolize longevity (Newman, 1996, Part I). Ginseng is highly appreciated by the elders and it is sometimes called the “elixir of life” (Newman, 1996, Part II). Furthermore, when a baby is one-month old, people send red eggs as they symbolize the baby's arrival. Receivers are supposed to return a gift of rice noodles and eggs (Newman, 1996, Part I; Ma, 2015).

Carp is a symbol of success and carp's paintings are often on the walls of businesses. In the South, snakes are said to cure every disease. They are also sensual and make fine gifts. A snakeskin is said to provide riches (Newman, 1996).

Although all food is healthy if well prepared, (Newman, 1996, Part II) the symbolism behind food is very important to consider when choosing a gift.

### **3.4 Conclusion**

China has experienced many food scandals. Consequently, the food safety is the primary key buying factor. When safety is guaranteed, consumers want the food to be a tool of success and to project status. When the food is consumed publicly or when inviting guests, consumers will be ready to pay gigantic price premium. Besides, the value and the rarity of the food is crucial during food exchange as it expresses the depth of the relationship between the giver and the receiver. Moreover, in the Chinese mindset food is highly symbolic and one needs to be careful to offer the right food lest it transmits the wrong message.

#### 4/ Successful Gifting Strategies

---

To conclude this second chapter, we will introduce a concrete example of a gifting strategy that benefited from the valuable insights drawn on Chinese consumers.

It appears that the best way to reach the elder generation is indirect. It works through gifting strategies appealing to the youth's Confucian values (The Economist, 2005). *Guibiewan* is a brand that sells healthy food supplements. It was positioned as the ideal present for parents, for they understood that health is a key buying factor of gifts. The Chinese youth have an absolute respect and loyalty for their parents. However, they often feel guilty as they sometimes need to abandon their parents to work somewhere else. Also, they are becoming more individualistic. The Chinese are torn between selfishness and selflessness and want to show their appreciation to their parents (Doctoroff, 2005). Hence, *Guibiewan* plaid on that insight with such an advertisement: "Every father remembers his son's birthday. But how many sons know their father's? Express your respect with *Guibiewan*" (The Economist, 2005). Such a gifting strategy based on customers' insight propelled the sales (Doctoroff, 2005). Another example might be the gifting strategy of Nestlé. They are selling fortified milk powders through advertisement to incite the youth to take care of their parents (The Economist, 2005).

Successful gifting strategies need to understand the message that the consumers want to transmit through a gift and need to adapt their value proposition accordingly. A gift conveys various messages depending on the occasion of the gift exchange, and its value should respect the rules of the etiquette. The symbolic value of the gift is very important to consider, as it will deeply influence the message that the gift transmits.

## **PART 3: Empiric Analysis**

---

### **1/ Introduction**

---

This paper is a qualitative research based on the analysis of 10 in-depth interviews of Chinese millennials from the middle class and the upper middle class. The aim is to draw valuable recommendations to exploit the full potential of their purchase of gifts in the food market.

This paper will first introduce the methodology of the research. Secondly, it will introduce the resulting data of the interviews. Finally, we will design recommendations to create a successful marketing mix that fits the occasions of the gift exchange and the category of the gift offered by the target group.

### **2/ Methodology**

---

#### **2.1 Introduction**

The goal of qualitative studies is to analyze complex behaviors, needs and culture in order to understand and explore social issues. It effectively provides insights and explanations of social behavior (Huberman, Miles, 2002). As Chinese gift exchanges of food are still a relatively unexplored problematic, we decided to unravel this social issue with a qualitative approach.

#### **2.2 Sampling**

As the aim of the qualitative study is to understand human issues, the generalizability of results is beside the point. Indeed, people are not similar when it comes to understanding and interpreting their own and other people's comportments (Marshall, 1996). Thus, it is impossible to prove that samples for qualitative research are representative and that the results can be applied to the entire population (Marshall, 1996). In qualitative studies, the samples tend to be small. The suitable size for such a sample is one that sufficiently answers the research questions (Marshall, 1996). When the interviews stop providing new knowledge, (Data saturation) the appropriate number of subjects has been attained (Marshall, 1996). During the in-depth interviews we conducted, we noticed that although the 9<sup>th</sup> interview brought some clarification, it didn't bring any new information. The tenth, was just a

repetition of the information already obtained with the 8 other respondents. Thus, we decided that 10 interviews represented an appropriate size for the sample.

The sample is composed of 4 male respondents and 6 female respondents from the middle class. They are aged between 21 and 27. Nine of them were still students at the time of the interview. Three respondents had been working before resuming their studies (See Table 1: Overview of the respondents). The sample is a convenience sample. Although it is the least rigorous technique (Marshall, 1996), interviewing Chinese millennials (born and raised in China) who speak either English or French sufficiently well to describe their point of view was not an easy task. We also chose the most knowledgeable respondents to answer some of the research questions, which is a characteristic of a judgement sample (Marshall, 1996). Indeed, after interviewing people who were single, it appeared best to interview people in a relationship to understand gift exchanges between lovers. Besides, we had to select interviewees according to their sex to respect a male-female parity.

*Table 1. Overview of the respondents*

Respondent	Age	Place of birth	University	Field of study	Occupation
Charlotte (康梦婷)	21	Beijing	Beijing	Interpretation	Bachelor Student
Lilas (张慧)	21	Tianjin	Tianjin	Business French	Bachelor Student
Lilu Xing (邢璐)	21	Guiyang	Tianjin	Business French	Bachelor Student
Stéphanie Wei	21	Guangdong	Beijing	Communication	Master Student
Laurent (高麒麟)	21	Guangdong	Beijing	Interpretation	Bachelor Student
Caroline Zhang	21	Beijing	Beijing	French	Bachelor Student
Zhou Peng	27	Henan (Near Shanghai)	Shanghai	Commerce	Master student. Worked as an engineer
Anonymous (male)	26	Guangzhou	Hong Kong	Economics	Master Student. Worked in Hong Kong
Alexandra Wang	27	Beijing	Beijing, France	French, marketing management,	Works as a Business analyst in France
Yann Dai	27	Wuhan	Wuhan, France	Digital mechanics	Doctorate

We encountered some issues with the sampling. The ten interviews were conducted with Chinese people who have lived in Belgium for at least a semester. Hence, the respondents have been influenced by the Western culture in a more direct and profound way than their counterparts. It was almost impossible to get in touch with Chinese people who never went to another country, as there were a geographic and a linguistic barrier. Consequently, the population segment interviewed is the millennials from the middle class who lived abroad for a given time. It appears that studying abroad is a global phenomenon among the target group. In 2015 alone, 523 7000 students went abroad to study, 97% of whom were self-funded (Icef, 2016), which consequently signifies that they come from the middle class and the affluent class, as they have disposable income. Besides, the number of Chinese students going abroad has been constantly growing over the last 40 years (Icef, 2016). Moreover, an enormous number of millennials travel all around the world (Allen, 2016). Thus, we assumed that living and travelling abroad was a common phenomenon among the millennials and that the sample was still representative of the target group.

The second problem that we encountered was the language barrier. Many respondents didn't speak either French or English fluently, and we had to resort to the use of Chinese idioms, etc. However, when this was the case, it may be that the meaning of their thought has not been transmitted well. Moreover, we realized that some respondents were shy to answer some questions as they feared that they would not be able to explain their answer properly. Consequently, complex matters might have been avoided by some respondents.

### **2.3 The importance of in-depth interviews**

We carried out in-depth interviews for this research. In-depth interviews are an important asset for qualitative studies, as they are interactive, combine flexibility with structure, and allow the research to understand the reasons and feelings behind the respondent's responses. Furthermore, the in-depth interviews allow the creation of new knowledge (Legard, Keegan, Ward, 2003)

All the interviews were recorded and transcribed in order to keep the data untouched. The interviews lasted from 45 minutes to 1 hour 56 minutes. Furthermore, 9 out of 10 interviews were done face to face in order to be as interactive as possible. The 9<sup>th</sup> interview was conducted via Skype. As it is vital during in-depth interviews to establish a good compatibility (Legard, Keegan, Ward, 2003) we tried to respect the wishes of the interviewees, express a deep respect and let them choose the location of the interview. The in-

depth interviews happened after the literature review to allow the interviewer to be fully aware of the subject and focus the interviews on the most relevant themes.

We decided to conduct semi-structured interviews, as the literature review showed which themes would be pertinent to discuss, clarify and analyze. We used an interview guide (See Annex 11) to direct the interviews around those themes, while leaving the liberty to the respondents to create new knowledge, yet unknown to the interviewer.

We used the funnel approach to questioning, which is a tactic designed to “enhance memory relevant to investigative interviewing” (Matsumoto, Hwang, Sandoval, 2015). This method introduces the issue by first using open questions. Then, the questions will become more specific, which will limit the subject’s responses to more precise topics such as questions related to a particular brand or product (Pellemans, 1999; Matsumoto, Hwang, Sandoval, 2015). This method is often preferred as it allows a suitable coverage as well as a good structure. This tactic is more effective than the one that goes straight to more specific subjects. However, it takes more time and its results are less predictable (Pellemans, 1999).

Due to the language barrier between the respondents and the interviewer, we had to summarize some of their answers to be sure that we understood their response clearly. Although this tactic is rarely helpful (Legard, Keegan, Ward, 2003), we thought that in such a context, clarification through summary was necessary.

### **3/ Results: The gift**

---

#### **3.1 Introduction**

This chapter will describe the themes covered in the interview guide and the results we obtained regarding the gift. It first explains the respondents’ perception of a gift. Secondly, it describes the different categories of gift in the mind of the respondents. Finally, it mentions the preferred features of the packaging that fit the different categories of gift.

#### **3.2 Definition of a gift**

The first preoccupation of the research was the definition of a gift. Indeed, the definition of the gift exchange appears crucial to understanding the buying behavior of the respondents. According to Allan Chan et al, a gift is a “Signifier of *renqing* (appropriate emotion), a

demonstration of *li* (social courtesy), a practice of bestowing *mianzi* (respect) and *lian* (dignity), and a process of *bao* (reciprocity) and *guanxi* (relationship building)” (Chan, Denton, Tsang, 2003). Although the millennials interviewed agree that there are rules in gift-giving, they all think that a gift is “an intermediate to express one’s emotions and feelings” (Interview 9, Alexandra Wang). They put emphasis on the valuation of the relationship rather than on the rules of gift giving. Consequently, they will choose a gift according to the message they want to transmit to the receiver. “You offer a gift but in the end, it all comes down to the message you want to convey. The message expresses the sentiments” (Alexandra Wang). The symbolic behind a gift endorses a vital importance as it will not only ease the transmission of a message but it also demonstrates the respect of the *li* (etiquette).

### **3.3 Category of gifts**

Secondly, as the literature doesn’t target specifically the middle-class millennials to analyze their gift perception, we wanted to understand how they categorize gifts. The theory brought up two classifications. The first one, from Mayfair Yang, considers the gift as a ritual or a routinized process. The second one, from Allan Chan et al. considers that the classification of gifts depends on the occasion of the gift exchange.

It appears that for the respondents, as a gift is a way to express one’s emotion, the message behind a gift is its most important aspect. “You give a gift, but in the end, this is the message that you want to offer” (Alexandra Wang). The message differs depending on the receiver and thus, “the type of gift depends on the receiver” (Interview 1, Charlotte). Consequently, the classification of the gift by the millennials does not depend on the occasion of the gift exchange or on the ritual/routinized aspect of the gift but on the receiver of the gift. This different categorization comes probably from the fact that the millennials are less influenced by the Chinese traditions. Consequently, they regard the occasion of the gift exchange, or the rituals behind the gift exchange as less important than the direct person who will receive the gift.

Thanks to the interviews, we could draw a new classification and identify 5 clusters: Family, close friends, remote friends, *guanxi* networks and lovers. The buying motivations for each group are distinct from each other. (See Annex 13: Recapitulative table of the categories of gift based on the receiver)

One of the themes we wanted to cover was the features the millennials want in a gift. It appears that many features, such as the price sensitivity, the importance of the packaging of the gift, the time spent to choose a gift... differ depending on the receiver.

### **3.3.1 Family**

Although millennials are influenced by the Western culture, they still value deeply their customs and family traditions. Family is still the most important social unit (Gentlemen, 2016; Doctoroff, 2005). Hence, gift-giving activities among the family is the most important category.

It is the proper etiquette to give gifts to the remote family that is reunited during the traditional festivals and the family gatherings. “Relationships within the family are very intricate [...] Sometimes I give gifts to my family to respect the etiquette. I don’t like some of my family members but I need to give them something for the Spring Festival” (Interview 10, Yann Dai). Consequently, the rules of the etiquette dictate the gift buying behavior for remote family members.

For the direct family members, such as parents and grand-parents, the rules of the etiquette are mostly inexistent. The respondents all agreed that there are no rules to respect when they offer gifts to their parents. However, in some families, “gifts for the grandparents should be more expensive to show respect” (Alexandra Wang). Alexandra is the only one to do so, as the other respondents gave gifts to the elders for many reasons, but did not feel the need to respect any rules of proper etiquette.

It is common to offer gifts for the parents’ and grandparents’ birthday. However, the habits of gift-giving differ greatly from one family to another. Half of the respondents admitted that they offer gifts on Mother’s Day and Father’s Day. The other half only sends a message or a postcard. As five respondents still offer gifts for Mother’s Day and Father’s Day, those celebrations remain an opportunity for gifting strategies.

The gifts for the parents and the grandparents are intermediate to express their concerns, and wishes of a good health. Indeed, “health is the most important” (Alexandra Wang). The quality and the guarantee that the product won’t damage the health are the features that matter

the most.<sup>8</sup> Millennials are willing to pay huge price premium for healthy products for parents and grandparents. Moreover, millennials feel greatly burdened by indebtedness and gratefulness toward one's parents and grandparents. Consequently, the gifts they want to offer to them are not price sensitive. The price of such gifts can go as high as “half a month of salary” (Interview 8, Anonymous). The respondents who had or still have a job admitted buying everything that their parents or grandparents needed, as long as they can afford it. Although gifts for the direct family members are not price sensitive, more traditional families might get upset if their child buys them something too expensive, as they consider that they are not worth the consideration of the younger generation. While this was the case for only one respondent, we consider that overall, gifts for the direct family member are absolutely not price sensitive.

Whereas the main preoccupation of the millennials toward their grandparents and parents is their health, they have a secondary preoccupation that differ. The millennials want to make their grandparents discover new things, show them how the world has changed, through gifts. However, concerning their parents, the millennials wish to alleviate the pressure on their shoulders. This is one of the key message they want to transmit through gifts. Indeed, the parents must take care of both their child and parents, which creates many tensions. Hence, the millennials want to remind their parents to take care of themselves by giving massages, warm clothes, skin care, creams... “I wish they can relax more, I hope they won't have too much pressure” (Interview 3, Lilou Xing)

### **3.3.2 Close friends**

The main occasion to offer gifts to close friends is during their birthday. For such occasion, the gift is not price sensitive. However, the gift should express sincerity. All the respondents agree that they deeply appreciate a gift when they can feel that the giver spent a lot of time choosing something uniquely intended for the receiver. “I appreciate a gift that is very meaningful” (Interview 7, Zhou Peng). “I appreciate when I can tell that this person put a lot of effort in choosing the right gift” (Interview 2, Lilas). Moreover, the quality of the gift is crucial whereas the packaging of the gift is secondary. To choose a gift, some respondents

---

<sup>8</sup> Although according to Tom Doctoroff, Chinese will be careful to reach a balance of Yin and Yang ingredients in their diet, (Doctoroff, 2005) all the respondents admitted not paying attention to the balance of Yin and Yang as it is too complicated. Consequently, quality doesn't comprehend this idea of balance of Yin and Yang in the eyes of the millennials

will first establish a list of gifts that the receiver may like. Thus, within this range of product, they will take the most expensive and qualitative one, if it remains affordable. The message of such gifts is that they value the friendship and want “their friendship to last forever” (Interview 4, Stéphanie). Moreover, they also want to clearly state how much they appreciate the person and that they wish to spend some quality time together. “The price of the gift depends on how high you value the friendship” (Interview 8, Anonymous). Although the price is not the main preoccupation to purchase such gifts, they are still more price sensitive than for the family. A gift that is too expensive could burden the receiver who will feel morally obligated to repay a gift of the same value. “You don’t want to offer a gift that is too expensive if you are not very close to him. Because after receiving an expensive gift, he will have to think how they can repay a similar gift” (Interview 7, Zhou Peng).

There are other occasions to offer gifts such as weddings, house-moving, and visiting the friends. However, during weddings it is highly recommended you offered money in *hongbao* rather than gifts. The amount of money given in *hongbao* should be symbolic: either 666, 888 or 1000 renminbi. As for the house moving, many respondents could not elaborate on that matter as they had not yet experienced any house-moving. Visiting the friends often require giving small gifts to respect the etiquette such as food that will be shared by everyone during the visit. It seems that when visiting friends under the age of 30, the millennials don’t feel the need to respect any rules of conduct. Each of them has their own customs and habits when they visit their friends.

### **3.3.3 Remote friends**

People offer gifts to remote friends when they are invited to an event. For example, if one is not invited to a birthday party, it is not required to give a gift, a simple message on *Wechat* is sufficient. On the other hand, if one is invited to a birthday party, it is highly recommended to offer a gift otherwise it could break off the relationship. The gift is mostly to respect the etiquette. This concurs with the statement of Mayfair Yang: “when there is not much intimacy in the gift exchange situation, the *renqing* is increasingly important” (Yang, 1994).

The message conveyed by such gifts is the same as for close friends: “I value our friendship and I like gathering with you” (Interview 8, Anonymous). The gifts for remote friends are more price sensitive. Buying a gift that is too expensive will be a huge burden for the receiver, as they will have to repay a gift of the same value. “For friends, I won’t give a very expensive gift. Because if I do, my friend will know that it is very expensive, and he will be stressed out

and beholden. We always know the maximum price for gifts for friends” (Interview 6, Caroline Zhang). Buying a gift that is too cheap might show disrespect. Consequently, the price must respect the appropriate etiquette.

Although sometimes the monetary value of gifts for remote friends and close friends might be the same, the main difference lies in the time spent to pick up the gift. For remote friends, “even if it is expensive, it doesn’t take me long” (Interview 8, Anonymous). Whereas the main asset of gifts for close friends is that the gift shows their sincerity, the gift for remote friends is mainly about respecting the etiquette. Consequently, convenience of purchase is one of the key buying factor of such a gift.

### **3.3.4 Guanxi Networks**

A large majority of Chinese (92% according to a study conducted by Gordon Chu and Yanan Ju in 1993 on 2000 Chinese) think that *guanxi* plays a role in their daily life (Yeung & Tung, 1996). This concurs with the perception of *guanxi* practices by the respondents. Indeed, the respondents all believe that *guanxi* networks are very important in China. They think that as soon as they start working, (especially if they work in a state-owned company) they will need to develop their social network because “Chinese have to collaborate to lead a good life” (Interview 6, Caroline Zhang). Giving gifts is a means for people “to expand their social networks and to ask favors” (Interview 2, Lilas). Although *guanxi* has been an important part of Chinese culture for thousands of years (Buckley et al, 2006), the influence of Western culture and ethics, as well as the market liberalization diminishes the *guanxi*’s importance (Wilson & Brennan, 2010). This also concurs with the respondents, as “Now it’s less important than before [...] I think *guanxi* will be less and less important” (Interview 5, Laurent).

Gifts for *guanxi* must be gifts that are purchased with money. The monetary value of the gift depends on the favor one wants to ask to the other and on the social status of the receiver. “If you are an important person or if I’m asking a big favor from, it will be pricier and if it’s just for a little help, I just buy a little something to show my thanks” (Interview 2, Lilas). The message behind such gift is to express one’s gratitude and the will to continue the relationship. For such gifts, the packaging, the brand and the price are the most important. Everything must look very classy, pricey and show that the giver values and respect the receiver. However, the gift should not be too expensive lest it is perceived as a bribe.

Although *guanxi* is very important in China, the respondents don't perceive *guanxi* as positively connotated. "I don't like it, I think it is not very right" (Interview 3, Lilou). "I think it is close to corruption" (Interview 8, Anonymous). Indeed, in the mind of the millennials, "*guanxi* activities are very connected to bribes wearing a disguise" (Lovett et al., 1999).

We unfortunately could not collect much information on this practice with our respondents. As the sample is mostly made up of students, they do not need to foster *guanxi* relationship yet. Only Zhou Peng, who had been working in Mainland China, and Anonymous, said they offered gifts for *guanxi* purposes. The other respondents described their parents' activities. Consequently, the empiric study will not cover the category of the *guanxi* practices and won't draw recommendations concerning that category.

### 3.3.5 Lovers

As many of the respondents were single, it was more difficult to retrieve information on the gifts that couples offer to each other. Nonetheless, as 5 respondents were in a relationship, we could still constitute this category. First, there are some events especially designed for couples, such as Valentine's Day or *Qixi*, where it is very important to at least go out and celebrate. As Tom Doctoroff said, for Valentine's Day, the gift is obligatory for the boyfriend. The value of the gift a boyfriend gives needs to be high in order to reassure the girlfriend and her family that he will be able to take care of her (Doctoroff, 2012). This appears to still be the case for some respondents. "Girls will focus more on the price. They will evaluate whether the price of the gift lives up to their expectations" (Interview 2, Lilas). However, the message seems to matter more as "most girls would judge the price, but although they judge, they would care more about the heart" (Interview 2, Lilas). However, for Anonymous, the monetary value of the gift does not matter.

Moreover, it appears that the occasions when the boyfriend needs to give gifts are very numerous. Indeed, "almost every woman believes that their boyfriend should offer them a gift for every occasion" (Interview 6, Caroline Zhang). The obligation to offer a gift for every event depends greatly on the relationship between the couple. Caroline, who is more self-conscious, believes that she should receive a gift whenever she asks for it. "I'm in a bad mood today, you must give me a gift" (Interview 6, Caroline Zhang). On the contrary, Anonymous stated that the gift should express his love, and that he gives gifts only for the important occasions such as the birthday or the yearly anniversary of the formation of the couple.

Every respondent agrees that for gifts between lovers, the most important is the thought behind the gift. The time spent to choose a gift for the receiver is an indicator of the fondness of the giver. The uniqueness and sincerity behind the gift are the main features for gifts between lovers. However, for Caroline Zhang, the price of the gift matters as it is representative of her boyfriend's feelings.

### **3.3.6 Conclusion**

This categorization of gifts is important to understand the gift buying motivations of the millennials. Indeed, the preferred features of the gift differ depending on the receiver of the present. Consequently, this categorization should be the basis for every recommendation on gifting strategies targeting the Chinese millennials.

## **3.4 Packaging**

### **3.4.1 Introduction**

The packaging is a critical element of the product (Doctoroff, 2012). Consequently, we had to understand which packaging would be the optimal one to drive purchases. It appeared that, as the type of gift depends on the receiver, the packaging also differs according to the receiver. However, the theory doesn't elaborate this aspect. Indeed, the literature took China as a whole to depict the optimal packaging of a gift. Some aspects of the literature are applicable to the millennials' buying behavior, such as a preference for better quality of the gift (DaxueConsulting, 2015) and the willingness to pay a price premium for a fancy packaging (Qiu, 2011). However, the optimal specifications of the gift packaging mentioned by the respondents sometimes differ from the literature review. Many features of the gift depend on the new gift categorization that we drew previously. Indeed, the importance, the color and the size of the packaging differ greatly depending on the type of receiver, which are aspects that are not addressed in the literature.

### **3.4.2 Importance**

The packaging is the most important feature for gifts offered for *guanxi* networks, and for remote friends. "For friends who are not close, the packaging is the most important" (Interview 8, Anonymous). In those categories, gifts are often given to respect the etiquette. Among Chinese customs, the receiver of a gift can't open the gift in front of the person who

offered it. Consequently, the appearance of the package might help showing “face”. Indeed, “the packaging of gifts for customers must be exquisite” (Interview 7, Zhou Peng). The packaging has also much importance for remote friends, because they will judge according to the wrapping. “For friends, the packaging is a part of the gift” (Interview 6, Caroline Zhang). Hence, in both cases, the packaging could represent even “more than 20% of the total price” (Interview 9, Alexandra Wang). Furthermore, the common message that a giver wants to transmit for both *guanxi* practices and remote friends is that “I respect the relationship and want it to continue.”

Although in all cases, the wrapping of a gift should be beautiful and “should not look cheap” (Interview 2, Lilas), the product packaging offered to family and close friends is secondary. “The packaging for the family is less important” (Interview 6, Caroline Zhang). For such gifts, respondents consider that expressing their feelings to the receiver and the quality of the gift are essential. Thus, they will prefer to spend more for the quality of the gift than for the packaging. No rules could be drawn for lovers, as the opinions of the respondents were too distinct.

### **3.4.3 Size**

The size of the packaging influences the perception of the gift. “We have that idea that if the gift is very small, even if it contains gold, it is not as good as a big one. However, if you offer a jewel, it is better that the size of the packaging fits with the jewel” (Interview 9, Alexandra Wang). Besides, “some people believe that the size of the gift reflects the depth of the relationship” (Caroline Zhang). Nonetheless, a too big package that doesn’t contain much might be annoying (Interview 4, Stéphanie). Whereas for family members and close friends, the quality of the gift matters the most, for the *guanxi* network and remote friends the perception of the gift and the etiquette are the most important. For the last two categories, the packaging and the gift should be bigger.

### **3.4.4 Color**

Concretely, red is a festive color recommended for packaging whereas white or black are bad luck (Abramson, 2002). This statement might be true for gifts for the elder generations. “For the generation of my parents and my grandparents, they believe that red will bring happiness and energy” (Interview 3, Lilou). However, it appears that it should not be applied to the gifts millennials offer to each other. While the respondents said that “red is the safer choice when a

gift is offered to elder relatives or parents” (Interview 6, Caroline Zhang), “red is perceived as outdated” (Interview 2, Lilas) by the millennials. Six of the respondents would rather choose a blue packaging for gifts they want to give to their peers. Among friends, millennials would choose the color of the packaging depending on the preferences of the receiver. Although a black or white packaging would be very badly perceived by the elder generations, because of its use during funerals, millennials don’t pay much attention to the symbolism of those colors. “Traditionally for my parents it wouldn’t be good to offer black but among young people, the symbolism of color is less important” (Interview 5, Laurent).

### **3.4.5 Food**

The suitable packaging of food differs depending on the receiver of the gift, as mentioned here above. Millennials also look for additional features in the packaging of food. When people offer food, the packaging must look “appealing and make the people want to eat the content of the gift” (Interview 1, Charlotte). If the packaging is see-through, the content must look tempting, fresh and unspoiled. Furthermore, the gift should be “easy to carry and the packaging should help preserve the food for long periods” (Interview 5, Laurent). The appearance of the packaging of food is crucial, especially when it is offered as a formal gift, otherwise it would not be perceived as a gift (Interview 10, Yann Dai).

### **3.5 Conclusion**

The buying factors of a gift depend greatly on the receiver, as the millennials will buy a gift to transmit a certain message to each type of receiver. Whereas gifts for family are mainly about health, the gifts for remote friends and *guanxi* networks should respect the etiquette. Presents for close friends and lovers should express the fondness of the giver. In those cases, millennials will spend more time choosing the product according to the unique taste of their lovers or their close friends. The type of the receiver also has a huge influence on the appearance and importance of the gift packaging. Consequently, marketers should keep in mind whom the gift will be offered to, while drawing gifting strategies.

Furthermore, it appears that the differences between the theoretical part and the empiric analysis, for instance the fact that red is an outdated color, comes from the fact that the millennials distinguish themselves from tradition. When offering a gift to their peers, the old is outdated.

## **4/ Results: The role of brands in the purchase of alimentary gifts**

---

### **4.1 Introduction**

Brands are a strategic asset for the company (Doctoroff, 2005). It appears that brands are crucial when offering a gift. Indeed, “in China, when you offer a gift, the brand is very important” (Alexandra Wang). This chapter analyzes which aspects of a brand endorse the most value in the mind of the respondents when they purchase an alimentary gift. Then we will analyze the brand *Wangwang*, and the reasons of the popularity of its gifting strategy. The aim is to understand what makes a brand a suitable choice for the purchase of an alimentary gift by the millennials.

### **4.2 Trust**

Tom Doctoroff and Davies et al declared that trust endorses a crucial importance in the Chinese mind, as their quest for security is what prevails in difficult times whether they will buy food, cosmetics or apparel (Doctoroff, 2005; Davies et al, 2012). Besides, trust is one of the four most important constructs to predict brand purchase in China (Rosenbloom, Haefner, Lee, 2012). Consequently, we decided to examine the importance of trust in the food exchange between millennials, and how a brand could build trust in the eyes of the target group.

It appears that trust is also a very important buying factor for food offered as a gift. “The brand is crucial, because if you offer food, you need the other person to trust the food” (Interview 8, Anonymous). If the receiver doesn’t trust the food, it is very likely that they will dislike the gift and not eat it. The main preoccupation for the millennials is the ability to trust that the product will not harm their health, as “health is the most important” (Interview 9, Alexandra Wang). Indeed, Chinese fear new products and don’t take safety for granted (Doctoroff, 2005). As the risks of health endangerment caused by new products are high, “when I buy food to offer as a gift, I must have tried it before” (Interview 8, Anonymous), to be sure that the food is safe and has an appropriate taste. Besides, “when Chinese people give food, they will trust food coming from foreign countries such as Europe, American or Japan. Due to the 2008 Dairy scandal, people still believe that the milk in Europe is safer and will try to buy it there” (Interview 10, Yann Dai). Hence, trust, or the perception that a product is trustworthy is vital to buy and offer food.

Chinese are suspicious, and do not trust local manufacturers (Doctoroff, 2012). Many respondents admitted lacking trust in local manufacturers because of food scandals that got out. First, “every March 15, it is the anti-skank day.<sup>9</sup> On that day, a tv program exposes the misconducts of brands, such as products that are bad for the health. Sometimes, there are some very renown brands, whose ambassadors are very renown actors, and in the end, this brand is bad for the health. Thus, now we don’t believe anymore, we believe in the foreign brands, we believe that their products are better” (Interview 9, Alexandra Wang).

There is also a lack of trust in Chinese advertisements. As Zhou Peng stated: “I don’t trust that [*Guipiwán*] are as good for the health as they say in the advertisement. If it was an international brand maybe I will trust them” (Interview 7, Zhou Peng). Furthermore, “if I haven’t tried a brand, maybe I’ll consider international brands first, because I trust it more” (Interview 8, Anonymous). Anonymous added that “Sometimes if the domestic brand’s performance is satisfactory and cheaper, I will go for that brand” (Anonymous). Thus, it appears that Chinese take some time to trust a brand. Their only way to distinguish a trustworthy brand is to wait and see if that brand will be scorned by a scandal. Although it requires time to establish trust, international brands can benefit from an emphasis on their country of origin to create trust more easily. Indeed, the millennials perceive foreign product as safer as “the laws in foreign lands are stricter” (Interview 5, Laurent).

There is a new phenomenon that has a growing popularity in China named *daigou*. This term represents Chinese students living abroad who sell local products to China. The *daigou* is a way for the students who live abroad to earn some money, as the Chinese living in China crave for products from Europe, America and Australia. Alexandra stated that “in Germany, there is a very renown supermarket that sells biological products of very good quality. Students buy powder milk from that supermarket and send them to China at a very good price. It has become a very lucrative job. This happened with some Australian products too” (Interview 9, Alexandra Wang). This belief in the health benefits of some foreign products comes from what is said “in the media, or in health magazines” (Alexandra Wang). Some articles show the health benefits of some products and then people crave for them. This proves that the Chinese will look beyond their local products and will not hesitate to pay huge price premium for high quality products as long as they believe (or if they are made to

---

<sup>9</sup> Alexandra translated it as the anti-skank day. The correct term is “World Consumers Rights Day”. On that day, there is a show that shames companies’ misconducts toward the consumers. No company is immune and the issues can regard food safety, counterfeit, negligence... (Hui, Tian, 2015).

believe) that the quality is reputable or if the product is good for the health. The importance of the country of origin to drive the purchase of food is undeniable. This validates the statements of many scholars: Chinese consumers prefer foreign brands, especially brands from the West and from Japan. Those brands have a better status, reputation and perceived quality (Laforet, Chen, 2012; Doctoroff, 2012; Zhang 1996).

We will consider the brand Godiva to illustrate the importance of putting emphasis on the country of origin and the quality associated to it. The Chinese know that chocolate is a Belgian's specialty. Godiva, insisted on its Belgian expertise and is marketed as a very luxurious product of high quality. One respondent stated that Godiva is perceived as a lot more luxurious in China than in Belgium. He added that Godiva "exaggerated its prices (as the boxes of chocolate are a lot more expensive in China than in Belgium) and "pretended" to be a lot more luxurious than it really is" (Interview 5, Laurent). Furthermore, the Chinese still believe that "the price is an indicator of quality. The more a brand is expensive, the more the quality of the product is perceived to be high" (Laurent). Godiva, by exaggerating its price, led people to believe that the quality was higher than it really is. This exaggeration of price is supported by the country of origin of the product that instills trust in the mind of the consumers. This strategy proved successful, as the popularity of Godiva is rising in China. Furthermore, the former CEO of Godiva, Jim Goldman, stated, "even if Chinese consumers are shy about buying such luscious chocolates for themselves, they are incredibly popular as gifts. Dark chocolate is also much more popular [...] at least in part because of dark chocolate's healthier associations" (Red Luxury, 2017).

Although, Chinese perceive foreign brands as more trustworthy, this is not sufficient to make them trust a brand. According to the respondents, brands can be perceived as more trustworthy if they present several features. First, the packaging influences the perception of reliability for a product. The anonymous respondent considers that "trust is positively correlated to the amount of information written on the packaging" (Interview 8, Anonymous). For him, if a packaging mentions all the ingredients and the provenance of the food, he will trust it more. Furthermore, he even added that it would be beneficial if the packaging showed some credentials or academia. Secondly, the perennity of a brand is also a sign of trustworthiness. "If a brand has existed since you were young, it means you can trust it, whereas small factories are less trustworthy" (Anonymous). Lastly, the place of distribution also influences the perception of trustworthiness of a product. "The place of purchase is one

of the features of a brand that will make me trust it. If it is in a high-class supermarket or a remote shop” (Anonymous).

In conclusion, the trust in the food quality is extremely important when it comes to gifts. Furthermore, the quality and the packaging of the food influence the perception of trustworthiness. An alimentary gift will not be offered if the brand is not trusted. Consequently, it is vital for companies that want to install gifting strategies to establish trust in the mind of the consumers before creating a gifting strategy for that brand.

### 4.3 Promotion

As the aim of this paper is to recommend successful marketing mix for gifting strategies that fully exploit the opportunities of the Chinese food market, we asked the respondents if their perception of the brand influenced their purchase of gifts. It appears that promotion tactics have a huge influence on their purchase of gifts. Consequently, brands should understand how to advertise their product effectively. Indeed, for gifting strategies, some promotion tactics are more effective than others. As Tom Doctoroff stated that *Guipiwán* adopted a successful gifting strategy, we explained their advertisement to the respondents by stating their slogan and the emotional cue of the ad. We explained that the advertisement showed a child celebrating happily his birthday every year with his father. After growing up, the adult celebrates his dad’s birthday. The slogan is: “Every father remembers his son's birthday. But how many sons know their father's? Express your respect with *Guibiewan*<sup>10</sup>” (The Economist, 2005). The goal was to check if the ad was attractive to the millennials but also what the millennials valued in *Guipiwán*’s promotion tactics. However, when confronted to that statement, all the millennials admitted not liking it. It appears that saturation has been reached in the domain of gifting strategies, as the millennials admitted that they personally wouldn’t buy such a product because their advertisement was too common. They would rather have “something unexpected, otherwise, I would filter out this kind of ad” (Interview 5, Laurent). This confirms the statement of Magni and Po who said that “the millennials have become accustomed to ads, thus they prefer more creative and sophisticated advertisement (Magni & Po, 2013).

---

<sup>10</sup> The Economist wrote *Guibiewan*. However, the correct spelling according to the Chinese pronunciation (Pinyin) is *Guipiwán*.

When we mentioned the gifting strategy of *Guipiwán*, the respondents mentioned two other brands that adopted a successful gifting strategy for alimentary gifts: *Wangwang* and *Naobaijing*. Those two brands adopted a *flighting*<sup>11</sup> strategy during the traditional festivals (especially during the Spring festival). They also created products especially for festivals. *Wangwang* is a Taiwanese brand that was originally named *I Lan Foods*. It changed its name *Wangwang* in 1996 and became renown (Tian, 2006). It mainly sells snacks such as rice crackers, *xiaomantou*, and milk targeted to the young. Their message is simply put: *Wangwang* provides moments of happiness and joy during festivals that bring families together. It is always very simple to understand: eating *Wangwang* makes people happy. One of their ad consisted in repeating the name of the brand 3 times, and showed people eating together happily some *Wangwang* products.

As for *Naobaijing*, the amount of information concerning that brand is almost nonexistent in English and most of their communication is in Chinese, so we won't describe it in detail. They sell a product named *baojianping*, which is a beverage supposed to be good for the health. Their advertisements also happen during festivals, and target people who want to show their concern for the elders. Their slogan is very simple and very easy to remember. It says 3 times: "*jinnian guoji bu shouli, zhi shouli naobaijing*", which Zhou Peng translates as "I won't receive any gift during Spring festival but if you want to give me gifts, just bring me *Naobaijing*, I will only accept to receive *Naobaijing*" (Interview 7, Zhou Peng). The popularity of *Naobaijing* might have rose from the unexpected advertising that displays elder cartoon characters happily dancing and repeating 3 times the same thing. "I think they were the first one to use cartoon characters of old people dancing" (Interview 9, Alexandra Wang). However, the lack of renewal for their advertisement makes their brand very outdated in the eyes of the consumers. They are now considered to be annoying, as it grew old, but it was also revealed that the healing properties of their product were not effective. Nonetheless, respondents admitted that if the advertisement had the same structure but more up to date and trendy, they would consider buying the brand. "It's clearly outdated. If they did the same kind of ad but added a modern touch to it, it would make it more appealing to me. In that case, I would consider buying the product for older generations" (Interview 8, Anonymous).

In conclusion, it appears that although the respondents want something unexpected, they also want simple messages. Several repetitions of only a slogan or the mention of the brand

---

<sup>11</sup> *Flighting* strategies are a type of media scheduling characterized by periods of heavy advertising, separated with long periods of no advertising. It is a tactic often used for seasonal products (Tellis, Ambler, 2007).

doesn't bother them. "I think that for me, a simple advertisement for products like *Wangwang* is better. I think a beautiful ad with yet a simple message is the best" (Interview 9, Alexandra Wang). Besides, "*Wangwang* is easily memorized" (Interview 7, Zhou Peng). "As the ad goes on tv again and again, it goes into your head" (Alexandra Wang). It also appears that both advertisements (from *Wangwang* and *Naobiajing*) are joyful. Happiness in advertisement for alimentary gifts seems to be very appreciated.

#### **4.4 What should a brand focus on to drive the purchase of a gift?**

The respondents admitted that during their purchase of alimentary gifts, they would pay attention to the brand of the products. Some preferred features transpired from their answers.

First, it appears that brand awareness is a crucial buying factor for alimentary gifts. Indeed, for safety reasons, "I would tend to choose a brand that I already know" (Interview 9, Alexandra Wang). Furthermore, "it is important to offer a brand that the receiver knows" (Interview 6, Caroline Zhang). The receiver should be able to know the price of the gift thanks to the brand, as the "price will demonstrate the sincerity of the giver" (Caroline Zhang). Although the millennials might look on the internet to deduce the price of a gift, the elder generation is more dependent on their knowledge of the brand to guess the monetary value of the present.

Secondly, when offering food, "health is the most important" (Interview 9, Alexandra Wang). For instance, Chinese like organic or natural food, despite the price premium it requires" (Alexandra Wang), because it is considered healthier. It is important that the food contains few added components, and that the ingredients are natural (Interview 6, Caroline Zhang). This confirms the saying of Tom Doctoroff: with the influence of Daoism, advertisement should focus on the quality, the natural ingredients that compose the product, and the absence of added chemicals (Doctoroff, 2005). As health benefits are the most important characteristics of a present, the distinguishable feature of a brand is the quality of its products. A brand will be chosen because it guarantees the quality of the food. "When I offer food, I will choose a brand that sells products of high quality" (Interview 3, Lilou). Furthermore, the Chinese still believe that "the more a product is expensive, the more it will be perceived as a high-quality product" (Interview 5, Laurent).

Lastly, the brand name has a relatively high importance for the respondents. According to Lily Dong, "a brand name is even more important in China as the symbolic of a brand name

may greatly influence Chinese' purchase decisions" (Dong, 2001). This appears to concur with the respondents' point of view. Indeed, a brand name that contains a word with a bad symbolic, such as the number 4 would go "bankrupt before even launching a product" (Interview 5, Laurent). Besides, "if a brand doesn't have a good name, I think that their product is bad" (Interview 10, Yann Dai). Furthermore, "the name can give an idea of the good properties of a brand" (Interview 6, Caroline Zhang). However, "The brand name is important, but I don't take it too much into account" (Interview 5, Laurent). Although it is relatively important to have a good name, having a brand name that is negatively connoted with a bad symbolic would jeopardize the reputation of the brand.

In conclusion, in the mind of the respondents the brand awareness and reputation of quality are the most important characteristics of a brand that wants to sell alimentary gifts. Furthermore, the brand name should have positive connotations that ideally represent some of the assets of the product.

#### **4.5 Why is *Wangwang* a popular brand for gift purchase?**

As the brands will deeply influence the purchase of gifts, we decided to understand the popularity of *Wangwang* in the mind of the respondents. This chapter will analyze the popular features of *Wangwang* to understand some of the concrete characteristics that make a brand popular.

First, the brand *Wangwang* represents a huge company that exists for a long time. Those two features make people trust the brand and the quality of their products. Secondly, the brand has a very pleasant logo, which represents "a cute and lovely child with very big eyes. Chinese people love big eyes" (Interview 10, Yann Dai). Thirdly, it has a very beautiful name. *Wangwang* sounds like the barking of a dog (Yann Dai). Furthermore, *wang* (旺) signifies prosperity, which is one of the ideal message that people want to transmit during the Spring Festival. Lastly, the wrapping of their product is always red, which also corresponds to the ideal color for gifts during the Spring festival.

Although their advertisement is "exaggerated and the actors play very poorly" (Interview 6, Caroline Zhang), the simplicity of their ad makes everyone understand it. Indeed, "after watching their publicity, we know that giving *Wangwang* products signifies that we want the receiver to be happy for the upcoming year" (Interview 3, Lilou). *Wangwang* benefits from a huge awareness, thanks to their embedded marketing, their perennity, and the omnipresence

of their advertisement during festivities. Moreover, their ads are very easy to remember (Interview 10, Yann Dai).

## 4.6 Conclusion

It appears that the millennials are brand conscious. When they offer alimentary gifts, they will buy products depending on the features of the brand. The brand name, the awareness of the brand, the trustworthiness of the brand, the quality of the products, and the presence of children on the logo or on the advertisement are features that drive the popularity of a brand for gifting strategies. Moreover, simple promotion tactics with a very happy atmosphere make a gift more attractive in the eyes of the consumer.

## 5/ Results: Occasions of food exchanges

---

### 5.1 Introduction

Many millennials consider offering food, because of its convenience and its respect of the etiquette. Although, “food is always a suitable choice, [...] but it is always the last one” (Caroline Zhang). Indeed, food is more impersonal. “It lacks sincerity” (Interview 6, Caroline Zhang). “When I don’t know what to offer, I just offer food” (Interview 2, Lilas). Food as a formal gift is more impersonal and is suitable for the categories of the remote friends or for *guanxi* practices. “If the friendship is not very deep, I will consider offering food” (Interview 6, Caroline Zhang). As an informal gift however, food is used in the daily life to be shared. Its purpose is to express feelings toward the receiver.

The role of food is to reunite (Doctoroff, 2005). This plays a big part in food exchange, especially during the traditional festivals that endorse the same role. Although every type of gift obeys to a categorization based on the receiver, alimentary gifts require some additional specifications. Indeed, food offered during some special occasions should present features that are appropriate to the event of the food exchange. Good gifting strategies should comprehend the occasions of food exchange in order to fully exploit the purchase of gifts in the food market. Consequently, this chapter will depict the occasions of food exchange mentioned by the respondents and will describe the preferred features of an alimentary gift.

## 5.2 Food as a formal gift

As mentioned in the introduction, food can be considered as a formal gift for impersonal relationships, such as remote friends and *guanxi* practices. As the respondents didn't have much information on *Guanxi* practices, this chapter will concentrate on alimentary gifts for remote friends.

The main occasion to offer an alimentary gift to a remote friend is when the individual is invited to a birthday party (or any party meant to celebrate an event). During such celebration, offering relatively formal gifts are *de rigueur*. As the gift is mostly to respect the etiquette, many respondents admitted that food was an appropriate choice, even if it lacks sincerity and feelings. The respondents declared that they would not spend a lot of time to consider which gift to buy for those occasions. Consequently, for such gifts, convenience of purchase is a key buying factor, "I go to a supermarket or to a souvenir shop to buy something [...] It doesn't take me long" (Interview 8, Anonymous). The characteristics of an alimentary gift for remote friends are the same as the characteristics of a gift in general. There are no specificities regarding food exchange. Consequently, the food is offered to respect the etiquette. The features of the food should be the same as the ones mentioned above. The packaging should show respect, the brand should be renown, trusted and sell product of a very high quality (See section 3.3.3 and section 3.4 of Part 3).

## 5.3 Informal food exchange

### 5.3.1 Introduction

Although food cannot be a formal gift for family or close friends because it shows a lack of sincerity and commitment in the relationship, it can still be a gift. Indeed, food is exchanged all the time, with the purpose of sharing and eating together. As food reunites, it often "changes the atmosphere of the gathering" (Interview 8, Anonymous). For such occasions, the quality of the food and its ability to positively influence the gathering by making everyone happier are the two most important selling points.

This chapter will describe the main occasions to offer food in an informal context which are the visits to the relatives, the Spring Festival, and the Chinese festivals.

### 5.3.2 Visits

Visiting relatives requires bringing some food as a gift. It would be very impolite to visit family members empty handed. Visits often happen during traditional festivals and will be further explained hereunder. Outside the scope of the traditional festivals, the visits and the gifts associated to them need to show that “I thought about you, I don’t forget you” (Interview 9, Alexandra Wang). In such circumstances, the presents should be appropriate, according to the status of the person. The price of the food given to the elders need to be expensive, to show respect, whereas the price of the food for people the same age need not be high. The packaging for gifts during visits is “the most important feature of a gift when you visit someone. It shows that it is expensive, and that it is good” (Interview 9, Alexandra Wang). Food given on such occasions can be fruits, a bag of snacks with a nice wrapping, seafood, wine... For the wine, the packaging is the most important. “The Chinese aren't usually wine experts, so they will choose according to the packaging. They will bring a beautiful bottle of wine” (Interview 9, Alexandra Wang). For food, they will pick something of quality, and that has a good taste. The messages “I won’t forget you”, or “you are in my thoughts” can be engraved on the wrapping of the gift. Food must be of very high quality, and healthy for the elders, whereas it should have a good taste for the people of the same age, as “it would be embarrassing if they don’t like the taste of it” (Interview 5, Laurent).

### 5.3.3 The Spring Festival

Also known as the Chinese New Year, the Spring Festival is the most important festival in China (Chan, Denton & Tsang 2003). This festival is the occasion to reunite the entire family (Tang, 2017). Hence, food exchanges play a crucial part.

Although gifts during the Spring Festival are mostly cash given by adults to either the children or their parents in *hongbao*, many respondents admitted bringing gifts and food whenever they visited family members during the Spring Festival. It appears that every gift should be packaged in red, as red represents happiness, joy and energy. It is the best way to express the wishes to have a happy upcoming year. Respondents would not consider buying a gift that is not red during the Spring Festival.

A gift is an intermediate to express some feelings. During the Spring Festival, people want to express good wishes for the upcoming year through gifts that hold a special symbolic. The Chinese characters 旺, 馥, 昌, 喜... that mean prosperity and happiness, are written on the

products offered during the Spring Festival. They can be directly written on the wrapping of the food, or on the food itself as a hallmark. The packaging should appear festive to induce the happy feeling that the reunion brings to people during the Spring Festival.

Moreover, “during the Spring festival, we consider more about the symbolism” (Interview 5, Laurent). The symbolic of the gift endorses a special role during the Spring Festival. Regarding food, all the symbolic values mentioned in part 2, chapter 3.3 apply. During the Spring Festival, fish is one of the most frequent gifts. “We can offer any kind of food during festivals. The most common is the fish, seafood, lobster. We received a lot during the New Year festival” (Interview 9, Alexandra Wang). Indeed, yu (鱼), the fish, has the same pronunciation as yu (馕) which means prosperity (Brittish Museum, 2008). Consequently, many offer fish and anything that has the shape of a fish to express the wish of prosperity and abundance for the upcoming year. Even though symbolism comes mostly from homophones in the Chinese language, there is a historic meaning behind some gifts. For instance, “tea stands for intelligence because it was the beverage of the scholars in the ancient times” (Interview 5, Laurent).

It is extremely rare to offer gifts for people outside the family, as this festival is made purposely to reunite the relatives and spend time together. Every respondent admitted not meeting their friends during the Spring Festival. Besides, some millennials say that during the Spring Festival, they don't offer gifts, as people who are not married are “more on the receiving side than on the giving side” (Interview 2, Lilas).

However, recently, more people have been using the internet to send *hongbao* to friends during Spring Festival. One respondent said “we exchange *hongbao* on *wechat*. [...] We send and receive a lot” (Interview 7, Zhou Peng). For alimentary gifts targeted to friends during the Spring Festival, the only viable way is to allow the transfer of gifts via programs like *wechat*, money transfer, or through delivery services such as *Taobao* or *Alibaba*. As the friends are geographically separated during the Spring Festival, those programs should replace the gift exchange from hand to hand, to an exchange made online. Furthermore, the Chinese are used to sending food through delivery services. Indeed, “I mail the food to my friends whenever I find something special and delicious” (Interview 7, Zhou Peng).

Nonetheless, during the Spring Festival, sending cash in *hongbao* is deeply rooted in the mind of millennials. It might require many marketing abilities to change that habit of sending *hongbao* to friends and make them offer gifts instead. However, wishes of longevity through a

strong symbolic of fruits or snacks uniquely designed for the Spring Festival might become popular for the Chinese millennials, as it is very popular when “we give a meaning to a certain product uniquely for that celebration” (Interview 6, Caroline Zhang).

Although some millennials who are not married don't offer gifts, 7 out of the 10 respondents admitted giving gifts for the family during the Spring Festival, especially when they visit their family members. “During the Spring festival, it is a custom to visit the relatives that we rarely see during the daily life. When I visit them, I would bring food in boxes” (Interview 7, Zhou Peng). The exchange of food during the Spring Festival happens almost exclusively between family members. The lovers would probably offer gifts to each other during this celebration, as every occasion is worthy of a gift exchange but nothing specific emerged during the interviews for the Spring Festival. As for the exchange of gifts for *guanxi* purposes, it appears that the respondents overlooked it, as they believe that only the people who work, especially the older generation, would need to rely on *guanxi*. They could only describe the habits of their parents who would offer gifts for the Spring Festival to expand or strengthen their *guanxi* networks. The category of *guanxi* networks concerns only the millennials who already have a job.<sup>12</sup>

Family values are still very crucial for the millennials, and is still the most important social unit (Gentlemen, 2016; Doctoroff, 2005). Gifts exchanged with the family are not price sensitive, and huge price premium might be spent to be sure that the food won't harm the health of the receivers.

There are 3 different type of receivers within the family: the elders, the parents and the remote family members with their children. First, for the elders, the products should be very qualitative, very healthy, as the concerns for the elders are mainly about health. This would mainly be fruits, milk, food supplements, boxes with very healthy and natural products. The brand itself doesn't matter, but the quality associated to the brand will distinguish one brand from another. The importance of health will influence the promotion tactics. The price of those gifts can be very high, if it matches with the quality of the product. We have to make sure that the product will be good for the health, especially when we offer something to the grandparents” (Interview 6, Caroline Zhang).

---

<sup>12</sup> As it was not the case for many respondents, we will not be able to draw pertinent recommendations for *guanxi* networks

Secondly, for the parents, food will be something that the millennials bring back home to celebrate the Festival and share the edibles together. Food should reunite and bring happiness into the home. The packaging is irrelevant, and could be presented in a plastic bag. Again, the food should not damage the health, and the quality of the product is crucial. The price should be sufficiently high to guarantee the quality of the food. “For parents, the price is not important, but the quality is important” (Interview 4, Stéphanie).

Thirdly, for the younger generation, the taste and the popularity of the brand will be the key buying factors. Many millennials will bring candies or snacks in a big package, sometimes in a plastic bag, as the food will be opened straight away and shared with the younger ones. For those occasions, the food given to youngsters need to be very safe. The quality of the food offered is crucial. They need to trust that the brand will not do any harm. For instance, “For the Spring Festival, boxes of milk are a very common gift, as it is very good for the health, for both the children and the elders, [however], I will not choose any brand. It needs to be a brand of a very good quality” (Interview 2, Lilas). Although the quality and the trust in the brand are the most important selling points, the price of gifts given to children should not be too high lest it puts a burden on their parents’ shoulders (Interview 6, Caroline Zhang).

#### **5.3.4 The Chinese festivals**

Apart from the Spring Festival, Chinese Millennials celebrate many traditional festivals. None of the most celebrated traditional festival has the importance of the Spring Festival. Consequently, the exchanges of gifts happen more rarely during those occasions. The main reason is that many workers or students don’t often go back home to celebrate a traditional festival with their family. As the main purpose of the food is to reunite, if the reunion doesn’t happen, there will be no exchange of food.

Furthermore, every festival has its own traditional food related to either its tradition or historical reasons. Among the most important festivals, we can cite the Mid-Autumn festival, the Winter Solstice, and the Dragon Boat Festival (Chan, Denton & Tsang, 2003). According to the respondents, it would be very odd during those festivals to bring something else than traditional food, where Chinese brands are preferred. For instance, during the Mid-Autumn festival, Chinese need to bring moon cakes to relatives, while during the Dragon Boat Festival, *Zongzi* are the traditional food, whereas during the winter solstice, the *Tangyuan* that symbolize the reunions are *de rigueur*.

However, some respondents admitted that there was still an opening for international brands to sell some products. “Chinese might choose to bring a bottle of wine from an international brand during traditional festivals, to share with everyone” (Interview 9, Alexandra Wang) When it comes strictly to food, traditional food is preferred, as well as Boxes of *Wangwang* for the children, or fruits in a nice packaging to share with everyone. If a food company wants to target the millennials during the traditional festivals, it is very important to insist on the joy that the sharing of the food will bring. Traditional festivals are the occasions to bring people together, as such, when people offer food to relatives, they will immediately share it on the spot. This strategy is used in many advertisements, such as the brand coca cola, which emphasizes the happy time spent with the family in harmony and laughter. This tactic still seems to impact the millennials the most effectively, even if it has been used by many brands, in many advertisements. Hence, the key selling points for food as a gift will be the same as for the Spring Festival, with the only difference that the symbolism will matter less.

#### **5.4 Conclusion**

Food is considered as a formal gift only for remote friends and *guanxi* practices. In those cases, the packaging of the food and its price should be appropriate to the rules of the etiquette. On the other hand, the informal exchange of food will mostly occur when people gather together. Indeed, this concurs with the statement of Tom Doctoroff: The role of food is to reunite. A successful strategy for alimentary gift should consider the occasion and the receiver of the gift exchange. Depending on the occasion, the desired features of the product differ. Whereas the symbolic of the product should be the primary concern during the Spring Festival, more formal visits require a more formal appearance of the gift. However, regardless of the receiver or the occasion, when food is offered, the quality and the guarantee that the gift is safe or good for the health are the primary concern of the respondents.

## 6/ Recommendations

---

### 6.1 Introduction

The results of the interviews shed light on the gift buying motivations of the Chinese millennials. Thanks to those insights, we will be able to draw recommendations on suitable marketing mix that exploit the full potential of gift purchase in the Chinese food market. As it appears that the categorization of gifts depending on the receiver is crucial to understand the reasons behind the purchase of a gift, we will make recommendations on a marketing mix that suits the requirements of each type of receiver. However, we will not draw recommendations for the “lovers” category as well as on the “*guanxi*” category. Indeed, there was no relevant data on food exchanges between lovers. When the lovers were asked what kind of gifts they offered to their lovers, none responded food. Indeed, food would never be the main gift they offer to their lovers, as it lacks feeling and sincerity. At best, food could be a gift that goes with another gift. Consequently, the habits of food exchange could not be deduced from the interviews for that category. As for the *guanxi* practices, most of the respondents couldn't give any information as they were still students. Consequently, we could not draw conclusion for this category either.

### 6.2 Remote friends

The main occasion to offer food to a remote friend is when the individual is invited to a birthday party, or any party (other than marriage or betrothal) meant to celebrate an event. During those event, it is required to offer a more formal gift. The key buying factor for such a gift is the convenience of purchase. Consequently, we could draw valuable recommendations to establish an appropriate marketing mix that will be appreciated by the millennials.

We recommend using very broad distribution channels that cover supermarkets and souvenir shops. We also recommend a high in-store visibility of the product as the consumer will probably make his purchase decision at the place of purchase. We also recommend a broad presence on the internet, as 40% of the millennials' purchases happen online (Lu & Yiu, 2015). For such gifts, as convenience of purchase is key, it would be wise to adapt to their usual buying process. The gift will not require much thought. Thus, it is important to include a “fast delivery option”. The importance of the reasoning behind the purchase is almost null.

Consequently, the consumer will not be willing to spend much time to think about the purchase, and might postpone the choice of the gift to the last minute.

The promotion of the gift should be appropriate for this category of gift. Indeed, the consumers don't pay much attention to choose such a gift, as they don't want to spend much time on it. According to the Elaboration Likelihood Model (See Annex 14: Elaboration Likelihood Model), when a potential consumer doesn't have either the ability, opportunity or motivation to process the information related to a message, the consumer will process the information peripherally. Thus, the consumer will likely evaluate the brand using heuristic criteria. Advertising should either be attractive, have many sources, repeat itself, show a beautiful endorser, or even have many arguments to induce the purchase (De Pelsmacker, Geuens, Van den Bergh, 2007). As for every other category, the advertisement for gifting strategies should bring a festive emotion and present people that are happy, celebrating the birthday of the friend all together. However, the ad should also be original to attract the attention of the jaded millennial.

The product should have a very beautiful design, as gifts for remote friends should obey the etiquette and help maintain face. As the gift is not opened in front of the giver, the packaging should be beautiful and big, to install the idea that the product is expensive. As the message of such gifts is that I value our friendship, the wrapping of the gift could be engraved with the term friendship (朋友) to concretely state the meaning of the gift, since the Chinese rely more on the concrete (Doctoroff, 2012). Furthermore, the brand of the product should be trustworthy, as the receiver should trust that the gift won't harm their health. The brand should be renown, so the receiver will know the price of the gift and repay a gift of the same value when he needs to reciprocate the gift.

The price of the product should be relatively high, as the heuristic evaluation of a product makes people consider that the price is a symbol of quality (De Pelsmacker, Geuens, Van den Bergh, 2007). However, it is important to respect the price that suits the depth of the relationship. Many respondents admitted that such a gift could be as expensive as 20 euros.

## 6.3 Family

### 6.3.1 Introduction

The exchange of food between family members takes place during specific occasions. Those main occasions are the Chinese traditional festivals and the visits to relatives (whenever the family gathers). Food for family members cannot be considered as a formal gift during formal event such like a birthday or house-warming. Indeed, it would be badly received and considered as lacking emotions and sincerity. We will dissect the recommendations of food exchange between family members into three types of receiver: the grandparents, the children of the relatives and the parents

### 6.3.2 Grandparents

Alimentary gifts will be offered to grandparents during festivals and visits to the family. The main preoccupation for such gifts is that the food is good for their health.

The promotion of gifts from millennials to their grandparents should concentrate on the healthy benefits of the products. Since health endorses a crucial importance, the treatment of information will probably be formed in the central route processing (See Annex 14). This means that the consumer will attach a lot of importance to the strength of the arguments that the promotional techniques puts forward. In those cases, it is important to state the health benefits in a more formal way, using experts and scientific quotes to really convince the potential consumer (the middle-class millennial) to buy the product. The credibility and the power of the arguments will drive the purchase. However, it appears that even though the advertisement should present strong arguments, if the food is offered during festivities, it is important that the ad contains a funny aspect. Indeed, as the popularity of *Naobaijing* illustrates, ads that are joyful, happy or funny seem to make a good impression on the millennials' minds and induce the purchase of the gift.

The product should be of a very high quality. The brand matters because it guarantees the consumers that the product will not damage the health. Hence it is absolutely necessary that the brand is trusted by the consumers. MNC should insist on their country of origin (as long as it is a Western country, Japan, or a country considered as very pure, such as Mongolia) to make the people trust it more easily. Engraving many pieces of information on the packaging might be beneficial. The packaging should preferably be red. During visits, the packaging

should be beautiful, and look expensive. However, during festivals, the packaging should look festive.

The price can be very high, as long as it matches with the quality of the product. Moreover, we would recommend overpricing the product, since the Chinese still think that price is an indicator of quality. We highly recommend rising the quality of the products accordingly, as losing the trust of the consumers would be fatal.

Since the millennials should trust the product and believe that the quality of the product is high, the distribution channels should also be trusted. We would recommend big stores, big supermarkets, since the Chinese think that big stores have better managerial control and quality control abilities (Davis, Peyrefitte & Hodges, 2012). Luxury stores or boutique would also be a good location, as it would be coherent with the price premium.

### **6.3.3 Children of the relatives**

It is common to offer gifts to the children of the relatives during visits, and for the gatherings that take place during the Chinese traditional festivals. The recommendations for the children are almost the same as for the grandparents.

However, the importance of the price differs. Even though the main preoccupation for the children is also the assurance that the product won't damage the health, the products for the children are more price sensitive. Indeed, as the parents of the relatives are not as close as the grandparents, the rules of gift-giving must respect the etiquette. Consequently, by offering a very expensive gift to the children, their parents will feel burdened, and will need to reciprocate a gift of a high value too. Thus, we don't recommend overpricing the products. The brand should provide the best quality product with a reasonable price.

The promotion tactics also differ slightly. The advertisement can concentrate on the products' healthy benefits. However, it would be more effective to present advertisements that are extremely fun, where everyone is happy. It should show children playing, eating happily together, in a very joyful atmosphere. The ads can be exaggerated, as long as the message remains simple.

### **6.3.4 Parents**

Millennials often bring food when they go back home. They want to share the good things that they have tasted in their daily life. They also want to say, “I think about you”, “I want you to be happy”, “please take care of yourself”. During festivals, the purpose of food is to share a happy moment together.

Consequently, we recommend promoting the products by insisting on the moment of happiness everyone shares with each other. “I am so thankful, I want you to be happy every day, I want you to release the pressure you have on your back, I’m here for you” are messages that millennials want to transmit to their parents when they offer any type of gift.

The price is recommended to be the same as the ones for the grand-parents. Although considerations for health are less important than for the grandparents, the millennials feel extremely grateful toward their parents. Consequently, they want to offer things that have the best quality they can afford. As a high price is tantamount to a high quality, we recommend overpricing the products.

The product should be of a very high quality. Millennials need to be sure that the product won’t damage the health. The package should be big, and contain a lot, as the food offered is very likely to be shared with the entire family.

The place of distribution should be a big supermarket or a big store. Indeed, trust in the product and in the brand, are crucial for gift exchange. However, the importance of trust is slightly less important for the parents than for the grandparents and the children.

### **6.3.5 Festivals**

For every family member, we recommend using a flighting strategy during traditional festivals. Given the omnipresence of advertisement in China, and the need for simplicity in advertisement, a flighting communication strategy would help the people to directly connect the product with the festivity and avoid any unnecessary processing to understand the connection between the celebration and the product. Furthermore, happiness and joy should be present in all the promotion tactics during the festivals.

We also recommend creating a product uniquely for the day of the celebration. Indeed, the “meaning of the day is what matters most” (Interview 6, Caroline Zhang). Consequently, we would create a product that is linked with the symbolic of the day. For instance, during the

Spring Festival, Chinese people want to transmit the wish of a happy and prosper new year. To symbolically transmit that message, the packaging of the gift should be red, as red symbolizes happiness and joy, even if it seems outdated, traditions are still very important to the millennials during the festivals. Furthermore, engraving the product or the packaging with words that signify happiness or prosperity would be well perceived. While designing the product, it is important to refer to a list of symbolism to know what would convey a positive message.

### **6.3.6 Conclusion**

Those recommendations can be summarized by the gifting strategies used by *Wangwang* and *Naobaijing*. They used a flighting strategy during the traditional festivals (especially during the Spring festival), but they also created products that are to be offered during festivals. Each brand targets a different category of the family members. *Wangwang* targets the young generation and their communication puts emphasis on sharing moments of happiness and joy during festivals that bring families together. As for *Naobaijing*, they target the elder generation. They put emphasis on the health benefits of the products while presenting two elder people full of joy and happily dancing.

## **6.4 Close friends**

Gifts for close friends should express fondness, the valuation of the friendship and the will to continue the friendship forever. Consequently, alimentary gifts would not appropriately transmit the message required from a formal gift as it lacks sincerity and feelings.

Close friends exchange food in the everyday life, such as snacks they want to share... For such occasions, the respondents don't consider the exchange of food as an exchange of gift. Furthermore, there can't be any marketing rule drawn from this kind of exchange, as the purpose of the exchange is to make the other taste a new flavor. Furthermore, when a millennial visits a friend, they might bring food. However, this doesn't seem to be common as no respondent mentioned such a behavior. Consequently, the only occasion worth mentioning for alimentary gifts between close friends is the Spring Festival.

Offering gifts to friends during the Spring Festival is uncommon, as friends usually don't meet each other on that day. However, the development of the internet paves the way for a new type of gift exchange. Millennials now offer money to friends during the Spring Festival

through *Wechat*. This online gift exchange is still a new phenomenon. As the millennials only offer money to close friends, sending food for the New Year festival would be completely new. However, we think that we could exploit this new phenomenon.

We would recommend introducing a new product uniquely designed for the Spring Festival as it is very popular when “we give a meaning to a certain product uniquely for that day” (Interview 6, Caroline Zhang). To give a concrete example, we would create a basket full of fish-shaped snacks (Fish is the symbolic expression to wish prosperity and wealth). The snacks should be from a renowned brand that already benefits from a good reputation of trust and quality. The basket could be designed as an emoji or a beautiful drawing that could be sent through *Wechat* (The equivalent of Whatsapp). The emoji or the drawing would then be scanned through the phone of the receiver, who will receive their package in a specific point of delivery. Symbolic behind such gifts should be about the valuation and the continuity of the friendship, and the celebration of a happy upcoming year. Words like eternity, continuity, friendship forever, prosperity... could be written on the wrapping of the snacks, or on the basket itself. The design should be red. The promotion tactics should insist on the unexpected aspect of a gift exchange on the internet and make it look very festive and funny. The basket could have different prices and different sizes, so that the giver can choose the most appropriate value and size of the gift depending on the depth of their relationship with the receiver.

In conclusion, we recommend using the internet to send gift to close friends during festivals. We recommend manufacturing gifts uniquely for the Spring Festival, to give to the product a symbolic value that can transmit the fondness of the giver. Furthermore, we insist on the crucial importance of establishing a perception of quality and trust in the minds of the consumers.

## **6.5 Global Recommendations**

Although gifting strategies for alimentary gifts should consider the receiver of the gift as well as the occasion of the gift exchange, there are some recommendations that can be relevant to every category and for every occasion.

When offering food, trust and quality are crucial. We would thus recommend that big companies use their good name and reputation to create healthy product with natural ingredients and trustworthy packaging, despite the raise of costs. Indeed, those features are

worth a huge price premium for the Chinese millennials. We would also recommend greatly to put emphasis on the country of origin of the brand as well as the image of quality associated to it.

As it is very important that the brand of a gift is known by both the receiver and the giver of the gift, brands should concentrate on raising their brand awareness. It appears that the respondents will not only consider advertisement on the television but they also look on the internet. We would thus recommend using very big advertisement campaign, as the Chinese trust big advertisements (Docotroff, 2012). We recommend using tv advertisement as well as embedded advertisement, as people need to see the brand to become aware of it. Traditional channels should be coupled with on-line advertisement and present a coherent message. Besides, promotion tactics targeting millennials should combine simplicity with originality. It appears that the millennials will also look at health magazines to know which brand is healthy and which is not. Exploiting those magazines would be very wise to build a reputation of qualitative products.

As the Chinese rely more on the concrete and are indifferent to the abstract (Hsee & Weber, 2000), the design of the gift is recommended to directly mention what one wants to say. For instance, engraving the gifts with Chinese characters that represent prosperity or eternity might be a good selling point during traditional festivals.

We also recommend that new brands that are not yet very renown should not draft gifting strategies in China. Indeed, the brands should first be sure that their product is trusted and that they benefit of a good brand awareness before launching a gifting strategy.

## **6.6 New Product**

To conclude this empiric analysis, we will assemble the different recommendations we drew previously and recommend the creation of a new product dedicated to a relatively new event.

The Chinese millennials have been influenced by the Western culture, and celebrate some of their festivals, such as Christmas. Although the respondents don't celebrate Christmas like the Westerners do, as there is no Christian symbolism or gift exchange activities, this day is the occasion to go out and party. The arrival of Christmas gave rise to a new phenomenon, that shows how Chinese adapt to the Western culture and modify it to be in accordance with their own. Indeed, the Christmas eve is called PingAnYe (平安夜). This term contains the sound *Ping*, which has the same pronunciation as both apple (苹) and peace (平). In many parts of

China, it has become a tradition to offer apples to the people close to you. “We offer apples because of its *ping ping an an* (Peace) signification” (Interview 4, Stéphanie Wei). On this day, apples are beautifully wrapped and are a lot more expensive than on any other day. As this phenomenon is still relatively new, we found no data on this event. However, its popularity among the respondents is high, and “we gave our teacher so many apples that he couldn’t bring them back home” (Interview 2, Lilas).

As this celebration is still rather unknown, we will use it to make a recommendation of a new product, and make an entire gifting strategy based on some of the recommendations we drew previously.

First, we recommend creating a product uniquely for this occasion, to fully respect the symbolic value of the event, as “the meaning of the event is what matters most” (Interview 6, Caroline Zhang). The product should have the shape of an apple (like an apple-shaped cake), and be engraved with the Chinese character of the peace, *ping* (平). The product should contain the word apple (Pingguo, 苹果), as the significance of the gift relies in the name and the meaning of peace attached to the term apple. The taste is secondary, as when asked, the respondents didn’t think that it should have the taste of apples. Thus, the taste can be either sweet or salty. The design of the packaging should be pretty and festive, but the ingredients and the quality of the food are more crucial. The product should be launched by a brand that already has a good reputation of trust and quality.

We decided to recommend a gift to share with the close family. We believe that the reunion with the family is what touches the Chinese the most, and could be the most beneficial. As the product will be purchased by millennials who want to share it with their family, the advertisement should insist on the happiness that this apple product will bring, and how important peace is within the family and how it connects (or reconnects) family members. Also, the advertisement should be simple, as the message should be transmitted well. However, as we mentioned above, confronted with too many advertisements, millennials filter out the ads. Thus, there should be an unexpected aspect to the advertisement. We also recommend using cute children in the ad, who enjoy eating the product shaped as an apple.

The price premium of such a gift can be very high, especially if we make it available in public places where the product can be consumed, such as in collaboration with a restaurant who does a special *PingAnYe* event. If the product is for private consumption only, the price of the product would not be as high. However, as it is a gift to share with the family, this product

will not be price sensitive, and we recommend overpricing the product to make it look more qualitative.

The distribution channels need to be selective as the shops need to be trusted by the consumers. Millennials tend to trust big supermarkets, as they believe that big stores have better managerial control and quality control abilities (Davis, Peyrefitte & Hodges, 2012). Moreover, the product should also be available in luxurious supermarkets or luxurious boutiques, as it would be consistent with the price premium required to purchase the product.

After hearing about that celebration, we asked if such a product existed already. It appears that it doesn't. Furthermore, as the *PingAnYe* event was brought up at the second interview, we only managed to have the opinion of 9 respondents on such a product. When confronted to the idea of the product, the respondents all approved or contributed to make recommendations to rise its popularity. They all said that they would consider buying it, or that they knew that many people would buy it. Consequently, we would like to do, in the future, a quantitative study on Chinese millennials to ascertain the popularity of such a product as well as understanding which features of this new product are the most important to drive the purchase decision.

## CONCLUSION

---

In China, gift exchange activities are an integral part of the culture. As Chinese rely on their social network rather than on legal institutions for protection, fostering one's *guanxi* (social connection) through gift exchange is crucial. Although we didn't find any estimation of the amount spent on gift by all the Chinese consumers, a study conducted in a village showed that 20% of the household income was spent on gift. We can thus deduce that gift exchange holds many economic opportunities.

As the target group of this study is the middle-class millennial, MNC should first understand the target group to fully exploit their purchases of gifts. First, it appears that the middle-class millennials value family as the most important social unit. They feel deeply grateful toward their parents and grandparents, as they sacrifice everything for the success of their "little emperor" or "little empress". Consequently, gift exchanges among family members is the most common gift giving activity. The monetary value of gifts for the close family can go as high as half a month of salary.

Secondly, because of China's overall growth of purchasing power, the millennials trade up their purchase. They are willing to pay huge price premium for high quality products, and healthy or environmentally-friendly categories. As the consumers landscape is changing very fast, the buying behaviors of the middle-class millennials also vary. They are curious, want to try foreign products and new services. They prefer foreign brands as they benefit from a better perceived quality. The internet and all its possibilities attracts them. They do 40% of their purchase on-line. They also use internet services to send gifts or *hongbao* to friends of the same age. Allowing the exchange of gifts among friends through the internet should be beneficial for gifting strategies. They want the unexpected, the original. Promotion tactics should contain originality. However, during celebrations, advertisement should also be joyful and convey a simple message that shouldn't require deep processing. The use of flashing promotion tactics simplifies the processing of the message, as advertisements during celebration time clearly identify the product as a potential gift.

Thirdly, the middle-class millennials are proud of their origins. They still value their traditions and culture. They celebrate traditional festivals, that are the perfect occasion to reunite with the family. Traditionally, each festival has its own traditional food. During traditional festivals, it is common to offer gifts and food to family members. In the Chinese mindset, food has a symbolic value that transmits a message. Consequently, for gifting strategies, it is

crucial to have a good symbolic connotation associated to the product, especially during the Spring Festival, where symbolic is one of the main buying factors of a gift.

Finally, when the millennials purchase an alimentary gift, they focus on the safety and the quality of the product. The brand they will consider buying needs to enjoy a high level of brand awareness as both the giver and the receiver must know the brand and trust it. Trust toward the safety of the food is the most crucial buying factor of an alimentary gift. However, Chinese don't trust easily. They perceive foreign brands as more trustworthy, because they believe that they have stricter rules concerning the safety of the food. Consequently, MNC should insist on their country of origin and on the quality associated to it. They should also overprice their products.

It appears that some of the results from the empiric analysis differ from the literature review. First, millennials categorize gifts depending on the receiver on the gift, rather than on the ritual/routinized aspect of the gift or on the occasion of the gift exchange. Secondly, certain symbolic perceptions are starting to lose relevance for the millennials. Those differences are probably due to the specific preferences of the target group compared to the literature that considers China as a whole. We deduce that millennials are less influenced by the traditional values of the gifts, such as its symbolic value or the respect of the rituals behind the gift exchange activities. They pay more attention to the concrete gift, to its quality, its brand and its ability to please.

After gaining all those insights, we recommend to the MNC to understand the categorization of the gifts by the millennials and adapt their gifting strategies to the requirements of each category. The entire marketing mix should be consistent with the category of the consumer, the occasion of the gift exchange but more specifically to the message the millennials want to transmit to the receiver. Understanding the message of the gift is understanding the key buying factor of the present.

Despite the results we obtained, this research presents some limitations. The primary limitations of the study come from the sampling. As mentioned in the methodology, the respondents all lived abroad for at least 3 months at the time of the interview. They were more under western influence than their Chinese counterparts who have never left China. Interviewing people in China might have given another result. We thus recommend conducting at least two interviews with Chinese millennials who have never travelled in another country and compare their answer, to see if the influence of the western culture has an impact on the results. Moreover, as the respondents were mostly students, they could not give

information on *guanxi* practices. It would thus be interesting to interview several working millennials.

Moreover, as mentioned above, the interviews were not conducted in the respondents' mother tongue. Complex subjects that would be too hard to explain might have been avoided. Although we have some knowledge of the Chinese language, as we studied it for 4 years and spent 1 year and a half in China, it was not sufficient to understand the interviewees' explanation of complex matters. Furthermore, the respondents might also have been scared to depict their country poorly to a foreigner (the interviewer). Consequently, we recommend using a Chinese interviewer to conduct the interviews using the same interview guide. If the results are different, it would mean that the nationality of the interviewer introduced a bias in the results.

The second limitation of this study come from its qualitative aspect. The aim of this empiric analysis was to foster new knowledge and understand the social issue of gift exchange among millennials. This allowed us to draw valuable recommendations that exploit the full potential of gift purchases in the Chinese food market. Although a qualitative study is the ideal way to reach the aim of understanding a complex social issue, the recommendations still need to be validated. As the interpretation of the results depends greatly on the interviewer, the results may be biased may not be applied to the whole Chinese millennials population. This qualitative research should be followed up with a quantitative study. The study should rely on a survey that would present the recommendations in the form of closed questions.<sup>13</sup> This would help generalize the results and statistically prove or contradict the usefulness of the recommendations we drew. For the quantitative study, the size of the sample should be significantly larger, and representative of the target group to allow generalization of the results.

Finally, this study was unable to range the amount of money spent by the Chinese millennials on gift. Indeed, the respondents could not remember all their purchases of gift nor the specific amount spent. We would recommend grasping the economic value of the purchase of gift by collaborating with Chinese supermarkets or stores and analyze their database. The database should be able to differentiate customers and establish clusters in order to identify the segment of the millennials and analyze more specifically their purchase.

---

<sup>13</sup> For instance, to validate the recommendation that the gift should be red during the Spring Festival, the question should be: For the Spring Festival, I want to offer a gift to my parents. The packaging of the gift should be a/ blue b/ green c/red d/ yellow e/any other color f/ the color doesn't matter.

## GLOSSARY

---

**Bagua:** The 8 elements that compose the world: heaven, wind, water, mountain, earth, thunder, fire and rivers. To ensure harmony, those elements must be meticulously balanced in every facet of daily life

**Bao:** reciprocity, return, or repayment

**Daigou:** New phenomenon where Chinese students living abroad send local products back home for a living.

**Dragon Boat Festival:** Traditional Chinese festival. It is also called the Danwu Festival. It commemorates filial piety. It is celebrated on the 5<sup>th</sup> day of the 5<sup>th</sup> month on the Lunar Calendar. In 2017, it was celebrated on May 30. In 2018, it will be celebrated on June 18.

**Guanxi:** It is the connection between two independent individuals. It can be translated as personal connections, social networks.

**Hongbao:** it literally means “Red Envelope”. Traditionally, money is put within the envelope and given to the receiver. The red envelope is supposed to bring joy to the receiver.

**Li:** The knowledge and the respect of rituals. Social courtesy.

**Lian:** Dignity

**Liuxu:** flattery gifts. Those are personal services that someone with a lower status gives to their superiors.

**Liwu:** Gift

*Mianzi:* face, reputation, respect.

**Mid-Autumn Festival:** Traditional Chinese Festival. It is also called the Lantern Festival. It is the day when the moon is the brightest, which is a symbol for family unity. The tradition is to eat moon cakes during that day. It is celebrated on the 15<sup>th</sup> day of the 8<sup>th</sup> month of the Lunar Calendar. It will be celebrated on October 4 in 2017 and on September 24 in 2018.

**PingAnYe:** Christmas eve

**Ping:** first character of the idiom Ping An, which means peace.

**Ping Ping An An:** Peace

**Pingguo:** Apple

Qingming Festival: Traditional Chinese festival where the Chinese go visit the tombs of their relatives. It is “celebrated” on April 5.

Qixi: it is the Chinese equivalent of Valentine’s Day. It happens on every 7<sup>th</sup> day of the 7<sup>th</sup> month of the Lunar calendar. The *Qixi* for 2017 will happen on August 28, whereas next year, *Qixi* will be celebrated on August 17.

Renqing: Appropriate emotion, the respect of the etiquette.

Shangyou: gifts of lubrication. They are offered before a favor is asked and are seen as a bribe

Songli: Gifts exchanged for every little event in the daily life

Suili: gifts that are offered in ceremonial or routinized situations

Wechat: The Chinese equivalent of WhatsApp.

Winter Solstice: Also known as the *Dongzhi* Festival. It is a traditional festival celebrating the Winter Solstice. Traditionally, people eat dumplings and Tangyuan. It is celebrated on December 22.

Wu Lun: The five cardinal relationships defined in Confucianism as ruler/subject; father/ son; husband/ wife; older brother/younger brother, and friends.

Xiaojing: gifts for seniors, like parents or teachers.

Xiaomantou: literally “little mantou”. Those are little sweets, shaped like a bun. It is similar to small pieces of slightly cooked bread.

Yin: One of the two complementary forces in Daoism. This is the category of the cold, the female energy, the night...

Yang: One of the two complementary forces in Daoism. This is the category of the warmth, the male energy, the day.

Yasui: the cash that the elders give to the younger generation the eve of the Chinese lunar New Year

Zongzi: traditional Chinese food made of glutinous rice filled with various taste and wrapped in bamboo leaves.

Zhai: It is a new phenomenon that characterizes the “homebody culture”. The consumers spend most of their leisure time at home online where they socialize, shop, and rarely go outside.

## BIBLIOGRAPHY

---

- Abramson, S. Z., (2002). Solving the mystery of Guanxi-a sociological explanation of social exchange and social networking in Guanxi practice. *FIU Electronic Theses and Dissertations*. 1083. Retrieved from <http://digitalcommons.fiu.edu/etd/1083>
- Allen, D., (2017). China's Millennial Consumers: A Generational Leap. *EastWestBank. Trans-Pacific News*. Retrieved from <https://www.eastwestbank.com/ReachFurther/News/Article/Chinas-Millennial-Consumers-a-Generational-Leap-Forward>
- Ambler T., Witzel A., (2000). *Doing Business in China*. London: RoutledgeCurzon.
- Assandri F. & Martins D., (2009). *From Early Tang Court Debates to China's Peaceful Rise*. Amsterdam: Amsterdam University Press.
- Atsmon Y., Magni M., (2016) Chinese consumers: Revisiting our predictions. *McKinsey Quarterly*. Retrieved from <http://www.mckinsey.com/industries/retail/our-insights/chinese-consumers-revisiting-our-predictions>
- Balmer J. M.T., Chen W., (2017) *Advances in Chinese Brand Management*. Journal of Brand Management: Advanced Collections
- Barton D, Chen Y., Jin A., (2013). Mapping China's Middle Class. *McKinsey Quarterly*. Retrieved from <http://www.mckinsey.com/industries/retail/our-insights/mapping-chinas-middle-class>
- Belk R.W. (1979). Gift-giving behavior. *Research in Marketing*, 2, 95-126
- Bian Y., Ang S., (1997). Guanxi Networks and Job Mobility in China and Singapore. *Social Forces*. 75 (3).
- Brittish Mueseum, (2008). China, A Journey to the East. The Brittish Museum. Retrieved from [https://www.britishmuseum.org/pdf/Chinese\\_symbols\\_1109.pdf](https://www.britishmuseum.org/pdf/Chinese_symbols_1109.pdf)
- Buckley P., Clegg J., Tan H., (2006). Cultural awareness in knowledge transfer to China—The role of *guanxi* and *mianzi*. *Journal of World Business*. 41(3). 275-288.
- Butterfield, F. (1983). *China: Alive in bitter sea*. NY: Coronet Books.
- Cai F., Chan K. W., (2009). The Global Economic Crisis and Unemployment in China. *Eurasian Geography and Economic*. 50(5). 513-531. Retrieved from

<http://rsa.tandfonline.com/doi/citedby/10.2747/1539-7216.50.5.513?scroll=top&needAccess=true>

Callahan, W., (2004). National Insecurities: Humiliation, Salvation, and Chinese Nationalism. *Alternatives: Global, Local, Political*, 29(2), 199-218. Retrieved from <http://www.jstor.org/stable/40645112>

Carrier J., (1990). Gifts in a World of Commodities: The Ideology of the Perfect Gift in American Society. *Social Analysis: The International Journal of Social and Cultural Practice*, 29, 19-37. Retrieved from <http://www.jstor.org/stable/23163021>

Chan A.K.K, Denton L., Tsang A.S. L., (2003), The Art of Gift Giving in China, *Business Horizons*, 46(4), 47-52. Retrieved from <http://www.sciencedirect.com/science/article/pii/S000768130300051X>

Che W., (2016). Behavioural Norms and Etiquette in Chinese Social Environment. Presented at University of Oxford, Oxford. Retrieved from [https://www.admin.ox.ac.uk/media/global/wwwadminoxacuk/localsites/uashomepages/uasconference/presentations/presentationssept2016/W7\\_Behavioural\\_norms\\_and\\_etiquette\\_in\\_the\\_Chinese\\_social\\_environment.pdf](https://www.admin.ox.ac.uk/media/global/wwwadminoxacuk/localsites/uashomepages/uasconference/presentations/presentationssept2016/W7_Behavioural_norms_and_etiquette_in_the_Chinese_social_environment.pdf)

Chen X., Kanbur R., Zhang X., (2012). Peer Effects, Risk Pooling, and Status Seeking: What Explains Gift Spending Escalation in Rural China? CEPR Discussion Paper No. DP8777. Retrieved from [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1988708](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988708)

Chen Y., (2001). Chinese values, health and nursing. *Journal of Advanced Nursing*. 36 (2). 270-273. Retrieved from <http://onlinelibrary.wiley.com/doi/10.1046/j.1365-2648.2001.01968.x/full>

Chu G.C., & Ju Y., (1993). *The Great Wall in Ruins*. University of New York Press: New York.

Cropanzano R., Mitchell M., (2005). Social Exchange Theory: An Interdisciplinary Review. *Journal of Management*. 31(6).

Cui B. (2011). The choice behavior in fresh food retail market: A case study of consumers in china. *International Journal of China Marketing*, 2(1), 68-76. Retrieved from <https://search.proquest.com/docview/911436431?accountid=12156>

- Cui G., & Liu, Q. (2000). Regional market segments of China: opportunities and barriers in a big emerging market. *Journal of Consumer Marketing*, 17, 55-72. Retrieved from <http://www.emeraldinsight.com/doi/pdfplus/10.1108/07363760010309546>
- Dang Y., (2005). What are the energies, flavors and other properties of food? Shen Nong. Retrieved from [http://www.shen-nong.com/eng/lifestyles/food\\_property\\_food\\_tcm.html](http://www.shen-nong.com/eng/lifestyles/food_property_food_tcm.html)
- Davis, L., Peyrefitte, J., & Hodges, N. (2012). From motivation to store choice: Exploring northwest Chinese consumers' shopping behavior. *International Journal of China Marketing*, 3(1), 71-87. Retrieved from <https://search.proquest.com/docview/1287459508?accountid=12156>
- Data World bank, (2017). Rural population (% total population). The World Bank. Retrieved from <http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>
- Davies H., Leung T.K.P., Luk S.T.K., Wong Y-H., (1995). The benefits of “Guanxi”: The value of relationships in developing the Chinese market. *Industrial Marketing Management*. 24(3). 207-214.
- Daxueconsulting, (2015). Gift Box Industry in China. *Daxueconsulting*. Retrieved from <http://daxueconsulting.com/gift-box-industry-china/>
- Daxueconsulting, (2017). Chinese Millennials Spending Behaviors. *Daxueconsulting*. Retrieved from <http://daxueconsulting.com/chinese-millennials-spending-behaviors/>
- Dayal-Gulati A., Lee A. Y., (2004) *Kellog on China: Strategies for Success*. Evanston, Illinois: Northwestern University Press.
- Deng Xiao Ping, (1992) Southern Tour.
- De Pelsmacker P., Geuens M., Van den Bergh, J., (2007). *Marketing Communications PowerPoints on the Web*, 3<sup>rd</sup> Edition © Pearson Education Limited.
- Doctoroff T., (2005). *Billions: Selling to the Chinese Consumer*. New York: St. Martin's Press
- Doctoroff T., (2012). *What Chinese Want*. New York: St. Martin's Press
- Dong, L. C. (2001). Brand name translation model: A case analysis of US brands in china. *Journal of Brand Management*, 9(2), 99-115. Retrieved from <https://search.proquest.com/docview/232489040?accountid=12156>
- ebeijing.gov. Culture, How Different are Chinese Customs from Western Ones? *Beijing International*. Online on [http://www.ebeijing.gov.cn/QA/all\\_questions/t1007763.htm](http://www.ebeijing.gov.cn/QA/all_questions/t1007763.htm)

Edleman, (2016). Global Results. Retrieved from <http://www.edelman.com/insights/intellectual-property/2016-edelman-trust-barometer/global-results/>

Emarketer, (2016). Digital Ad Spend Rises in China Despite Economic Slowdown

Emarketer. Media Buying. Retrieved from <https://www.emarketer.com/Article/Digital-Ad-Spend-Rises-China-Despite-Economic-Slowdown/1013677>

Emarketer, (2016). Millennials in China Have an Outsized Impact on Ecommerce Spending.

Emarketer. Demographics. Retrieved from <https://www.emarketer.com/Article/Millennials-China-Have-Outsized-Impact-on-Ecommerce-Spending/1014863>

EMarketer, (2017). Five Things You Should Know About China's Millennials. EMArteker.

Retrieved from <https://www.emarketer.com/Article/Five-Things-You-Should-Know-About-Chinas-Millennials/1015687>

Fan Y., (2002). Questioning guanxi: definition, classification and implications. *International Business Review*. 11(5). 543-561.

Fix M., Papademetriou D.G., Batalova J., Terrazas A., Lin S., Mittelstadt M., (2009) *Migration and the Global Recession. A Report Commissioned by the BBC World Service*. Washington, DC: Migration Policy Institute, Retrieved from: [///Z:/MPI-BBCreport-Sept09.pdf](http://www.migrationpolicy.org/publications/migration-and-the-global-recession-a-report-commissioned-by-the-bbc-world-service)

Frumkin, S., Thapa, N., & Gencalioglu, A. (2006). A proposed strategy for introducing moderately priced American brand merchandise in China. *Journal of Fashion Marketing and Management*, 10(2): 227–237

Garner, J. (2005) *The Rise of the Chinese Consumer: Theory and Evidence*. West Sussex, UK: John Wiley & Sons Ltd.

Gentlemen, (2016). Understanding Chinese Millennials. Gentlemen Marketing Agency.

Retrieved from <http://marketingtochina.com/understanding-chinese-millennial/>

Geren B.L., (2010). The Chinese Work Ethic: Significance of Confucianism. Retrieved from

<http://www.wbiconpro.com/436-Brenda.pdf>

Gold T., Guthrie D., Wank D., (2002). *Social Connections in China*. Cambridge: Cambridge University Press

Gold T. B., (1985) After Comradeship: Personal Relations in China Since the Cultural Revolution, *China Quarterly*, (104), 657–675.

Goossaert V., (2007), *Les mutations de la religion confucianiste (1898-1937)*. Dans Blanchon F., Park-Barjot R., *Le Nouvel Age de Confucius. Modern Confucianism in China and South Korea*, PUPS, pp.163-172.

Hammond S.C., Glenn L.M., (2004). The ancient practice of Chinese social networking: Guanxi and social network theory. *Emergence : Complexity & Organization*. 6(1/2). 24-31.

Han B., (2017). Chinese Taboos of Giving Gifts. *Hujiang*. Retrieved from <http://cn.hujiang.com/new/p537393/>

Hassan Z., (2013). International social cultural environment. *International Business*.

Ho V., (2015) China bans advertisers from saying they're the best. *Mashable Business*. Retrieved from <http://mashable.com/2015/09/08/china-bans-advertisers-superlatives/#ndGmy9IB2iqw>

Holcz A., (2016). The Economics of Anti-Corruption: The Chinese Luxury Goods Market. *Curials*. <https://www.curias.net/politics/2016/6/11/the-economics-of-anti-corruption-has-chinas-luxury-goods-market-lost-its-shine>

Hou P., Chung R., (2014). 2014 Deloitte State of the Media Democracy China Survey New Media Explosion Ignited. Deloitte. retrieved from <https://www2.deloitte.com/content/dam/Deloitte/cn/Documents/technology-media-telecommunications/deloitte-cn-tmt-newmediaexplosionignited-en-041114.pdf>

Hsee, C.K., Weber, E.U., (1998). Cross-cultural differences in risk perception, but cross-cultural similarities in attitude towards perceived risk. *Management Science*, 44, 1205-1217.

Hsee, C.K. and Weber, E.U. (1999). Cross-national differences in risk preference and lay predictions. *Journal of Behavioral Decision Making*, 12, 165-179.

Hsee C.K., Weber E.U., (2000), Culture and Individual Judgment and Decision Making, *Applied Psychology: An International Review*, 49 (1) 32-61. Retrieved from <http://onlinelibrary.wiley.com/doi/10.1111/1464-0597.00005/epdf>

Hsu, F.L.K. (1970). *Americans and Chinese: Purpose and fulfillment in great civilization*. Garden City, NY: Natural History Press.

- Hui L., Tian M., (2015). Why Companies in China Fear the World Consumers' Rights Day. *CKBS Knowledge*. Retrieved from <http://knowledge.ckgsb.edu.cn/2015/03/12/consumers/why-companies-in-china-fear-the-world-consumer-rights-day/>
- Huberman M., Miles M.B., (2002). *The Qualitative Researcher's Companion*. London, United Kingdom: Sage Publications.
- Hwang, K. K. (1987). Face and Favor: The Chinese Power Game. *American Journal of Sociology*. 92. 944- 974.
- Iskryan K., (2016). China's Middle Class is Exploding. Business Insider UK. Retrieved from <http://uk.businessinsider.com/chinas-middle-class-is-exploding-2016-8?r=US&IR=T>
- Iyengar R., (2015). China Cracks Down on the Use of Superlatives in Advertising. *Time World*. Retrieved from <http://time.com/4024162/china-superlatives-advertising-ban-law/>
- Jarry C., (2013). Challenges Magazine. Luxury Sales Overcomes Anti-Corruption Measures in China. *Velvet News*. Retrieved from <http://www.velvetgroup.com/challenges-luxury-sales-overcomes-anti-corruption-measures-china-patrice-nordey/>
- Kaufman A.A., (2010). The "Century of Humiliation," Then and Now: Chinese Perceptions of the International Order. *Pacific Focus*. 25(1). 1-33.
- Kohn L., (2001), *Daoism and Chinese Culture*. Three Pines Press.
- Kotler, Philip (1997), *Marketing Management*, 7th ed. Englewood Cliffs, NJ: Prentice Hall
- Kozlowski T. T., (1984). *Flooding and Plant Growth*. Florida, Orlando: Academic Press Inc.
- Kundzewicz Z.W. & Takeuchi K., (1998). Flood protection and management: quo vadimus? *Hydrological Sciences Journal*. 44(3) Retrieved from <http://www.tandfonline.com/doi/abs/10.1080/02626669909492237>
- Kuo Y., (2016). 3 great forces changing China's consumer market. World Economic Forum. Retrieved from <https://www.weforum.org/agenda/2016/01/3-great-forces-changing-chinas-consumer-market/>
- Kuo A. M., (2017). China's Millennials: Consumer Superpower. *The diplomat*. Retrieved from <http://thediplomat.com/2017/05/chinas-millennials-consumer-superpower/>

- Laforet S., Chen J., (2012). Chinese and British consumers' evaluation of Chinese and international brands and factors affecting their choice. *Journal of World Business*. 47 (1). 54-63. Retrieved from <http://www.sciencedirect.com/science/article/pii/S1090951610000775>
- Legard, R., Keegan, J. and Ward, K. (2003) *In-depth Interviews*. In: Richie, J. and Lewis, J., (2003). *Qualitative Research Practice*. London: Sage Publications. 139-168.
- Legge, J., (1885). *The Li Ki (Book of Rites)*. Ed. Max Muller. Oxford: Clarendon Press. Vols. 27-28 of *The Sacred Books of the East*.
- Leung T.K.P., Heung V.C.S., Wong Y.H., (2008) Cronyism: One possible consequence of guanxi for an insider: how to obtain and maintain it?, *European Journal of Marketing*, Vol. 42 Issue: 1/2, pp.23-34.
- Levi-Strauss C., (1969). *The Elementary Structures of Kinship*. Boston: Beacon Press
- Li C., (2007). *Brand culture and consumption: Chinese consumers and the foreign brands*. Université d'Aix- Marseille III. Retrieved from [http://cerdi.org/uploads/sfCmsContent/html/253/LI\\_Chen.pdf](http://cerdi.org/uploads/sfCmsContent/html/253/LI_Chen.pdf)
- Lo S.C., Tung J., Huang K-P. (2017) Customer Perception and Preference on Product Packaging. *The International Journal of Organizational Innovation*. 9(3). 3-16. Retrieved from <http://www.ijoi-online.org/attachments/article/51/Final%20Issue%20January%202017%20-%20Section%20B.pdf>
- Lovett S., Simmons L. C., Kali R., (1999). *Guanxi* versus the market: ethics and efficiency. *Journal of International Business Studies*. 30(2). 231
- Lu J., Yiu A., (2015). The Asian Consumer. Chinese Millennials. *Golden Sachs*. Retrieved from <http://xqdoc.imedao.com/14fcc41218a6163fed2098e2.pdf>
- Lu, S., & Fine, G. A. (1995). The presentation of ethnic authenticity: Chinese food as a social accomplishment. *Sociological Quarterly*, 36(3), 535. Retrieved from <https://search.proquest.com/docview/1308393441?accountid=12156>
- Luo, Y., Chen, M. (1997). Does Guanxi influence firm's performance? *Asia Pacific Journal of Management*.14(1). 1-16.

- Ma G., (2015). Food, Eating Behavior, and culture in Chinese Society. *Journal of Ethic Food*. 2(4). 195-199. Retrieved from <http://www.sciencedirect.com/science/article/pii/S2352618115000657>
- Mack L., (2017). Chinese culture: Chinese gift-giving etiquette. *ThoughtCo*.
- Magni M., Poh F., (2013). Winning the Battle for China Middle Class. *McKinsey Quarterly*. June 2013. Retrieved from <http://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/winning-the-battle-for-chinas-new-middle-class>
- Markus, H.R., & Kitayama, S. (1991). Culture and self: Implications for cognition, emotion and motivation. *Psychological Review*, 98, 224-253.
- Marshall M. N., (1996). Sampling for Qualitative Research. *Oxford University Press*. 13 (6). 522-525.
- Matsumoto D., Hwang H.C., Sandoval V., (2015). The Funnel Approach to Questioning and Eliciting Information. *Tactics and Preparedness*. January.
- Mauss M., (1923-1924). Essai sur le don. Forme et raison de l'échange dans les sociétés archaïques. *L'Année Sociologique*. Seconde Série. Retrieved from <http://anthropomada.com/bibliotheque/Marcel-MAUSS-Essai-sur-le-don.pdf>
- Mayet C., Pine K.J., (2010). The Psychology of Gift Exchange. Presented at University of Hertfordshire, Hertfordshire. Retrieved from <http://karenpine.com/wp-content/uploads/2011/07/The-Psychology-of-Gift-Exchange.pdf>
- Millington A., Eberhardt M., Wilkinson B., (2005). Gift Giving, Guanxi and Illicit Payments in Buyer–Supplier Relations in China: Analyzing the Experience of UK Companies. *Journal of Business Ethics*. 57(3). 255-268.
- Moneta, G.B. (2004). The Flow model of intrinsic motivation in Chinese cultural and personal moderators. *Journal of Happiness Studies*. 5. 181-217.
- Moriarity E, (2002). Chinese New Year Food Symbols. *Flavor and Fortune* 9(4), 17. Retrieved from <http://www.flavorandfortune.com/dataaccess/article.php?ID=384>
- Newman J.M. (1996). Chinese Food Symbolism: Fruits (Part I). *Flavor and fortune*. 3(1), 16. Retrieved from <http://www.flavorandfortune.com/dataaccess/article.php?ID=27>
- Newman J.M. (1996). Chinese Food Symbolism: Meat (Part 2). *Flavor and fortune*. 3(1), 13-14. Retrieved from <http://www.flavorandfortune.com/dataaccess/article.php?ID=3>

- Newman J.M. (1996). Chinese Food Symbolism: Vegetables (Part 3). *Flavor and fortune*. 3(1),19-20. Retrieved from <http://www.flavorandfortune.com/dataaccess/article.php?ID=37>
- Newman J.M., (2004). *Food Culture in China*. Westport, Connecticut: Greenwood Press.
- One World Nation Online. (2016). Bagua. Retrieved from [http://www.nationsonline.org/oneworld/Chinese\\_Customs/bagua.htm](http://www.nationsonline.org/oneworld/Chinese_Customs/bagua.htm)
- Ortega D. L., Wang H.H, Wu L., Olynk N.J., (2011). Modeling heterogeneity in consumer preferences for select food safety attributes in China. *Food Policy*. 36 (2). 318-324.
- Pellemans P., (1999). *Recherche Qualitative en Marketing*. Bruxelles, Belgique: De Boeck Université.
- Peter J.P., Olson J.C., (1999). *Consumer Behavior and Marketing Strategy*. New York, Pennsylvania: McGraw-Hill Irwin.
- Pitta D. A., Fung H-G, & Isberg S., (1999). Ethical issues across cultures: Managing the differing perspectives of China and the USA. *Journal of Consumer Marketing*, 16(3), 240-256. Retrieved from <http://www.emeraldinsight.com/doi/pdfplus/10.1108/07363769910271487>
- Poirier j., (2017) Le grand séisme de Huaxian (1556) : quelques documents chinois. *Comptes Rendus Geoscience*. 349(2). 49-52.
- Pradelle L., 2016. Comment les Chinois célèbrent-ils Noël? *La Chine au Présent*. 54, 45-47.
- Qiu Y., (2011). Understanding Chinese Consumers. *China Business Review*. Retrieved from <https://www.chinabusinessreview.com/understanding-chinese-consumers/>
- Red Luxury, (2017). Godiva Looks to Sweeten up China's Luxury Market. *Red Luxury*. Retrieved from <http://red-luxury.com/brands-retail/godiva-looks-to-sweeten-up-chinas-luxury-market>
- Roberts, S.D. (1990). Symbolism, obligation, and fibre choice: the macro to the micro continuum of understanding gift giving. *Advances in Consumer Research* 17 (1), 707–709.
- Rosenbloom, A., Haefner, J., & Lee, J. (2012). Global brands in the context of china: Insights into chinese consumer decision making. *International Journal of China Marketing*, 3(1), 20-43. Retrieved from <https://search.proquest.com/docview/1287459512?accountid=12156>
- Shan Foods, (2017). Facebook Ad. Retrieved from <https://www.facebook.com/ShanFoods/videos/1486931798023848/>

- Schuiling I., (2015). Organization memo n°2. *LSMS2003 Brang Management*.
- Slot W.H., De Vos G.A., (1998). *Confucianisme and the Family*. Albany: State University of New York Press. Retrieved from [https://books.google.fr/books?id=wYDiqp6OGxsC&printsec=frontcover&hl=fr&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](https://books.google.fr/books?id=wYDiqp6OGxsC&printsec=frontcover&hl=fr&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false)
- Smeltzer L.R., Jennings M.M., (1998). Why an International Code of Business Ethics Would Be Good for Business. *Journal of Business Ethics*. 17(1). 57-66.
- Simoons F.J., (1990). *Food in China: A Cultural and Historical Inquiry*. Florida: CRC Press.
- Steidlmeir P., (1999). Gift Giving, Bribery and Corruption: Ethical Management of Business Relationships in China. *Journal of Business Ethics*. 20(2). 121-132.
- Sun X., (2015). It's Not Just the Gift, but the Thought Behind it. *ChinaDaily*.
- Tai, M. C., (2004). Natural and Unnatural: An Application of Taoist Thought to Bioethics. *Etica & Politica. Ethics & Politics*. 2. Retrieved from [https://www2.units.it/etica/2004\\_2/CHENG-TEK\\_TAI.htm](https://www2.units.it/etica/2004_2/CHENG-TEK_TAI.htm)
- Tang C., (2017). 10 Things You Should Not Give as a Chinese New Year Gift. *ChinaHighlights*.
- Tang C., (2017). Chinese New Year 2017. Traditions, Activities, Day-By-Day Guide. *ChinaHighlights*.
- Tellis G. J., Ambler T., (2007). *The Sage Handbook of Advertising*. London: Sage Publications.
- The Economist, (2005). Business in China. China's Golden Oldies. *The Economist*. February 24.
- Tian J., (2006). *Government, Business, and the Politics of Interdependence and Conflict across the Taiwan Strait*. New York, New York: Palgrave Macmillan.
- Tsang, A.S.L, Zhuang, G., Li, F., & Zhou, N. (2003). A comparison of shopping behavior in Xi'an and Hong Kong malls: utilitarian versus non-utilitarian shoppers. *Journal of International Consumer Marketing*, 16, 29-46.
- Tsang K.K., (2016). A Theoretical Analysis of Chinese Ingratiation. *Journal of Social Science*. 12(1). 55-63.

- Tsang, W. K. (1998). Can guanxi be a source of sustained competitive advantages for doing business in China. *The Academy of Management Executive*, 12(2), 64–73.
- Wall S., Minocha S., Rees B., (2001). *International Business*. Edinburgh, England: Pearson Education.
- Wan A., NG K., (2012). The Role of Guanxi in China's Foreign Banks: A Review of the Literature. *GSTF Journal on Business Review*. 2(2).
- Wang X., (2007). Cultural Memory, Tradition Renewal and Heritage of Traditional Festivals. *Journal of Renmin University of China*.
- Wang G., Liu D., Wang X., (2011). Effects of perceived organizational support and guanxi on salesperson performance: The mediation of customer need knowledge. *Frontiers of Business Research in China*. 5(422).
- Warc (2017). China looks to brand development. Warc. Innovation, brand equity & strength. retrieved from [https://www.warc.com/NewsAndOpinion/news/China\\_looks\\_to\\_brand\\_development/c57d99bc-b407-40df-88e6-4a35c29c9c76](https://www.warc.com/NewsAndOpinion/news/China_looks_to_brand_development/c57d99bc-b407-40df-88e6-4a35c29c9c76)
- Weber M., (1978). *Economy and Society*. University of California Press: Los Angeles. Retrieved from [https://books.google.be/books?id=MILOKsrhgrYC&printsec=frontcover&hl=fr&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](https://books.google.be/books?id=MILOKsrhgrYC&printsec=frontcover&hl=fr&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false)
- Wikipedia, (2016). Bagua. Retrieved from <https://fr.wikipedia.org/wiki/Bagua>
- Willige A., (2016). The world's top economy: the US vs China in five charts. World Economic Forum. Retrieved from <https://www.weforum.org/agenda/2016/12/the-world-s-top-economy-the-us-vs-china-in-five-charts/>
- Wilson, J. and Brennan, R., 2010: Doing business in China: Is the importance of guanxi diminishing? *European Business Review*. 22(6). 652-665
- Wombolt K., Hunt R., Philips A., (2017). Anti-Corruption and Bribery in China. *Lexology*. <http://www.lexology.com/library/detail.aspx?g=760a5dc1-33db-4d92-91de-c475eb4110da>
- Wong, R., PhD. (2013). Editorial commentary: Which of china's differences may have critical impacts on marketing? *International Journal of China Marketing*, 3(2), 13-15. Retrieved from <https://search.proquest.com/docview/1433773431?accountid=12156>

- Wu D.Y.H., Tan C.B., (2001). *Changing Chinese Foodways in Asia*. Hong Kong: The Chinese University Press
- Xu, P. (1998). "Feng-Shui" Models Structured Traditional Beijing Courtyard Houses. *Journal of Architectural and Planning Research*, 15(4), 271-282. Retrieved from <http://www.jstor.org/stable/43030469>
- Xia M., (2006) The Communist Party of China and the "Party-State". *The New York Times*.
- Yan Y., (1996). *The Flow of Gifts*. Stanford, California: Stanford University Press
- Yang F., (2011). The Importance of Guanxi to Multinational Companies in China. *Asian Social Science*. 7(7).
- Yang M., (1989). The Gift Economy and State Power in China. *Comparative Studies in Society and History*. 31(1). 25-54. Retrieved from [https://www.jstor.org/stable/178793?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/178793?seq=1#page_scan_tab_contents)
- Yang, M., (1994). *Gifts, Favors and Banquets. The Art of Social Relationships in China*. Ithaca, New York: Cornell University Press.
- Yang M., (2002). The Resilience of Guanxi and its New Deployments: A Critique of Some New Guanxi Scholarship. *The China Quarterly*. 170. 459-476.
- Yang M., (2013). *Two Logics of the Gift and Banquet: A Genealogy of China and the Northwest Coast*. Taipei: National Chengchi University, Institute of Foreign Languages
- Yao E., (1987). Cultivating guan-xi (personal relationships) with Chinese partners. *Business Marketing*. 62-66.
- Yates, J. F. (1992). *Risk-taking behavior*. Chichester, West Sussex, England: Wiley.
- Yau, O. H.M., Lee J. S.Y., Chow R P.M., Sin L. Y.M, & Tse A.C.B. (2000). Relationship marketing the Chinese way. *Business Horizons* 43(1) 16-24.
- Yeung I.Y.M., Teung R.L., (1996). Achieving Business Success in Confucian Societies: The Importance of Guanxy (Connections). *Organizational Dynamics*. 25(2). 54-65.
- Yin S., Wu L., Du L., Chen M., (2010). Consumers' purchase intention of organic food in China. *Journal of the Science of Food and Agriculture*. 90 (8). 1361–1367.
- Yu, C. & Bastin, M. J, (2010). Hedonic shopping value and impulse buying behavior in transitional economies: A symbiosis in the Mainland China marketplace. *Journal of Brand Management*. 18 (2). 105-114.

- Zhang D., (2017). L'économie Chinoise 2017 vue à travers le Rapport d'Activité du Gouvernement. *La Chine au Présent*. 55. Parution d'avril.19-24.
- Zhang, B. (1992). Cultural conditioning in decision making: A prospect of probabilistic thinking. *Unpublished Ph.D. dissertation, Department of Information Systems, London School of Economics*
- Zhang, Y. (1996). Chinese consumers' evaluation of foreign product: The influence of culture product types and product presentation format. *European Journal of Marketing*. 30(12). 50-68.
- Zhang, X., Grigoriou, N., & Li, L. (2008). The myth of China as a single market: the influence of personal value differences on buying decisions. *International Journal of Market Research*, 50, 377-402.
- Zhao M., Dholakia R.R., Cai J.Z., Zhang M., (2013). An Empirical Investigation of Chinese Award-Winning TV Advertisements over Time. *International Journal of China Marketing*. 3(2). 100-117. Retrieved from <http://search.proquest.com/docview/1433773431/fulltextPDF/D45A692DD49F4C06PQ/1?accountid=12156>