

Master Thesis

The Effect of using Asian Models in Foreign Brands' Advertising in China:

A Quantitative Study on Customer Reactions

By

Haochang Li

41815

MSc Business and Management

Yutong Pi

41847

MSc Business and Management

Advised by

Dr. Hanna Berg

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Stockholm School of Economics

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Abstract

In this thesis, a specific dimension of marketing in China for foreign brands is investigated. This was accomplished by comparing the impact of two sets of advertisements on advertising effectiveness – one with Asian models included and one with only models from other ethnic groups. Theories of Self-Referencing, Cultural Compatibility, High & Low Context Communication were applied as possible explanations of the findings. In addition, the differences between first tier cities and lower tier cities in China was taken into consideration and its moderating effect was examined.

Following a pre-test survey and two focus group interviews, a quantitative experiment was conducted. 245 valid responses were collected from respondents who completed the online survey distributed on Chinese social media platforms. Their demographic information and reactions to the two sets of advertisements, which were made by ourselves, were collected and analyzed.

The results of the experiment indicates that including Asian models in a foreign brands' advertisement brings positive influence on advertising effectiveness in China by significantly increasing viewers' Ad Attitude. However, the influence is limited in two ways: 1) The positive attitude towards the advertising does not convert to a higher evaluation to the brand. 2) The increase of Ad Attitude brought by including Asian models is not significant in first tier cities.

Key words: Asian models, advertising effectiveness, China, Self-Referencing, Cultural compatibility, High & Low context Communication, Add Attitude, Brand Attitude

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1. Introduction

The first part of this chapter provides background information on the topic of using Asian models in foreign brand advertising in China, which is followed by a discussion of problematization. Our research questions are then proposed based on the gaps in the existing body of research as well as the study's declared goal. The description and classification of concepts and terms utilized in this study will be described after that. The expected knowledge contribution will also be outlined here. To provide an overview of the thesis structure, Chapter 1 ends with a brief thesis outline.

1.1 Background

1.1.1 Globalization and international expansion to China

We are in an era of hyper-globalization, which can be traced back to the 1980s. De Sousa Santos (2006) describes globalization as the result of the joint operation of two processes: 1) The process of successfully globalizing a phenomenon is known as globalized localism, the first process of globalization. The adoption of distant education during the pandemic and the global popularization of Hollywood movies can be categorized into this process. 2) The second one called localized globalism refers to the deconstruction and reconstruction of local conditions as a response to the transition brought by globalized localism. However, economic, social, technological and political factors cause volatility: we are facing a time with globalization, de-globalization, and re-globalization (Madhok, 2021).

Facing the global dynamics, more and more companies are seeking growth by conducting international expansions (Tallman & Fladmoe-Lindquist, 2002). According to Luo (2000), If a company is able to balance the tension between several factors (such as technology, product, and geography), international expansion could be one of the most essential strategies to gain continuous competitive advantages in the global market. Furthermore, as Dreher(2006) pointed out, international trade not only benefits the firms, but also positively affects the involved nation's economic growth. Thus, public policy makers have shown keen interests in accepting foreign business organizations and encouraging local enterprises to expand internationally (Hybbinette & Stubert, 2007). In recent years since the start of this century, one country in particular has piqued the attention of businesses looking for expansion: China.

Since market-oriented reforms were introduced in 1978, China has become one of the major economies in the world with its gross domestic product (GDP) growing at around 10 percent per year (Yueh & Yao, 2006). Moreover, the accession to the World Trade Organization brought China a stable international trading environment and removed the barriers for international investment, which makes it a more attractive destination for international investments (Agarwal & Wu, 2004). In fact, according to the U.N. Conference on Trade and Development, China has surpassed the U.S. and become the biggest receiver of foreign direct investment in 2020 (UNCTADSTAT, 2021). With a huge amount of foreign brands seeking expansion in the Chinese market, it is more than common to see international enterprises establish business operations in China. However, the culture, language, political system and people's perception in China are distinct from those in the West, therefore successful western business practices are not often replicable in China.

1.1.2 Marketing localization

Localization is never the antonym of globalization, but the production of globalization (De Sousa Santos, 2006). It includes actions such as customizing products, services, communications, and other assets used in customer interactions to match the needs of local customers in the target market (Singh, 2011).

In the 1990s and early 2000s, many well-known firms (such as Hennes & Mauritz, Starbucks and Macdonald) used to expand overseas by following the marketing and sales format in their home country (Jonsson & Foss, 2011). Nevertheless, Jonsson & Foss (2011) suggested a more effective expansion strategy by studying the internationalization of IKEA – flexible replication: based on persistent learning about the local market and local customer preferences, multinational business organizations modify the marketing formats replicated from their home country. Similarly, Charski (2016) thinks the key for global expansion is content marketing localization, which goes beyond words and images and includes human and non-human related elements that are in line with the audience's needs.

1.1.3 Marketing and advertising in China

Customers in China are fussy because they have abundant choices of products from the world's greatest vendors (Bjorksten et al., 2010). Understanding target customers and delivering the right message to them are therefore crucial in order to grasp market share in China. Guanxi(close to the meaning of interpersonal relationships) is a term that is often cited when talking about doing business in China. As an important part of buyer-seller transactions in China, a close guanxi can be developed through a stronger affective

commitment and a more caring attitude by western marketers (Lee et al., 2001). However, the concept of guanxi evolves as online communications and online transactions are taking an extremely large part of Chinese people's life. Pavlou (2005) distinguished online merchants and buyers as strangers to one another. To help understand how to turn strangers into acquaintances, Ou et al. (2014) introduced a new concept called Swift guanxi, which is similar to traditional guanxi in the sense of mutual understanding and respects and reciprocal favors but focuses more on building close relationships with the help of digital tools in a short time.

Another aspect that needs to be taken into consideration when carrying out marketing communication and placing advertising in China is regional differences. China is a vast country with not evenly developed cities and 56 ethnics. Multiple languages, political systems and religions coexist in China. Thus, the regional differences in China should be given the same level of attention as the differences between China and other countries (Bjorksten et al., 2010). According to the geographical classification standard of provinces, China can be divided into eastern, middle and western regions (Liu & Wu, 2018). The eastern region, especially the southeastern coast of China, locates most of the developed cities and free trade zones whereas the western region is considered as the least developed region. Besides, cultural differences between regions are also huge. Hai et al. (2019) examines the cultural difference of Xinjiang (western region) and Shandong (eastern region) using the framework of Hofstede and found out differences in all of the six cultural dimensions: power distance, individualism and collectivism, masculinity and femininity, long-term and short-term orientation, avoidance of uncertainty, and self-restraint vs. indulgence (Hofstede & Minkov, 2010). Such differences call for special attention when an organization is targeting customers in different regions because the same content of advertising might arouse different reactions in different cities.

According to Bjorksten et al. (2010), political sensitivity and nationalism prevails in China, which ought to be noticed by foreign marketers. Otherwise, national sentiments among Chinese might be easily simulated. China has a history of pursuing a positive national image, which can be dated back to feudal time (Shu, 2013). When this is related to the oppression and collective injustice brought by the western imperialism in modern colonial history, the sense of wounded pride makes Chinese nationalism appear more threatening (Berlin, 1972). There are extensive cases where the business practices by foreign brands arouse heated debate and provoke national sentiment on social media.

1.2 Problematization

As mentioned in the last section, existing literature has shown a variety of unique aspects of conducting marketing activities in China. Respecting and including local culture in advertisements have been referred to in many studies as a business implication for foreign brands that plan to do advertising in China (Bjorksten et al., 2010; Lee et al., 2001). This is in line with the results of extensive studies in the area of intercultural communication, which suggests a strategy of including local icons and elements and applying cultural cues in advertisements (He & Wang, 2017; Müller & Ivanova, 2013;). However, most of these studies pay attention only to non-human objects and there is not sufficient research that examines the model selection in advertising despite human and ethnicity are also categorized as cultural cues in advertising. Cheng & Chan (2009) investigated which type of local celebrities (singing artist vs sports star) suits more for the localization of a foreign brand; Barnes et al. (2009) investigates Shenzhen and Hong Kong customers' different preferences for cosmetic advertising models. Nevertheless, the selection between whether featuring a Asian model in the advertising or not for a foreign brands is still understudied.

Furthermore, given that bicultural communications bring cultural incongruence to some extent (Chiu et al., 2011), the compatibility of the two cultures turns out to be an essential factor to elicit positive customer reactions to the advertising. The cultural compatibility of tangible local items in advertising, product design and packaging has been widely studied. However, the compatibility between the model's ethnicity and the brand's origin culture has seldom been touched upon. As foreign brands' advertising featuring Chinese models continuously arouse heated debate and national sentiment on social media, this becomes more crucial to research.

1.3 Purpose and relevance

This thesis aims to take a thorough look at the under-studied field about model selection (Asian vs other ethnicity) in Chinese targeted advertising. By applying theories and knowledge taken from current literature, a multi-dimensional analysis is performed to examine the impact of using an Asian model in advertisements to advertising effectiveness in China. Additionally, based on a survey with participants from various regions in China, this thesis plans to figure out the regional differences regarding this topic. By decreasing the outlined gaps above, the thesis seeks to offer insights to practitioners who plan to make Chinese targeted advertisements.

In this study, the advertisements with only foreign models and with both foreign models and Asian models were compared based on the conceptual framework. There are two reasons why we didn't include advertisements with only Asian models in the discussion. First of all, including one more experimental group means we need more Asian models and participants for this study. However, due to unlimited time and resources, we were unable to carry that out. As for the second reason, according to Cheng and Chan (2009), Chinese customers' attitude towards a foreign brands using Asian models varies a lot, some believe that using the Asian models is delivering a friendly message to the local customers, while some others criticize that due to cultural differences, Chinese models might not be considered as a suitable choice to present the western style, and using Chinese models can make the local customers question the purpose of it and develop negative feelings towards the brand. If we decide to include one more experimental group with just Asian models, based on the literature review, the conceptual model will be much more complicated, which is beyond the scope of a student thesis. Our findings in the focus group interview also suggest that when foreign brands enter the Chinese market, the foreign identity is actually one of their advantages and it is better to keep it to some degree. Therefore, we decided to narrow the scope a bit and only test the effect of the existence of Asian models in ads (The comparison between the effects of Asian + Non-Asian models vs. Non-Asian models in ads).

Research Question: What is the influence of using Asian models in a Chinese-targeted advertisement made by a foreign company?

Investigating the impact of using an Asian model in advertisements to the effectiveness of advertising in China is the overall goal of this thesis. In detail, the thesis also intends to distinguish several types of consumer responses directly triggered by ads featuring an Asian model. The responses include the audience's cognitive and affective reactions and their thoughts about the ad's cultural compatibility. Taking the regional differences (mentioned in section 1.1.3) into consideration, whether people in different regions and cities react differently and possess different opinions is of our interest. Therefore, there are additional research questions following:

Q1: How does the use of Asian models impact foreign company's advertising effectiveness in China?

Q2: If using Asian models does impact the advertising effectiveness in China, what factors contribute to the influence and mediate the relationship?

Q3: Do the results of Q1 and Q2 vary in different tier cities in China?

1.4 Definitions and Clarifications

There are several concepts and terminology that will be frequently referred to throughout this thesis. In order to provide a better comprehension for readers, the definition and explanations of them given in this section as follows:

Asian models: In this thesis, we use the term Asian models to refer to models that are from East Asian ethnic groups. China's majority ethnic groups – Han Chinese, which constitute more than 90 percent of the population of China, belong to East Asian ethnic groups. Therefore, we assume that when customers see an East Asian model, they are very likely to believe he or she might be from China.

Chinese city tier system: A classification of Chinese cities where cities are grouped in a hierarchical order according to aspects such as population size, economic performance, transportation, business potentials and education etc. We often use the abbreviation CCTS for the Chinese city tier system in this study.

Foreign brands: the adjective word “foreign” is a relevant concept. In this study, we define “foreign brands” from a Chinese customer perspective. For Chinese people, there are relatively culturally-close countries such as South Korea and Japan, and culturally-distant countries such as European and North American countries. Since many building blocks of the conceptual framework focus on the culture part, we refer foreign brands more to brands from culturally-distant countries for China.

1.5 Expected knowledge contribution

This thesis is expected to decrease the outlined gap mentioned in 1.2 and make a contribution to academia in following aspects: 1) Drawing a line between existing research on doing business in China and marketing localization. 2) Bring regional differences in China into the area of advertising in China and add a new dimension for future research. 3) Setting a light to the under researched domain of the effect of using Asian models to target Chinese audiences.

For practitioners, this thesis will identify Chinese audience's reactions and thoughts evoked by the existence of east Asian models in the advertisements of a foreign brand and analyze them in four different dimensions. This will help foreign businesses to understand Chinese customers better and inspire them for the model selection of their advertisements.

Furthermore, by examining the responses from participants who come from different regions, the thesis aims to aid international firms in creating more targeted advertisements in China.

1.6 Thesis outline

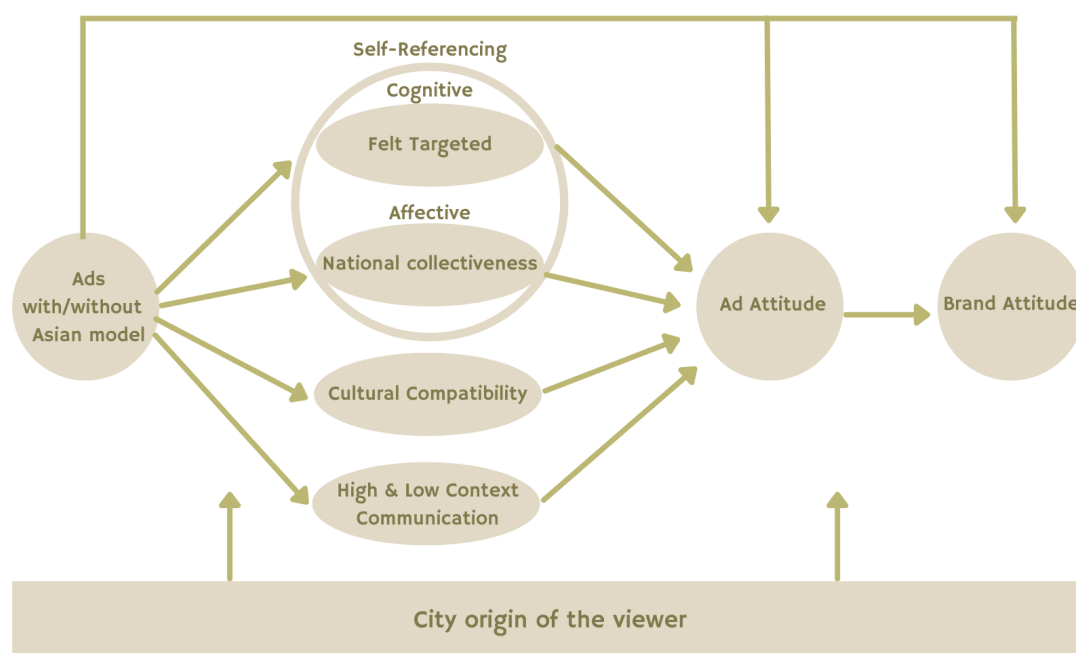
This thesis consists of six main chapters: (i) Introduction, (ii) Theoretical Framework & Hypothesis generation, (iii) Methodology, (iv) Analysis & Results, (v) Discussion and (vi) Conclusion. Above, chapter one gives an introduction to this thesis by outlining the background and the existing problems of the research topic and defining the purpose of the study. In chapter two, previous relevant literature are presented and the theoretical framework for the study. With this serving as the base for the study, this chapter also outlines the hypothesis generated for testing in order to answer the research question. Chapter three introduces the applied methodology and describes the conducted experiment in a detailed way. Subsequently, in chapter four, the results of the experiment are presented and analyzed. In the following chapter, these empirical results are discussed according to the research and theories introduced in chapter two. Additionally, business implications and limitations of the study can be found in this chapter. Lastly, the sixth chapter summarizes the contents and the key findings of the thesis.

2. Literature Review

In this chapter, existing literature on relevant topics is outlined. Four main research domains are touched upon: Self-referencing, high and low context culture communication, cultural compatibility and advertising effectiveness. They serve as the bases for the study and the theoretical framework of this thesis is built upon them. At the end of this chapter, hypotheses for testing are generated.

This chapter's goal is to walk the readers through the development of our theoretical framework (See Figure 1). In the framework, we propose that the presence of an Asian model (an ad with both Asian models and foreign models) in a foreign brand's Chinese targeted advertisement brings out viewers' responses in several dimensions. In more detail, cognitive reaction of Felt Targetedness and affective reaction of the sense of *National Collectiveness* are expected to be evoked. In addition, we expect that the viewers will respond to the ad with thoughts about the *Cultural Compatibility* of its content. Finally, we hypothesize that the viewers will relate to certain messages that they believe the brand is delivering in the advertisement though the selection of models and whether they prefer such an implicit communication depends on whether they prefer *High or Low Context Communication*. Each of the reactions and responses listed above is expected to positively or negatively affect their *Ad Attitude* and, subsequently, *Brand Attitude*. Furthermore, all these reactions and responses, we believe, are influenced by the CCTS conditions.

Figure 1: Theoretical Framework



2.1 Self-referencing

Self-referencing is a frequently referred concept in the marketing and advertising context. It is described as a cognitive process of relating external information to certain aspects of oneself, such as personal experience or ethnicity (Meyers & Peracchio, 1996). In such a process, deeper information processing occurs and additional attention is attracted, which introduces persuasion advantage for advertising (Meyers & Peracchio, 1996 ; Lee et al., 2002). Moreover, Escalas (2006) identified two ways of self-referencing: the traditional one is called analytical self-referencing, which is inline with the cognitive process mentioned before; the other one he proposed is called narrative self-referencing, where people are attracted by story-like thinking and be persuaded through such a narrative transportation (Escalas, 2006). The focus of this thesis is the traditional concept according to this categorization – analytical self-referencing.

The positive impact of self-referencing on advertising effects has been widely researched. Including self-related information in advertising can boost information elaboration and recall because such information can be more easily paired with the existing information in one's memory (Burnkrant & Unnava, 1995 ; Martin et al., 2004). Perkins & Forehand (2012)'s experiments provided evidence for the improvement of object evaluation brought by associating oneself and unknown objects. Their results also indicated the potential of prompting greater attachment and loyalty to a brand caused by the provision of self related content in advertising, which can stimulate implicit self-referencing.

Though self-referencing is generally referred to as a cognitive procedure, it can cause both cognitive and affective responses. Self-referencing, according to one avenue of study, improves ad persuasion by triggering memories, which are defined as the recall of previous events in one's life (Sujan et al., 1993 ; de Mooij & Hofstede, 2010). Through the process of self-referencing, incoming information is related to a part of one's self and the aroused emotions might be related to one's previous experiences and the membership of a social group.

Since cognitive and affective reactions led by self-referencing are found in previous studies , this thesis will take both into consideration, and test their impact on ad attitude specifically, which was mentioned by Aaker et al. (2000) in their research. In the following two sectors, two concepts are introduced as the cognitive and affective response that can be easily stimulated in our experiment. To be more specific, feel targetedness is the focus of cognitive self-referencing in this thesis while national collectiveness is introduced as the most relevant emotion aroused by self-referencing considering our topic.

2.1.1 Feel Targetedness (Cognitive)

Customer self-perception is one of the processes belonging to self-referencing (Aydinoğlu & Cian, 2014). The sense of being targeted by an advertisement or perceiving oneself as the target of the advertising is called Feel Targetedness, which according to Aaker et al. (2000), is a critical cognitive variable when a customer is processing ads. After comparing the information with oneself, the feeling of being targeted in the advertisement can be aroused if they perceive a higher level of similarity (Brumbaugh & Grier, 2006). The bond created in between can make the customers perceive the product in advertising as something that is relevant to what they are interested in and need (Debevec et al., 1987). Consequently, they tend to pay more attention to the advertisement and this might result in higher feedback to the advertising and the brand featured from the viewer (Aaker et al., 2000).

A large volume of study has investigated how different features of models (such as body size, attractiveness) in advertising would impact viewers' Feel Targetedness process (Berg, 2015 ; Bian & Foxall, 2013). Besides, there are quantitative studies that provide evidence for the influence of cultural elements in advertising. Ivanova & Müller (2013) measured the feel Targetedness brought by visual culture cues in advertisements. In Chinese context, He & Wang (2017) also argued that self-referencing (in the article they stated it as the viewers feel targeted by the advertisements, which is closer to the Feel Targetedness here) is one of the most significant rationales behind the results that the advertisements featured Chinese elements prompt higher evaluation.

Therefore, we expect that models from different ethnic groups can arouse different levels of Feel Targetedness among Chinese customers as they possess higher similarities with Asian models than with models of other ethnicities. Based on existing literature, we believe Feel Targetedness is a representative variable for us to figure out the cognitive reactions stimulated by different advertisements.

H1: Asian models in foreign brands' ads lead to a higher level of Feel Targetedness for Chinese customers

2.1.2 National Collectiveness (Affective)

As Müller & Ivanova (2013) pointed out, there is great importance to investigate affective reactions aroused by self-referencing. In addition, there are some studies that offer the grounds for affective factors' dominance over cognitive ones for predicting purchase intention (Morris et al., 2002). Therefore, this thesis will take a most relevant variable as the measurement for affective responses.

One's self can be perceived not only as private individuals, but also as members of certain collective groups. As mentioned in the Introduction Chapter, China is a nation with high collectivism according to Hofstede's cultural dimensions theory. This makes it vital for us to look at the cognitive process of self-referencing from a different angle. Trafimow et al. (1991) expanded the concept of self and presented the idea of collective self, which consists of cognitions about group membership.

Besides, according to Roth & Moorman (1988), the concept of Culture Model is a set of shared schemas that has been built by common beliefs within a society". Therefore, people with the same cultural backgrounds tend to respond similarly when exposed to stimuli (Brumbaugh, 2002). Müller & Ivanova (2013) proposed that when the stimuli is considered as part of the cultural or ethnic culture, people tend to develop a higher level of emotional attachment towards the advertising. Hence we assume that customers would react differently depending on whether they believe there is a model whose ethnicity belongs to their own culture.

H2: Asian models in foreign brands' ads evoke National Collectiveness of Chinese customers positively

2.2 Cultural compatibility

2.2.1 Global brands, perceived brand globalness (PBG) and perceived brand localness (PBL)

Dimofte et al. (2008) defined global brands as the ones that are widely available and have high awareness in foreign markets. They also found that although global brands can elicit favorable emotions, the globalness of a brand has little effect on the consumers' purchasing decision in the US. This is in line with the finding of Dimofte et al., (2010), which also conclude that PBG prompts affective reactions among consumers in the US. However, there are also many studies indicating that the associations of positive images with the brands that has high PBG can lead to consumers' functional responses, which means, they are more likely to purchase (Johansson & Ronkainen, 2005; Holt et al., 2004; Steenkamp et al., 2003; Swoboda et al., 2012). Although there are scholars such as Steenkamp et al. (2003) who perceive PBG and PBL as opposite to each other, more recent research supports the perspective that scoring high in PBG does not necessarily mean that the brand has a low PBL. Swoboda et al. (2014) adopts Integration-Responsiveness theory to investigate strategies for retailers that are actively internationalizing and prove the success of

incorporating both local and global positioning. Similarly, Ozsomer (2012) pointed out the significance for a global brand to develop local iconness, which according to him is the degree to which a brand represents the values and needs of consumers in the local market. Thus, applying a hybrid strategy of trying to score high on both PBG and PBL benefits a brand that operates businesses in different geographical markets (Swoboda et al., 2012).

2.2.2 Culture mixing and “Chinese cultural cues”

When it comes to business practices in China, though significant cost savings could be achieved by taking advantage of economies of scale and scope and adopting a standardized marketing mix strategy across countries (Levitt, 1983), such a strategy is not applicable in countries that hold considerable cultural differences with the origin country of the firm (Kustin, 2004). Therefore, the past decades have witnessed numerous examples of western firms that aim to get a greater market share in the Chinese market by combining localness and globalness, which does not require them to alter their pictures as global brands or modify their products, but which often brings a ‘cultural mixing’ in their communications (Chiu et al., 2011). The cultural mixing often appears in the form of Chinese icons and elements being used in the processes of product design, packaging and marketing communications for a foreign brand (Wang & Lin, 2009). He & Wang (2017) defined such ‘Chinese elements’ as objects or items with symbolic and spiritual implications that exhibit distinctive characteristics of traditional Chinese cultural heritage. In order to better explain the concept, they claim that the Chinese elements are those that can be related to and can be identified with pride of Chinese. To better explain the concept, Chinese new year decorations, panda, dragon and red color can serve as the examples.

Though He & Wang (2017)’s definition of ‘Chinese elements’ mainly target material objects that are included in the design of physical artifacts, research has proved that local culture related image in advertisement is an effective technique for intercultural communications. Appiah & Liu (2009) pointed out that in addition to tangible items, the symbols, values, traditions and ethics that are generated or treasured by members of a society and are portrayed in advertising can also be seen as the cultural elements, which is defined as ‘cultural cues’ by them. Combining the definition of ‘Chinese elements’ and ‘cultural cues’, a concept of ‘Chinese cultural cues’ can be generated, which refers to the tangible and intangible, human and nonhuman objects that are related to Chinese culture and are depicted in advertisements. This concept is associated closely with the theme of this thesis

and a model with Asian appearance, which is the independent variable for the experiment of this thesis (See Chapter 3), can be categorized as 'Chinese cultural cues'.

The positive outcomes of using cultural cues in both printed advertisement and television advertising have been proved by a large amount of previous research (Appiah & Liu, 2009; Pitts et al., 1989; Moriuchi & Jackson, 2017;) and the generalizability of these results to different media has been confirmed by Pitts et al. (1989). However, the past decades have witnessed enormous changes in the advertising environment in China with the emergence of brand new forms of media. The Internet is playing an unprecedentedly significant role in Chinese targeted advertising and more and more advertisements are viewed through online social media and online self media. Therefore, as this study aims to offer insights in the context of the present Chinese market, it is crucial to examine whether the positive responses to cultural cues found in previous literature can be generalized to online social media, which is more relevant to current context. Another thing needs to be noticed is that self-referencing theory, which is outlined in Section 2.1, is frequently used to explain the positive effects of cultural cues.

2.2.3 Impact of cultural compatibility on advertising in China

As explained in the last section, the strategy of involving localness while retaining the brand perceived globalness is often applied by brands that come from countries with significant cultural differences to China. But when a foreign firm adopts 'Chinese cultural cues' in their Chinese targeted communications, there is a 'cultural mixing'. The coexistence of two cultures in the content of advertising might elicit stereotyping of in-group judgements, which consequently increases the notable differences and the perceived cultural differences between the two (Torelli et al., 2011). This is to say, when local culture icons such as 'Chinese cultural cues' are included in the advertising of a foreign brand, the result of 'cultural mixing' is likely to cause cognitive inconsistencies in customers' perception. Such potential outcomes go completely against the purpose of including cultural cues in advertising and the conflicts are more likely to occur when the compatibility of the two cultures is low (Chiu et al., 2011). Thus, whether the audience believes the 'cultural mixing' is presented in harmony is an important aspect that affects their attitudes and responses to the advertising. There is a well researched measurement for this in the domain of intercultural communications — cultural compatibility, which according to He & Wang (2017), is the degree of congruence between the symbolic meanings of foreign cultures acquired from global brands shown on customers and the associations elicited by features of the host country's culture. To be more specific, when the messages delivered in cross cultural

advertising generate tension or unpleasantness among the viewers (which might be caused by the cultural cues' deviation from the real culture values), there is high cultural incompatibility (incongruence) ; On the contrary, high cultural compatibility requires consistency between the inferred and the actual society of origin. Abundant existing literature presents evidence for high cultural compatibility's capability to both increase target consumers' purchase intention (Melnik et al., 2012; Torelli & Ahluwalia 2012) and bring positive reactions when they assess the brand image according to the advertising (Torelli et al., 2012).

It is obvious that consumers' perception regarding the compatibility of the involved culture elements and icons affects their evaluation for the advertisements, brands and the product presented in the advertisement, which hence influence the advertising effectiveness (See Section 2.4) Besides, previous study conducted by Cui et al., (2012) also examines the influence of model's ethnic backgrounds (local vs foreign) on consumer perceptions of advertisements. They identified that the model's ethnic backgrounds can moderate the effect of culturally inconsistent messages on consumer perception of advertisements with 'cultural mixing'. Therefore, we suppose that cultural compatibility can explain the impact of advertising effectiveness by showing Chinese audiences advertisements with Asian models.

H3: Asian models in foreign brands' ads increase Chinese customers' evaluation of the advertisement's Cultural Compatibility

2.3 High & low context communication

Hall (1981) pointed out that the messages that individuals of a certain culture prefer to use can be used as a method to understand and identify different culture orientations, based on which he defined the concept of high context culture and low context culture. Because of the broad nature of the idea of high context and low context culture, a wide range of research has been conducted to make the concept more precise and comprehensive as a measurement (with reasonable scale) for differences across cultures. Indirect verbal expression and implication buried in nonverbal communication are used in high context communication while low context communication, on the other hand, employs direct, accurate and thorough information (Richardson & Smith, 2007; Gudykunst et al., 1996). Richardson & Smith (2007) re-examined the differences between Japanese and Americans preferences on communication context, and proved that Japanese tend to like high context communication while Americans prefer low context communications. This is in line with an extensive amount of previous literature (Würtz, 2005; Kim & Park, 1998; Hasegawa &

Gudykunst, 1998) that proves Asian countries such as South Korean, Japan and China belong to high context culture.

Though the concept of high context culture and low context culture can not capture the whole image of a culture, it is an important dimension to understand the individuals in a certain country and make sense of the preferences of them in terms of communications. This is highly relevant to the aim of this thesis, which is to investigate viewers' preferences of advertising communication's content under the context of China. Featuring an Asian model as the defined 'Chinese cultural cues' in advertising can be seen as an indirect communication of the brand's attention to local market & local consumers. Therefore, whether they prefer this indirect information influences their attitude to the advertisements and the brand, and consequently, the advertising effectiveness.

H4: Asian models in foreign brands' ads as the 'Chinese cultural cues' in advertising matches with the High Context Communication feature of Chinese customers

2.4 Advertising effectiveness

According to Shuba et al., (2010), advertising effectiveness can be evaluated in terms of the profits brought by advertising to the company as well as advertising's impact on customers' view). The latter is the focus of this thesis as the experiment, which will be introduced in Chapter 3. In Lavidge & Steiner (1961)'s widely cited model, the behavioral processes of how brand favourableness and purchase intention are built after viewing advertisements are described in the sequence of 'cognitive', 'affective' and 'conative'. Though this model has also been criticized and widely adapted during the decades, the core of the action sequence in the model has been extensively studied and proved. This action sequence can be concluded as follows: Ad attitude has a strong influence on and is positively correlated with brand attitude. Additionally, the brand's attitude has a significant influence on purchasing intentions (Varga & Höglund, 2017). Besides, Rossiter & Percy (1985) discussed the five main outcomes of advertising, including brand attitude and purchase intention, and argued for the significance of attitude towards advertisements themselves. Therefore, the frequently used set of constructs: ad attitude – brand attitude – purchase intention can serve as the basis for the measurement of advertising effectiveness. However, despite their prominence, there is no one standard way of including which elements in the constructs; instead, different research employs a range of items within these measures, which opens up for a variety of options when deciding which measurements to use. In this study, purchase intention is excluded from the constructs, which will be further explained in Chapter 3. This is because whether the former two stages can finally lead to purchase intention depends on various

factors such as the price of the product in the advertisements, the category of the product and the social context (Fogström, & Sundqvist, 2013).

2.4.1 Ad attitude

According to Lutz (1985), the attitude towards an advertisement is a proclivity to respond positively or negatively to a specific advertising stimulus during a specific exposure period. This variable is critical because it is a more direct reaction to the advertising and an early stage in the advertising effectiveness constructs mentioned in the last section. Thus, it has the capacity to mediate overall advertising effects (Park & Young, 1984). Existing literature has also found that ethnically related cultural cues (the use of models with local ethnic can be an example) result in a greater ad attitude due to self-referencing and a sense of targetedness (Brumbaugh, & Grier, 2006).

2.4.2 Brand attitude

Ad attitude is thought to affect a consumer's attitude toward a brand: an ad that is regarded favorably by a customer may also bring a favorable brand attitude, which is defined by Mitchell & Olson (1981) as a customer's general assessment of a brand. Such an assessment (brand attitude) is based on favorable or negative reactions to stimuli or beliefs associated with the brand and can be seen as one of the most significant drivers for brand equity (Whan et al., 2010).

Based on the literatures above, we generate the hypotheses on advertising effectiveness as follows:

H5: Asian models in foreign brands' ads lead to a better Ad Attitude

H6: Asian models in foreign brands' ads lead to a better Brand Attitude

2.5 Differences among cities in China

As mentioned in Section 1.1.3, there are extensive studies that prove the huge differences between regions and cities of China (Liu & Wu, 2018; Hai et al. 2019; Bjorksten et al., 2010). The variety in culture, religion, language and economic development level can lead to the variance of cities in different regions, while two cities in the same region are likely to differentiate from each other to a large extent. Barnes et al. (2009) investigated the reactions of customers in Hong Kong and Shenzhen to cosmetics advertising. Though Hong Kong and Shenzhen belong to the same region, according to Barnes et al. (2009), there are substantial

disparities between customer preferences in these two markets, suggesting the need for detailed alterations in terms of commercial appeal, model selection, and media focus may be necessary. In light of their study, the differences between cities, as a more specific dimension of regional differences in China, should be taken into consideration when studying advertising in China. However, most of previous research focus on the regional differences and few of them take a deeper look at the cities.

The Chinese city tier system is a frequently referenced classification of Chinese cities when studying the differences of Chinese cities. Although it is not an official list published by the Chinese government, the updated version of it appears widely in media, economic forums and business uses (Hu, 2017). In such a system, the cities are grouped in a hierarchical order according to aspects such as population size, economic performance, transportation, business potentials and education etc. The drastic economic growth is not happening in each city of China and this brings even more uneven resource distribution among cities in China; healthcare resources, education resources, employment opportunities are centralized in first tier cities (CEIC, 2010). According to Tencent News (2022), There are 18 first tier cities in China, and the GDP of these first tier cities constitute more than 25% of the whole GDP of China. Moreover, cities in different tiers can reflect different consumer behaviors and preferences (Bo, 2017). Thus, it is expected that the huge differences between first-tier cities and lower-tier cities bring differences in consumers' opinions on advertising with/without Asian models. We believe the impact of having Asians in foreign brands' advertising can differ greatly between first tier cities and lower tier cities. And we expect that the differences exist in first-tier city and lower-tier city citizens' opinions regarding self-referencing, cultural compatibility, high and low context communication as well. Thus the viewer's origin city (whether it is a first tier city or not) is going to be used as the moderator of this thesis and each hypothesis generated in previous sections can be divided into Hypothesis a) First-tier cities and b) Lower-tier cities.

2.6 Hypothesis Generation

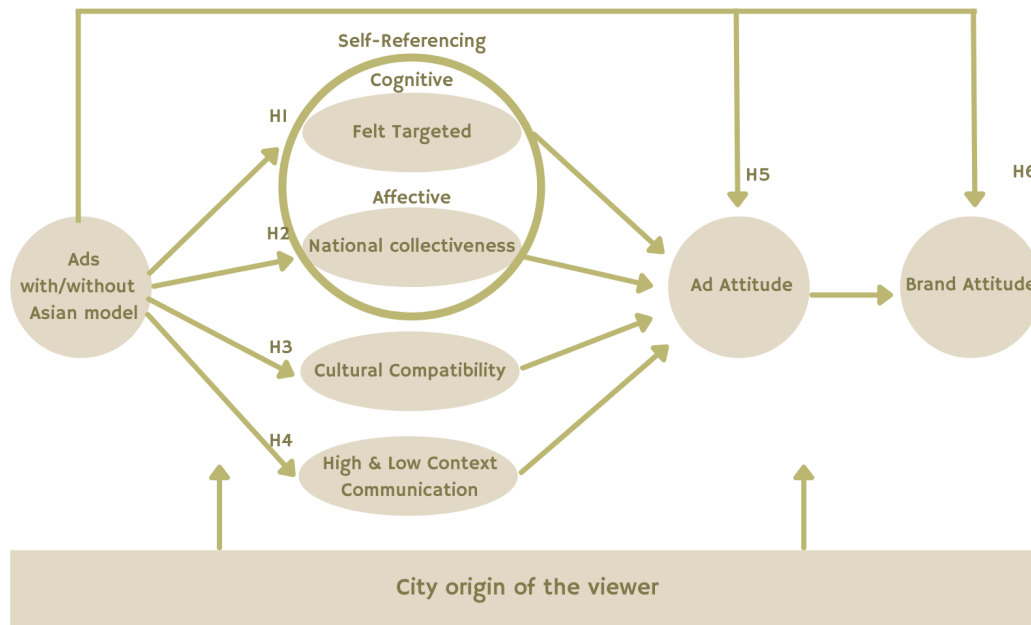
Table 1 below summarizes all the generated hypotheses in order to present the reader with a full picture of Chinese consumer reactions to foreign brands using Chinese models in advertising, which we proposed based on previous research.

Table 1: Summary of hypotheses

Self-referencing	H1	Asian models in foreign brands' ads lead to a higher level of Feel Targetedness for Chinese customers, if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities
	H2	Asian models in foreign brands' ads evoke National Collectiveness of Chinese customers positively, if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities
Cultural Compatibility	H3	Asian models in foreign brands' ads increase Chinese customers' evaluation of the advertisement's Cultural Compatibility , if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities
High & Low Context Communication	H4	Asian models in foreign brands' ads as the 'Chinese cultural cues' in advertising matches with the High Context Communication feature of Chinese customers, if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities
Advertising Effectiveness	H5	Asian models in foreign brands' ads lead to a better Ad Attitude , if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities
	H6	Asian models in foreign brands' ads lead to a better Brand Attitude , if the placement of the ad is in	
		a) First-tier cities	b) Other lower-tier cities

To provide a complete picture of the effects we plan to test in this study, Figure 2 below visualizes all hypotheses in the context of our research framework, which was introduced at the beginning of the chapter.

Figure 2: Conceptual Framework with hypotheses



3. Methodology

This chapter presents an overview of methodology that was used to answer the research question. It firstly starts with an introduction of our overall research strategy. Then, information about pre-study and main study are stated, including the design and findings of all the interviews and preparatory work. Later, it discusses the research quality, which consists of reliability and validity analysis of our main study.

3.1 Overall Research Strategy

To answer the research question, a deductive approach is employed. As shown in chapter 2, the development of all the hypotheses and the overall conceptual framework is based on the existing literature, and then will be tested through a quantitative research method in the main study. Before conducting our main study, a pre-study, adopting a qualitative research method, has been done to gather detailed narrative insights and help us to think out of the box. The research design is of a causal nature, because the main study is trying to test how the existence of Asian models in a foreign brand's advertisement (independent variable) affects advertising effectiveness (dependent variables).

3.1.1 Pre-study

The pre-study consists of two parts: one focus group interview and one complementary expert interview. Although both of the authors are born and raised in mainland China, in order to avoid the potential negative influence caused by their own perception bias when developing the final framework and questionnaire, two focus group interviews were conducted online through the Zoom meeting on March 15th. In total, 12 participants with various backgrounds from mainland China have joined the focus group discussion. The question flow of this focus group is available in Appendix 1. We also conducted an interview with Summer Wong, an experienced advertisement producer based in Shanghai. Due to the long distance between China and Sweden, the semi-structured interview took place online through the Zoom meeting on March 17th. The summary of the interview transcript can be found in Appendix 2.

3.1.2 Quantitative study

Due to the nature of our research question, the main study follows an experimental design in order to identify the correlative relationship between the existence of Asian models in a

foreign brand's advertisement and advertising effectiveness in China. Through pre-designed manipulation, participants were randomly assigned to two experiment groups. Moreover, considering the Chinese city tier system as the moderator, the result will also be compared between first-tier cities and other cities in China, which lead to a 2x2 metrics.

3.1.3 Delimitations

Due to limited time and human resources, the scope for this thesis project had to be narrowed down. First of all, customers' attitude and behavior reacting to marketing stimuli towards different product categories varies a lot. Therefore, we carefully selected one product category that involves less irrelevant variables for the experiment. More detailed reasoning can be found in Section 3.3.2.1 below. Also, since China has surpassed many other countries and regions all over the world in terms of digital development and application, digital communication, especially social media, is the main communication channel for branding. According to China Council for the Promotion of International Trade's Future Branding report (Red, 2021), more than 75% of Chinese customers make their purchase decisions based on information received by social media. Therefore, we limited the scope to advertisements on social media only.

3.2 Pre-study

Since both of the authors are business students with little working experience, two pre-studies were designed to gain more insights from different types of Chinese customers and industry experts: One focus group interview and one complementary expert interview. Both of the two interviews contributed a lot to the conceptual model development and the design of our final questionnaire.

3.2.1 Focus Group Interviews

Aiming to understand how different Chinese customers would perceive the existence of Chinese models in a foreign brand's advertisement, 12 Chinese participants with various backgrounds joined the focus group discussion. To better understand everyone's opinions and make the discussion more efficient, we divided all the participants equally into two different groups and held two separate focus groups interviews on March 15th. Due to the current Covid-19 situation and different geographic locations of participants, both of the two interviews were conducted online through Zoom meetings, of which the time length is around 1.5 hour.

The opinions from the 12 participants were widely divided in general, mainly because people from different backgrounds have their own developed perception schemes. However, we can still see obvious similarities in some aspects. First of all, most of the participants would intentionally and unintentionally pay more attention to Asian models in an advertisement with diverse ethnicities. From their description, we found that Asian models in advertisements are very likely to evoke a higher level of self-referencing, especially if the product category is appearance-related, such as clothing, makeup and skincare products.

Another interesting point is that almost all the participants have a stronger preference towards imagery communication than direct verbal communication, which aligns with the hypothesis we have in terms of high-context and low-context culture differences. “In traditional Chinese painting, there’s a term named the art of blank, which means leaving some vacant space in a piece of painting enables the audience to create different and rich imaginations. Chinese people prefer to express in an indirect way and would feel uncomfortable if the message is too explicit.”, mentioned by one of the participants. Most people joining the focus group agree that straight-forward communication in advertisements would influence their attitude towards the brand and purchase intention negatively.

Usually, the advertising effectiveness consists of three building blocks: Ad attitude, brand attitude and purchase intention, which have a mutual influence on each other (Brown & Stayman, 1992). Through the focus group, we found that most of the participants pay little attention to the brands’ B2C direct communication, and sometimes even ignore advertisements they encountered. That is to say, it is almost impossible to influence the brand love level through the design of one single advertisement. Moreover, 9 out of 12 mentioned that even if they like the brand and follow the brand information, they would still be hesitant to buy the products. Based on this point, we realized that the conversion rate between a brand’s followers and customers indicates that there are many other factors involved in the purchase decision. Therefore, we decided to only test the Ad attitude and brand attitude for this project to simplify the experiment as well as Minimize the influence of other uncontrollable unrelated variables.

3.2.2 Complementary expert interview

Since the conceptual framework shown in Section 2 is developed on previous academic research only and few studies about the selection of models are focusing on the Chinese market, industrial insights are lacking to understand the research question better in the real world implication. Therefore, we also conducted an interview with Summer Wong, an experienced advertisement producer based in Shanghai. The purpose of this interview is to

gain more expert's insights and industrial knowledge, especially in the Chinese market. Through the interview, Summer Wong provided us with a lot of valuable advice on our preparation for the mock-up advertisement, which will be used as the manipulation in the main study questionnaire. Due to the long distance between China and Sweden, the semi-structured interview took place online through the Zoom meeting on March 17th.

3.3 Preparatory work

One key take-away from the focus group interview is that due to the nature of our research question, the manipulation may not be very noticeable. Therefore, a careful design of the experimental treatment and survey questions is crucial to get an accurate result. To minimize the influence of participants' attitude towards existing brands and create a "clean" experiment (Keller, 1993), we decided to use a fictional brand and create a piece of mock-up advertisement for it. According to Shapiro (1999), the use of fictional brands is quite common in customer behavior research. To make the experimental treatment display the same as we want, creating a mock-up advertisement is one of the easiest ways to guarantee that.

In summary, the preliminary preparation of the main study experiment was carried out in the following steps: 1) Product category selection, 2) Stimuli manipulation, 3) Mock-up ad development.

3.3.1 Product category selection

After careful consideration, we chose to use perfume as the product presented in the mock-up advertisement for four main reasons.

First of all, 8 out of 12 participants in the focus group mentioned that for some product categories, such as fashion and lifestyle products, they often "judge a book by its cover", which means their purchase decision is highly influenced by the product's visual design. However, in order to test how customer behavior would be affected by models in advertisement, we want to minimize the effect of product's visual design on customers' attitude. According to the Annual Online Olfactory Economic Research Report by CBNDData (2021), most of the Chinese perfume customers consider the scent to be the most important factor to make the purchase decision. Therefore, we chose to use a perfume bottle with simple and minimalism style visual design in order to control the potential effect of this irrelevant factor.

Due to the nature of perfume, one of the biggest paradoxes for advertisement design is to create a purchase intention while the essential function of the products can't be conveyed or felt through a poster or commercial videos. That's the reason models oftentimes appeared in perfume advertisements to help create an imagery of the scent and style (Berry, 2013). Since models are the subject of our experiment, choosing a fictional perfume brand can guide the audience's attention to models more naturally.

The imported perfume is still at the monopoly stage in the Chinese market, which takes more than 70% percent of the total market share (CBNData, 2021). Therefore, when talking about perfume brands, Chinese customers would have a tendency to directly associate with a foreign image. Since we are doing an experiment of Chinese customers' attitudes towards foreign brands' advertisements, perfume is a perfect match.

Lastly, although the stereotype that perfumes are mainly for female customers still exists in China, many reports in recent years also suggest a huge increase of male perfume customers. According to iResearch's Chinese perfume market report (2021), perfume is listed as the Top 5 best-buy fashion retail products for both males and females of Gen Z in China. The sales of men's perfume reached 460 million yuan in Q1 in 2021 on Taobao, which increases 53% compared with the previous year (C2CC, 2021). In recent years, an important trend in the context of consumption upgrading is de-sexualized consumption. The gender boundary of consumption is gradually blurred, and this feature is particularly prominent among the young groups after the 80s and 90s (JingDong, 2018). Hence, the moderation effect of gender difference is expected to be small. Through the mock-up ad developed by ourselves, we intend to create a unisex fictional perfume brand image targeting at all the genders.

3.3.2 Stimuli Manipulation

The visual stimuli in this experiment is the ethnicity of models in the mock-up advertisement. Two groups of advertisements were developed for the two experiment groups. Chinese customers' attitude towards a foreign brands using Asian models varies a lot, some believe that using the Asian models is delivering a friendly message to the local customers, while some others criticize that due to cultural differences, Chinese models might not be considered as a suitable choice to present the western style, and using Chinese models can make the local customers questions the purpose of it and develop negative feelings towards the brand (Cheng & Chan, 2009). Hence, instead of comparing two groups with only non-Asian models or Asian models, we believe that including both non-Asian models and Asian models in the experimental group together would be the best choice. Moreover, to

eliminate the potential effect of models' interactions with each other, we shot the photos individually and then combined them together in a 2x2 matrix with the same style.

For the first experimental group, a series of advertisements was developed with 2 non-Asian models and two 2 Chinese models. As for the second experiment group, all of the four models were non-Asian models. To control the potential effect of models' genders, we made the number of male and female models equal in both two groups, as shown in Figure 3 below.

Figure 3: The design of displayed advertisements

Non-Asian model 1 (female)	Non-Asian model 2 (male)	Non-Asian model 1 (female)	Non-Asian model 2 (male)
Non-Asian model 3 (male)	Non-Asian model 4 (female)	Chinese model 1 (male)	Chinese model 2 (female)
Experimental group 1		Experiment group 2	

3.3.3 Mock-up Ad Development

To guarantee the quality of the mock-up ad, we rent a photography studio on March 27th in Stockholm to take professional photos that look like real advertisements. Professional photographer Shawn Ho, based in Stockholm, guided us to complete the shooting of advertising photos. We also invited 6 people, whose appearance fits the fictional brand image, to be photographed as models voluntarily in this study. In terms of the product presented in the advertisement, we used an existing perfume brand's bottle, which has a simple and gender-neutral design style. Regarding the post-processing of advertisements, we removed everything on the label by Photoshop, and then added the fictional brand name "WAVE" and a self-created brand logo on it. The visual design of this social media advertisement is guided by Summer Wong, the experienced advertising producer who joined our expert interview.

3.4 Questionnaire

3.4.1 Pilot study

After developing the initial conceptual framework by literature review and two pre-studies, we realized that the design of the questionnaire is crucial since the manipulation is not super noticeable for customers and the notion of mediators can be a bit abstract. Therefore, we decided to do a pilot study as a pretest to identify potential problems and gain more feedback before putting the final questionnaire on live to a wider audience.

The first draft questionnaire was based on our hypotheses, as well as added some manipulation and instruction validity check questions. Questions collecting basic demographic information and feedback were also included in the end. In terms of manipulation, we designed the advertisement posters by editing free stocks pictures on Photoshop. Both of the two posters have two female models standing together: one with an Asian-face model and a Non-Asian model, the other with two Non-Asian models. Participants were randomly assigned into two groups and displayed with one of the advertising posters. Since both of the authors are native Chinese, we scripted all the questions in English and then translated them into Chinese by ourselves. The questionnaire was only delivered to a small number of participants and the testing period is between March 10th to 19th. In total, 65 people joined the pre-test, and 42 valid responses were recorded. Through the pre-test, we realized many potential problems of our first draft questionnaire, which mainly includes three aspects.

The first one is that some expressions of questions were too complicated or abstract, which took the participants a lot of time to understand the meaning of them. Therefore, we modified the expressions of many statements into a more down-to-earth style and adopted them a bit to match with our context better.

The second most-mentioned feedback is that there were many interference factors in the ads, such as the clothing style of the model, the nature background and the interactions between models. That is the reason why we decided to shoot the ad photos by ourselves, as mentioned above in Section 3.3.1 Mock-up ad development. By doing so, we can minimize the potential influence by irrelevant elements in the ad and make the experimental treatment (the ethnicity of models) more noticeable.

Many participants also mentioned that the setting of answer format in the questionnaire is not very easy to use. We used to choose a slider as the answer format for the first draft

questionnaire. However, due to the technical issues, sometimes the slider can't be dragged to the right place, and even lead to a refresh of the whole webpage. After doing more testing, we changed the slider to matrix tables with likert scale.

3.4.2 Questionnaire development

Based on what we learnt from the pilot study, we revised the questionnaire and finished developing our own mock-up advertisement for the fictional brand (Appendix 3). Both the Chinese version and the translated English version of the final questionnaire can be found in Appendix 4.

Self-referencing: Felt targetedness

We used a five-item seven-point likert scale to measure Felt Targetedness in the Self-referencing block. Many previous research has proved that the self-referencing level of customers can have a significant influence on ad attitude and purchase intention (Meyers-Levy & Peracchio, 1996; Aydınoğlu & Cian, 2014; Lee, Fernandez & Martin, 2002). However, little research has been done to measure how the model's ethnicity affects the self-referencing level. The research by Martin, Lee & Yang (2004) has offered some valuable insights. The statement "I would pay more attention to certain models in the advertisement at first sight" was adapted from this research. According to Cheng and Chan (2009), using Chinese models can be considered a bridge to connect foreign brands with Chinese customers better, including the statement "The models in the ad make me feel more relatable.". Some more typical statements regarding self-referencing such as "After seeing the ad, I can imagine the situation when the fragrance is applied to me. " (Yim, Kim & Lee, 2021), "I think the model image in this advertisement can represent the target group" and "I think the ad was intended for people like me" were also included and modified to fit the context better (Aaker et al., 2000).

Self-referencing: National Collectiveness

A four-item likert scale was used to measure National Collectiveness in the Self-referencing block. Instead of only testing self-referencing of different individuals, looking at the notion from a social identity lens to understand customer's reaction as a collective self is also crucial (Müller & Ivanova, 2013). The statements "I have a close bond to the models in the advertisement" and "The models in the ad gave me a certain sense of cultural belonging" were adapted from their study. In terms of how would Chinese models would affect customer's perception of a foreign brand's ad, Cheng & Chan (2019) shared some

interesting insights, which consist of the statement “The models in the ad give me the sense of national pride” and “I think this ad shows respect and sincerity for the Chinese market”.

Cultural Compatibility

We also designed a five-term likert scale for the measurement of Cultural Compatibility. The tradeoff between “perceived brand globalness” and “perceived brand localness” has been mentioned a lot in the international business field. Dimofte, Johansson & Ronkainen (2008) analyzed the cultural compatibility from both cognitive and affective dimensions, which composed the statements “I think there are localization elements in advertisements”, “I think this advertisement shows cultural diversity” and “I think this advertisement looks harmonious”. He & Wong (2017) provides some perspectives to understand the concept better under the Chinese market context, including statements “I think this advertisement is catering to the Chinese market deliberately.” and “I think this advertisement can show the brand's affinity to Chinese consumers”.

High and Low Context Communication

A four-item seven-point likert scale was applied to evaluate High and Low Context Communication. The notion of High and Low Context Communication is usually used to analyze culture difference and social hierarchy. Most east Asian countries have a relatively high-context culture feature. Richardson & Smith (2007) listed a few common behaviors belonging to high-context cultures, such as the statements “I think the brand delivers certain messages through this ad” and “I think the advertisement displays the message the brand is trying to send to Chinese consumers”. Kim, Pan & Park (1998) shared more insights about Chinese consumers’ preference from a psychological perspective, resulting in the statements “I am willing to try to interpret the information implied in the advertisement” and “I think the composition of the models in the advertisement implies something”.

Advertising Effectiveness

In order to avoid any biased answers by statements in other blocks mentioned above, we put the agree/disagree statements of advertising effectiveness in the beginning of the questionnaire, right after the mock-up advertisement. As stated in the literature review part, although the advertising effectiveness involved three building blocks, from ad attitude, brand attitude to purchase intention (Brown & Stayman, 1992), we decided to only test ad attitude and brand attitude in this study, since based on our findings in the focus group interview, the purchase intention varies a lot depending on the product categories. A two three-item seven-point likert scale was applied to measure Advertising Effectiveness, including “I feel

strongly positive/negative towards the ad”, “I strongly like/dislike the ad” and “I think the ad is very good/bad” for ad attitude, and “I feel strongly positive/negative towards the brand”, “I strongly like/dislike the brand in the ad” and “I think the brand in the ad is very good/bad” for brand attitude.

Manipulation Check

To ensure participants really notice our manipulation, and the manipulation represents what it is supposed to represent, a manipulation check question was set after all the agree/disagree statements and before the demographic questions. The manipulation check was a multiple-choice question “I noticed that the models in the advertisement were ____?”, with three choices: A) All foreigners, B) Partly Chinese C) All Chinese.

Attention-checking questions

Two attention-checking questions were inserted in the middle of the whole questionnaire. Since all the agree/disagree statements follow a seven-point likert scale, the first attention-checking question is asking the participants to directly select number 3 from one to seven. The attention-checking questions were reverse statements of the original one. If the participants read the instructions and answer questions carefully, then their answers in the same block should have internal consistency. Therefore, we choose to use the reverse statements “I think this advertisement is catering to the Chinese market deliberately”, which present a different tendency than other questions in the same block, as attention-checking questions.

Demographic Information

The Chinese city tier system is the assumed moderator of this study, which turned into the first question in the demographic block “Where are you from? (In which province and which city?) in a text-entry format. Other traditional demographic questions such as gender, age, education level and employment status were also checked through multiple-choice questions.

3.4.3 Data Sampling

We put the final questionnaire on live for 10 days during April 5th to 15th. A convenience sampling method was used for delivering this questionnaire since it is one of the most commonly used sampling methods in marketing research (Bryman & Bell, 2007). To be more specific, we spreaded the questionnaire via commonly used Chinese social media platforms, such as Wechat, Weibo and Red. The reason why we decided to do so is mainly because of

the distance limitation. Since both of the authors are living in Stockholm while the questionnaire is only intended for Chinese customers to answer, especially the geographic location of participants is the assumed moderator, there is no way to collect the data physically due to both the current Covid-19 regulations in China and the time constraint of this study.

The platform Qualtrics XM was used for presenting and distributing the whole questionnaire. Since there are two experimental groups based on the manipulation, we used a randomizer in the manipulation block, which would randomly expose the participants with one piece of ad. In order to get almost equal sample sizes for both experimental groups, we also used the “Evenly Present Element” function. In total, 285 answers were collected. After manually deleting those who failed to answer the manipulation check and attention check questions, or didn’t provide a valid answer for the type-in question (more details regarding this will be explained in Chapter 5), 245 valid responses were collected for data analysis in the later stage. 115 participants were presented with the ad without Asian models, while 128 participants were presented with the ad with Asian models in it.

Among the 245 participants who provided valid responses, 150 of them are female, 93 of them are male, and two of them prefer not to reveal their gender information. In terms of the age distribution, the majority of participants (152 in total) are within the age group of 18-25 years old, while only four of participants are below 18 years old. The number of participants between 26-35 years old is 44, and there are 45 participants above 35 years old. In terms of education level, most of the participants have a Bachelor’s or Master’s degree, which has 103 and 115 participants respectively. 11 of the participants have a high school degree or lower, and 8 people have a college degree. 7 of our participants have a degree of Doctorate or above. A more detailed summary of demographic information distribution can be found in Table 2 below.

Table 2: The Overview of Demographic Information Distribution

	Gender			Age			
	Female	Male	Prefer not to say	Below 18	18-25	26-35	Above 35
WOAM	66	49	1	2	71	25	18
WAM	84	44	1	2	81	19	27

Total	150	93	2	4	152	44	45
	Education Level					CCTS	
	High school or below	Collage	Bachelor's	Master's	Doctorate or above	First tier cities	Lower tier cities
WOAM	7	3	46	57	3	48	68
WAM	4	5	57	59	4	75	54
Total	11	8	103	116	7	123	122

3.5 Research Quality

Reliability and validity are the two main criteria to measure the research quality (Bryman & Bell, 2007). The following part will outline both of them as the evaluation of research quality.

3.5.1 Reliability

According to Bryman and Bell (2007), the reliability of a study can be evaluated through stability and internal consistency.

Stability

The definition of stability is how valid the measure can be over time (Bryman & Bell, 2007). Therefore, to ensure the stability of this study, some pre-study has been done before finalizing the structure and content of the main study, including focus group interview, complementary expert interview, and pre-test questionnaire.

Internal Consistency

The most common way to test internal consistency for quantitative studies is Cronbach's alpha. After collecting all the data, we tested the Cronbach's alpha for each block, and the result can be found in the Table 3 below. Since all the results have a higher value than 0.07, we can claim that the internal consistency of our study is pretty good.

Table 3: Cronbach's Alpha Result

Variables	N	Cronbach's Alpha
Feel Targetedness (Self-referencing)	5	0.739
National Collectiveness (Self-referencing)	4	0.904
Cultural Compatibility	5	0.848
High & Low Context Communication	4	0.826
Ad Attitude	3	0.844
Brand Attitude	3	0.860

3.5.2 Validity

According to Bryman and Bell (2007), the validity of a study consists of internal validity and external validity.

Internal Validity

Internal validity refers to how certain you may be that a cause-and-effect link found in a study cannot be explained by other confounding or extraneous factors (Bryman & Bell, 2007). To put it another way, internal validity represents whether there's a causal link between the treatment and an experiment's response. Randomization is one of the most common ways to control internal validity. Therefore, we designed the manipulation into control and treatment groups, one of which will be randomly shown to participants. Based on the knowledge we gained from the pre-studies, we also include several blindings in the experiment design to reduce the influence of other potential external factors.

External Validity

The ability to generalize the experiment's results to a large population is referred to as external validity (Bryman & Bell, 2007). Population validity and ecological validity are two board types of external validity. In terms of population validity, since our study is only focusing on the Chinese market and many aspects of the whole experiment design are adapted for the Chinese audience only, it would be hard to argue that we can generalize the result from our current sample to a bigger group. We also have a limited ecological validity in this study, since we were asking participants to imagine seeing the mock-up ads on their

daily-used social media platforms. Also, the development of the mock-up ads is not as professional as real ad development of bigger brands. This might bias the participants' attitude as well.

4. Analysis and Result

The results of our analysis are outlined and presented in Chapter 4. We would firstly discuss the manipulation check results. And then, the instruction validity check result will also be presented. Following that, the consequences of the Ad treatment on consumer reactions will be discussed, which consist of the overall group difference caused by ad manipulation using all dependent variables and the result of hypothesis testing. The mediation effect will also be analyzed to see if feel targetedness, national collectiveness, cultural compatibility and high&low context communication can be served as mediators between IV and DV. In the end, an overview of all the findings will be provided as a summary of this chapter.

4.1 Manipulation Check

To check whether the manipulation through having Chinese models or not in the mock-up advertisement was successful, we set a multiple-choice manipulation checking question asking about the model's ethnicity in the shown Ads. The first experiment group's ads have four foreign models in it, while the ads of the second experimental group have two foreign models and two Chinese models. Our manipulation question was "The models in the advertisement are ___" with three choices: A) all foreigners; B) Partly Chinese; C) All Chinese. In total, 5 participants failed to answer the manipulation check question and their invalid answers were excluded from data analysis manually by us.

4.2 Attention Check

Since we conducted the experiment in an online questionnaire format, it is noteworthy that the losing-attention issue is very likely to happen since participants are not completely immersed in the online experimental environment and might be distracted by other things such as pop-up notification on their phones or disturbance in real life (Kohavi and Thomke, 2017). Therefore, we set one attention-checking question in our questionnaire as mentioned in Section 3.4.2. In total, 28 participants failed to answer the attention-checking questions. Their answers were considered as invalid data and we deleted them manually.

To test the moderator based on the Chinese city tier system (CCTS), we also set a type-in question asking for their hometown (the city they grow up in). However, 8 participants answered the province names instead of the name of the cities. Therefore, their answers were also excluded for the data analysis part.

4.3 Effects of Using Chinese models in Ads Targeting at the Chinese Market

In this section, we will discuss whether our research supported the predicted effects of using Chinese models on the dependent variables given in the conceptual framework. Before testing all the listed hypotheses to analyze all the dependent variables one by one, we plan to test if there were any group differences in terms of Ad manipulation and Chinese city tier system. Following that, detailed analysis of each hypothesis listed in our conceptual framework will be presented. All the data will be analyzed by the SPSS program. The significance level of 0.05 will be used for evaluation.

4.3.1 Group differences

Before we dig deeper into the result of each hypothesis testing, A two-way MANOVA method was used to test if there's any group differences created by the experiment manipulation (Table 4, 5 & 6). We divided the entire study sample into different groups based on the Ad manipulation and the Chinese city tier systems. The group differences was then quantified using the all dependent variables, including feel targetedness, national collectiveness, cultural compatibility, high & low context communication, Ad attitude and brand attitude.

Table 4: Two-way MANOVA result (Variable: Ad)

Ad	CCTS	N	Variable: Ad			
			F	p	Wilk's Λ	partial η^2
Without Asian models (WOAM)*	First tier	48	16.652	<0.001	0.703	0.297
	Lower tier	68				
With Asian models (WAM)*	First tier	75				
	Lower tier	54				

*WOAM is the abbreviation for “Without Asian models” in the advertisement, WAM is the abbreviation for “With Asian models” in the advertisement.

Table 5: Two-way MANOVA result (Variable: CCTS)

Ad	CCTS	N	Variable: CCTS			
			F	p	Wilk's Λ	partial η^2
WOAM	First tier	48	1.304	0.256	0.968	0.032
	Lower tier	68				
WAM	First tier	75				
	Lower tier	54				

Table 6: Two-way MANOVA result (Variable: Ad*CCTS)

Ad	CCTS	N	Variable: Ad*CCTS			
			F	p	Wilk's Λ	partial η^2
WOAM	First tier	48	1.352	0.235	0.967	0.033
	Lower tier	68				
WAM	First tier	75				
	Lower tier	54				

Based on the MANOVA result, there was a statistically significant difference by ad manipulation based on whether there are any Asian models in the advertisement, $F(6, 236) = 16.652$, $p < 0.001$; Wilk's $\Lambda = 0.703$, partial $\eta^2 = 0.297$. However, no regional differences were identified based on the CCTS, $F(6, 236) = 1.304$, $p = 0.256 > 0.05$; Wilk's $\Lambda = 0.968$, partial $\eta^2 = 0.032$. The joint effect of ad manipulation and CCTS was also not significant, $F(6, 236) = 1.352$, $p = 0.235 > 0.05$; Wilk's $\Lambda = 0.967$, partial $\eta^2 = 0.033$. The p-value of having ad manipulation and CCTS together as variables turned out to be 0.235, which suggests that the overall effect of ad manipulation on all dependent variables are not the same for the two CCTS groups in our experiment, we conducted another two one-way

MANOVA for each CCTS groups to see if there is any group difference for first tier cities and lower tier cities (Table 7).

Table 7: One-way MANOVA result

CCTS	Ad	N	F	p	Wilk's Λ
First tier	WOAM	48	10.062	<0.001	0.658
	WAM	75			
Lower tier	WOAM	68	8.082	<0.001	0.703
	WAM	54			

The one-way MANOVA results provide empirical evidence that the ad manipulation resulted in substantial group differences when implemented in both first tier cities ($F(6, 116) = 10.062, p < 0.001$; Wilk's $\Lambda = 0.658$) and lower tier cities ($F(6, 115) = 8.082, p < 0.001$; Wilk's $\Lambda = 0.703$). With these results in mind, we will examine each dependent variable separately and analyze which dependent factors were the primary causes of the above-mentioned group disparities in the next section.

4.3.2 Hypothesis Testing

The structure of this section will be developed based on the conceptual framework outlined in chapter 2. To begin with, we will test the hypotheses of the effect of ad manipulation on Self-referencing, which includes Feel Targetedness and National Collectiveness as dependent variables (H1 & H2). The impact of ad manipulation on Cultural Compatibility (H3) and High & Low Context Communication (H4) will also be exhibited. In the end, the effect of independent variables on advertising effectiveness (as explained before, we will only include Ad Attitude and Brand Attitude in this study) will also be presented (H5 & H6).

For each of H1-H6, we used a two-way ANOVA in which WOAM and WAM were the two factors. We consider a hypothesis supported if there is a significantly different result of the two experimental groups on a dependent variable and if the group means are higher in group WAM compared to group WOAM. For the moderator hypothesis, we ran two separate one-way ANOVA tests based on the Chinese city tier system for each H1-H6. We would accept the null hypothesis if there is a significant main effect of the city tier on dependent variables and if the group means are higher in group WAM compared to group WOAM.

H1: East Asian models in foreign brands' ads lead to a higher level of **Feel Targetedness** for Chinese customers, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

Based on the two-way ANOVA result (Table 8), we can tell that there's a significant difference through ad manipulation. Therefore, we accept H1. No regional difference was identified ($p(\text{CCTS}) = 0.783 > 0.05$, and the joint effect of ad manipulation and CCTS also was also not significant ($p(\text{Ad} \times \text{CCTS}) = 0.287 > 0.05$). However, this also suggests that the effect of ad manipulation on Feel Targetedness was not completely the same in different CCTS conditions either.

Table 8: Two-way ANOVA result (Feel Targetedness)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	3.78	0.03	0.783	0.287
	Lower tier	68				
WAM	First tier	75	4.22			
	Lower tier	54				

H1: Accepted

The one-way ANOVA results (Table 9) provide more evidence that the effect of ad manipulation on the two CCTS conditions are not the same. For the first tier city, although the mean of the group having Asian models in ads is higher than the group without Asian model, we can't conclude that the ad manipulation has any significant influence on Feel Targetedness since the significance is higher than 0.05 ($p = 0.152$). However, for lower tier cities, the result can support the hypothesis.

Table 9: One-way ANOVA result (Feel Targetedness)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	WOAM	48	3.90	0.84	0.152
	WAM	75	4.17	1.12	

Lower tier cities	WOAM	68	3.70	1.16	0.008
	WAM	54	4.28	1.22	

H1a: Rejected; H1b: Accepted.

H2: East Asian models in foreign brands' ads evoke **National Collectiveness** of Chinese customers positively, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

The two-way ANOVA result (Table 10) indicates that there is a significant difference between the two experiment groups. Therefore, we can accept H2.

Table 10: Two-way ANOVA result (National Collectiveness)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	2.52	< 0.001	0.512	0.571
	Lower tier	68				
WAM	First tier	75	3.71			
	Lower tier	54				

H2: Accepted

The one-way ANOVA result (Table 11) suggests that for both first tier and lower tier cities, having Asian models in the advertisement or not has a significant effect on National Collectiveness.

Table 11: One-way ANOVA result (National Collectiveness)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	Without Asian models	48	2.52	1.00	< 0.001
	With Asian models	75	3.63	1.13	
Lower tier	Without Asian models	68	2.53	1.06	< 0.001

cities	With Asian models	54	3.82	1.53	
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H2a: Accepted; H2b: Accepted.

H3: East Asian models in foreign brands' ads increase Chinese customers' evaluation of the advertisement's **Cultural Compatibility**, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

According to the two-way ANOVA results below (Table 12), the ad manipulation of having Asian models in the advertisement has a significant positive effect on the level of Cultural Compatibility.

Table 12: Two-way ANOVA result (Cultural Compatibility)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	3.18	< 0.001	0.870	0.776
	Lower tier	68				
WAM	First tier	75	4.36			
	Lower tier	54				

H3: Accepted

As expected from the two-way ANOVA result above, the means and standard deviations of the two CCTS conditions turned out to be quite close. Since both of the p-values are lower than 0.001, H3a and H3b can be accepted.

Table 13: One-way ANOVA result (Cultural Compatibility)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	Without Asian models	48	3.17	0.95	< 0.001
	With Asian models	75	4.38	1.00	

Lower tier cities	Without Asian models	68	3.18	0.97	< 0.001
	With Asian models	54	4.33	1.05	

H3a: Accepted; H3b: Accepted.

H4: East Asian models in foreign brands' ads as the 'Chinese cultural cues' in advertising matches with the **High Context Communication** feature of Chinese customers, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

From the two-way ANOVA result below (Table 14), we can tell that having Asian models in advertisements had a significant positive effect on the evaluation of high & low context communication.

Table 14: Two-way ANOVA result (High & Low Context Communication)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	3.89	< 0.001	0.931	0.952
	Lower tier	68				
WAM	First tier	75	4.41			
	Lower tier	54				

H4: Accepted

The result in Table 15 indicates that, for both first tier and lower tier cities, there is enough statistical evidence that the customers preferred high context communication through ad manipulation more than low context communication.

Table 15: One-way ANOVA result (High & Low Context Communication)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	Without Asian models	48	3.88	1.08	0.013

	With Asian models	75	4.40	1.18	
Lower tier cities	Without Asian models	68	3.90	1.12	0.018
	With Asian models	54	4.40	1.23	

H4a: Accepted; H4b: Accepted.

H5: East Asian models in foreign brands' ads lead to a better **Ad Attitude**, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

The two-way ANOVA result (Table 16) provides enough evidence to support our hypothesis for the overall population

Table 16: Two-way ANOVA result (Ad Attitude)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	4.38	0.004	0.709	0.134
	Lower tier	68				
WAM	First tier	75	4.69			
	Lower tier	54				

H5: Accepted

The result of the one-way ANOVA (Table 17) shows that there's no significant difference between two experiment groups ($p = 2.86 > 0.05$). However, the difference is significant for the lower tier cities, H5b is accepted.

Table 17: One-way ANOVA result (Ad Attitude)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	Without Asian models	48	4.45	0.64	0.286

	With Asian models	75	4.60	0.85	
Lower tier cities	Without Asian models	68	4.33	0.83	0.004
	With Asian models	54	4.80	0.97	

H5a: Rejected; H5b: Accepted.

H6: East Asian models in foreign brands' ads lead to a better **Brand Attitude**, if the placement of the ad is in a) first-tier cities and b) lower tier cities.

The two-way ANOVA results (Table 18) suggest that they don't have enough evidence to argue that having Asian models in foreign brands' ads can create a better evaluation of brand attitude.

Table 18: Two-way ANOVA result (Ad Attitude)

Ad	CCTS	N	$\bar{x}$	P-value		
				Ad	CCTS	Ad*CCTS
WOAM	First tier	48	4.42	0.087	0.068	0.815
	Lower tier	68				
WAM	First tier	75	4.58			
	Lower tier	54				

H6: Rejected

According to the result in Table 19, both H6a and H6b are rejected.

Table 19: One-way ANOVA result (Ad Attitude)

CCTS	Ad	N	$\bar{x}$	s	p
First tier cities	Without Asian models	48	4.31	0.539	0.093
	With Asian models	75	4.52	0.709	

Lower tier cities	Without Asian models	68	4.50	0.653	0.240
	With Asian models	54	4.66	0.848	

H6a: Rejected; H6b: Rejected

4.4 The Mediators

As mentioned in Chapter 2, our conceptual framework also includes the assumption that Self-referencing, Cultural Compatibility and High & Low Context Communication as the mediators between the ad manipulation (independent variable) and advertising effectiveness (dependent variables). Therefore, we used PROCESS macro for SPSS to test the mediation effects of these four variables. We analyzed each assumed mediator one by one separately by using the Hayes Model 4.

To simplify the mediation testing process, since many studies have already tested the positive effect of ad attitude on brand attitude (Lavidge & Steiner, 1961; Rossiter & Percy, 1985; Varga & Höglund, 2017), we will only use the data of ad attitude as the dependent variable in this mediation relationship.

4.4.1 Feel Targetedness

According to the PROCESS macro result below, we can tell that the mediation effect of Feel Targetedness exists (indirect effect = 0.1632 > 0, BootLLCT = 0.0604 > 0; BootULCI = 0.2793 > 0). The mediation effect created by Feel Targetedness made up 52.54% of the total effect.

Table 20: PROCESS macro result (Feel Targetedness)

Total effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
0.3106	0.1072	2.8964	0.0041	0.0994	0.5218	0.3651
Direct effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps

0.1474	0.0950	1.5514	0.1221	-0.0398	0.3346	0.1733
Indirect effect(s) of ad manipulation on Ad Attitude						
Effect	BootSE	BootLLCT	BootULCI			
0.1632	0.0570	0.0604	0.2793			

Mediation effect of Feel Targetedness: Supported

4.4.2 National Collectiveness

The PROCESS macro result for National Collectiveness below (Table 21) provides enough evidence to support the mediation relationship. (indirect effect = 0.4280 > 0, BootLLCT = 0.2890 > 0; BootULCI = 0.5831 > 0). Since the mediation effect created by National Collectiveness was bigger than the total effect and the direct effect was negative, we can argue that this is an inconsistent mediation and the effect of National Collectiveness on advertising effectiveness is bigger than the ad manipulation.

Table 21: PROCESS macro result (National Collectiveness)

Total effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
0.3106	0.1072	2.8964	0.0041	0.0994	0.5218	0.3651
Direct effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
-0.1174	0.1032	-1.1377	0.2564	-0.3207	0.0859	-0.1380
Indirect effect(s) of ad manipulation on Ad Attitude						
Effect	BootSE	BootLLCT	BootULCI			
0.4280	0.0753	0.2890	0.5831			

Mediation effect of National Collectiveness: Supported

4.4.3 Cultural Compatibility

The PROCESS macro result for Cultural Compatibility below (Table 22) provides enough evidence to support the mediation relationship. (indirect effect = 0.3405 > 0, BootLLCT = 0.2055 > 0; BootULCI = 0.4888 > 0). Since the mediation effect created by Cultural Compatibility was bigger than the total effect and the direct effect was negative, we can argue that this is an inconsistent mediation and the effect of Cultural Compatibility on advertising effectiveness is bigger than the ad manipulation.

Table 22: PROCESS macro result (Cultural Compatibility)

Total effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
0.3106	0.1072	2.8964	0.0041	0.0994	0.5218	0.3651
Direct effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
-0.0299	0.1178	-0.2536	0.8000	-0.2618	0.2021	-0.0351
Indirect effect(s) of ad manipulation on Ad Attitude						
Effect	BootSE	BootLLCT	BootULCI			
0.3405	0.0723	0.2055	0.4888			

Mediation effect of Cultural Compatibility: Supported

4.4.4 High & Low Context Communication

The PROCESS macro result for High & Low Context Communication below (Table 23) provides enough evidence to support the mediation relationship. (indirect effect = 0.1327 > 0, BootLLCT = 0.0555 > 0; BootULCI = 0.2261 > 0). The mediation effect created by Feel Targetedness made up 42.72% of the total effect.

Table 23: PROCESS macro result (High & Low Context Communication)

Total effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
0.3106	0.1072	2.8964	0.0041	0.0994	0.5218	0.3651
Direct effect of ad manipulation on Ad Attitude						
Effect	se	t	p	LLCT	ULCI	c_ps
0.1779	0.1031	1.7259	0.0856	-0.0251	0.3810	0.2092
Indirect effect(s) of ad manipulation on Ad Attitude						
Effect	BootSE	BootLLCT	BootULCI			
0.1327	0.0436	0.0555	0.2261			

Mediation effect of High & Low Context Communication: Supported

4.5 Summary of findings

Table 24 below provides an overview of our hypothesis testing result.

Table 24: Summary of hypotheses

Self-referencing	H1	East Asian models in foreign brands' ads lead to a higher level of Feel Targetedness for Chinese customers (Accepted), if the placement of the ad is in	
		a) First-tier cities Rejected	b) Other lower-tier cities Accepted
	H2	East Asian models in foreign brands' ads evoke National Collectiveness of Chinese customers positively (Accepted), if the placement of the ad is in	
		a) First-tier cities Accepted	b) Other lower-tier cities Accepted

Cultural Compatibility	H3	East Asian models in foreign brands' ads increase Chinese customers' evaluation of the advertisement's Cultural Compatibility (Accepted) , if the placement of the ad is in	
		a) First-tier cities Accepted	b) Other lower-tier cities Accepted
High & Low Context Communication	H4	East Asian models in foreign brands' ads as the 'Chinese cultural cues' in advertising matches with the High Context Communication feature of Chinese customers (Accepted) , if the placement of the ad is in	
		a) First-tier cities Accepted	b) Other lower-tier cities Accepted
Advertising Effectiveness	H5	East Asian models in foreign brands' ads lead to a better Ad Attitude (Accepted) , if the placement of the ad is in	
		a) First-tier cities Rejected	b) Other lower-tier cities Accepted
	H6	East Asian models in foreign brands' ads lead to a better Brand Attitude (Rejected) , if the placement of the ad is in	
		a) First-tier cities Rejected	b) Other lower-tier cities Rejected

Moreover, the mediation effect of Self-referencing, Cultural Compatibility and High & Low Context Communication between the ad manipulation (independent variable) and advertising effectiveness (dependent variables) has all been tested to be positive.

5. Discussion

The following chapter first provides a discussion of the results described in the previous chapter. In the discussion, findings from the results of the experiment are related to the theoretical framework presented in Chapter two. Following the discussion, research questions raised in Chapter 1 will be answered in the conclusion. Then management implications for foreign brands that want to advertise in China are raised and potential criticism towards the thesis is examined. Finally, suggestions for further studies in the future are outlined.

5.1 Discussion of the results

In general, the experiment investigated the impact of having Asian models in Chinese targeted ads on advertising effectiveness in terms of Ad Attitude and Brand Attitude. Significant difference in Ad Attitude was found between the two groups (advertisement featuring both white and Asian Models v.s. advertisement featuring only white models) while no significant variation between them was found with regard to Brand Attitude. In addition, between the relationship of the dependent variable and the independent variable, four proposed mediators has been examined, which includes Feel Targetedness (Cognitive Self-Referencing), National Collectiveness (Affective Self-Referencing), cultural compatibility and High & Low context Communication. The mediation effects of them have all been proved to be positive. Finally, results of several hypotheses turned out to be different in first tier cities and lower tier cities. These findings will be discussed in further detail in the following sections 5.1.1 - 5.1.5.

5.1.1 Asian models in advertising stimulate different levels of Feel Targetedness in first tier cities and lower tier cities.

Feel Targetedness is found to be aroused among Chinese audiences by featuring Asian models in advertising, causing a mediation effect between the manipulation and the advertising effectiveness. However, after investigating the differences between first tier cities and lower tier cities, we found that the sense of Feel Targetedness is mainly aroused in lower tier cities but not in first tier cities (no significant differences between the group with manipulation and the group without manipulation).

This might be explained by the different preferences with regard to models in advertisements of people in first tier cities and lower tier cities. Previous research by Barnes et al. (2009)

found that people in Hongkong (first tier city) and Shenzhen (lower tier city at that time) have different preferences when shown cosmetic advertisements, including the models. The different preferences people in first tier cities and lower tier cities hold might affect their cognitive processes of evaluating whether the advertisements match their preferences after seeing them.

5.1.2 National Collectiveness impact advertising effectiveness to a large extent

Overall, the results of our experiment indicate that including Asian models in advertisement evokes viewers' National Collectiveness as their affective self-referencing processes and the mediation effect of National Collectiveness to Asian models' impact on advertising effectiveness is strong. In addition, National Collectiveness is evoked both in participants from first tier cities and those from lower tier cities.

One notable point here is that even though the direct mediation effect is negative (-0.1174), which is common in experiments with several mediators (Bollen & Stine, 1990), the total effect is positive because the indirect mediation effect of National Collectiveness was tested to be large (0.4280). This, together with the huge differences found in the National Collectiveness evoked by Asian models, indicates National Collectiveness's huge impact on advertising effectiveness. This can be explained by Hofstede's cultural dimensions, where Chinese are with high collectivism and the concept of collective self proposed by Trafimow et al. (1991). Seeing Asian models in advertisements might remind the Chinese audience of their group membership as an East Asian or a Chinese citizen. This can be interpreted as the manipulation wakes their collective self and thus leads to a higher evaluation towards the advertising.

5.1.3 Cultural Compatibility impact advertising effectiveness to a large extent

The findings with regard to Cultural Compatibility are similar to those of National Collectiveness. Including Asian models in advertising lead to higher evaluation of the advertisement' Cultural Compatibility. And the indirect mediation effect (0.3405) of Cultural Compatibility is far larger than the direct mediation effect (-0.0299), which makes the total mediation effect to be positive. Cultural compatibility also causes an inconsistent mediation effect between the relationship of the manipulation and advertising effectiveness.

The positive influence of high Cultural Compatibility on advertising effectiveness has widely been found in previous literature (Chiu et al., 2011; He & Wang 2017; Torelli et al., 2012). This is in line with the findings of this thesis presented in the last paragraph and can be easily interpreted. Higher congruence in the advertisements tend to lead to higher feedback about the advertisement and also higher purchase intention (Torelli et al., 2012). Including 'Chinese Culture Cues' in a Chinese targeted advertisement might close the gap between the foreign brand's origin culture and the local culture in China. Asian models in this experiment can be seen as a type of 'Chinese Culture Cue' in the advertising, making the two cultures brought by the brands and the advertisement co-exist in the advertising more harmoniously. In this way, it brings a huge impact on viewers' attitudes towards the advertisement.

5.1.4 High Context Communication is evoked by the manipulation and serves as a mediator

China as an East Asian country has been categorized into countries with high context culture by much previous research. We expect that the Chinese audience's reactions when seeing an advertisement would include the processes of trying to figure out the potential messages the brand hopes to deliver. The discussion in the focus group interviews also supports this perspective. All of the participants prefer images to words and prefer indirectly delivered messages to concrete information. Thus, when seeing Asian models in a foreign brand, the Chinese audience might try to seek what is behind the model selection and might interpret it as a respect to Chinese consumers, which might explain the findings regarding High & Low Context Communication in the experiment.

5.1.5 Asian models in advertising positively influences the advertising effectiveness but the impact was limited at the level of Ad Attitude

In general, this thesis finds that using Asian models in a foreign brand's advertising brings positive effects on Chinese customers' attitudes towards the advertisement but does not affect their evaluation towards the brand. Moreover, the positive effects found on advertising effectiveness do not appear in all kinds of cities but only in lower tier cities.

One possible cause for the different results among cities can be that people in first tier cities of China have been witnessing all kinds of advertisements from foreign brands in the past years and thus they can feel relatively less freshness when seeing a foreign brand using

Asian models in Advertising. In contrast, people in lower tier cities receive relatively less information, especially international ones, and might be more easily attracted by advertising.

As some in focus group interviews mentioned – “I do not like advertisements in general, let alone I will give positive evaluation to a brand just by seeing a single advertisement from them” – Chinese are picky towards brands and advertisements (Chan, & Cheng, H., 2009; Bjorksten et al., 2010). A successful advertisement might not be enough to acquire their appreciation and attachment to the brand.

5.2 Conclusion to research questions

Based on the discussion in the last section regarding the experimental results, we can draw the conclusion to the research questions of this thesis.

Q1: How does the use of Asian models impact foreign company’s advertising effectiveness in China?

In general, advertisements featuring Asian models and the ones without Asian models can result in different viewer reactions in China and the use of Asian models in Chinese targeted advertising impacts advertising effectiveness to some extent. To be more specific, we found that the use of Asian models brings better Ad Attitudes, which means more positive evaluations towards the advertisement itself is a positive impact brought by using Asian models. However, higher evaluations towards the advertisements do not necessarily convert to more positive assessments towards the brand. Using Asian models in advertisements does not lead to a better brand Attitude. Therefore we can conclude that, introducing Asian models as ‘Chinese Culture Cues’ in Chinese targeted advertisements positively impacts the advertising effectiveness but the impact is limited. The observed positive impact is only at the level of advertising but does not extend to the brand level.

Moreover, the impact on advertising effectiveness brought by using Asian models was observed to be different among cities. Its positive influence on Ad Attitude only appears in lower tier cities while in first tier cities the impact was found to be insignificant.

Q2: If using Asian models does impact the advertising effectiveness in China, what factors contribute to the influence and mediate the relationship?

As the impact of using Asian models on advertising effectiveness in China was found to exist, the contributing factors can also be answered. The proposed three relevant theories which might explain the rationale behind the effect – Self-Referencing (including Feel Targetedness and National Collectiveness), Cultural Compatibility and High & Low context

communication have all been tested in the experiment. All of the four factors were observed to be significantly influenced by the use of Asian models in advertisements and have been identified to mediate the impact of using Asian models on advertising effectiveness.

Q3: Do the results of Q1 and Q2 vary in different tier cities in China?

When dividing the cities in China into first tier cities and lower tier cities according to the Chinese tier system, we do find the variances between cities.

As stated in 5.2.1, in first tier cities, using Asian models in advertisements or not does not affect the advertising effectiveness, no matter Ad Attitude or Brand Attitude. Nevertheless this is not the case in lower tier cities, significant differences in Ad Attitude was observed when the advertisement featuring Asian models. In other words, the use of Asian models positively affects the advertising effectiveness in lower tier cities by leading to higher evaluation towards the advertisement.

Furthermore, difference also exists in mediators. This is observed in the results of Feel Targetedness. People from first tier cities did not exhibit a higher sense of feeling targeted when given the advertisement with Asian models. In contrast, those from lower tier cities feel more targeted by the advertisement featuring Asian models in their cognitive processes of self-referencing.

5.3 Managerial Implications

The findings of this thesis discussed above do not only contribute to current studies about advertising in China, but also provide managerial insights for practitioners who help brands to conduct advertising in China. As more and more foreign brands are seeking expansion in the Chinese market, hopefully the discussion here can provide a guideline for them to consider when designing advertisements and doing branding in China, especially during the model selection and ad placement city selection process.

As we discussed in the results and conclusion to the research question, we believe using Asian models in advertisements can be beneficial for foreign brands by increasing their advertising effectiveness. However, there are several points that need to be taken into consideration when adopting the suggestion of using Asian models.

First of all, the results of our experiment found that advertisements with Asian models and those with only white models can stimulate different levels of Self-referencing in the Chinese audience. But should brands use only Asian models or also include models from other ethnic groups? According to the information we collected from the focus group interview, Chinese

consumers' opinions towards whether it is important for advertisements to feature Asian models vary by different types of products. Many mentioned that they only pay attention to Asian models when seeing cosmetic advertisements. They believe that Asian models in cosmetic advertisements can make them think about how the products will be applied on themselves, which is because of the huge differences of physical features between different ethnic groups. In addition, the importance of having Asian models in apparel advertisements was also mentioned a lot in the focus group interview. Many who mentioned this point talked about how models from the same ethnic group can make them imagine the situation of wearing the clothes by themselves. However, no one holds the point that they might only pay attention to Asian models in apparel advertisements. In contrast, they appreciate seeing diversity in the advertising. Besides, products such as consumer electronics were mentioned by interviewees as the products whose functionality should be addressed more in the advertisements. Many believe that the ethnicity of models in advertisements for such types of products is of no importance. Relating their points of view to self-referencing theory, we can conclude that different types of products might stimulate viewers' self-referencing processes in various ways and that models' ethnicity are of different levels of significance in these processes. Therefore, brands need to select models for their advertisements in accordance with the features of their products as Chinese consumers might think differently when seeing / not seeing Asian models in advertisements for different types of products.

Secondly, when it comes to advertisements placement, foreign firms should pay attention to the city differences in China. The differences between first tier cities and lower tier cities have been observed in several aspects in the experiment of this thesis. Using Asian models in advertisements has been found to bring a positive effect on advertising effectiveness in lower tier cities while this is not the case in first tier cities. Thus it is significant for foreign firms to notice that : 1) When placing advertisements in lower tier cities, using Asian models can be an effective method. 2) However, this might not work in first tier cities where people have been seeing all kinds of advertisements from foreign brands. When conducting advertising in first tier cities, foreign brands might need to focus on other aspects of the advertisements to attract audience' attention and likes.

Thirdly, it is not easy for brands to gain brand attitude by single advertising. This was mentioned by most of the interviewees in our focus group interview. They perceive themselves as rational consumers who will not easily fall into the 'Consumerism Trap' and thus it is hard for them to give a high evaluation towards the brand by only seeing a single advertisement from them. This is in line with the results of our experiment, where the positive impact of using Asian models on Ad Attitude does not extend to Brand Attitude, no matter in first tier cities or in lower tier cities. This calls for foreign brands' efforts in continuously

placing advertisements with high consistency. Due to time and limitations of the thesis, we did not manage to test the effect of seeing several advertisements featuring Asian models continuously. But we believe, this can be one of the solutions for a foreign brand to make the positive Ad Attitude convert to a higher brand evaluation among Chinese consumers. And we suggest that brands can continuously include both Asian and non-Asian models in their advertising. At the same time, they can try to improve other dimensions of the advertising in order to increase brand attitude.

Besides, the consistency of advertising in different markets is another point that should be noticed by foreign brands stepping into China. Several interviewees mentioned that they might think about the reasons why a foreign brand is using Asian models in their advertising in China. They might only consider the brand as showing sincerity when the advertisement of them in different geographical markets are consistent in terms of models. If a brand only uses Asian models in China or Asian countries, they might think the brand is not sincere enough but only comes to generate profit in a different market ("They are using Asian models only to attract more purchases in the area").

Finally, brands need to be cautious when applying makeup and styling to Asian models in advertisements. When something that extremely deviates from the mainstream aesthetics in China was found on Asian models, the advertising might become controversial. One example has been discussed a lot during our focus group interview is the advertisements from Three Squirrels and Dior. People are criticizing these two pieces of advertisements about the use of slanted-makeup and the use of narrow-eyed models in advertising, which have the suspicion of defaming the Chinese appearance. Some feel offended by the advertisements because they believe narrow eyes are far away from the national aesthetics in their minds. Some hold the perception that the use of slanted-eye makeup is an action of emphasizing Western stereotyped Asian appearance. Therefore, it is crucial for foreign brands to understand the aesthetic differences better.

5.4 Limitations

This thesis can be challenged in several aspects, which can be found mainly in the data sampling, the mock-up advertisement, and some limitations due to the lack of time and scope. They will be discussed in detail as follows.

5.4.1 Data Sampling

The data sampling method of the experiment is one of the aspects that can be criticized. As mentioned in the Methodology Chapter, data used in this thesis is collected from an online survey, which is distributed on social media. The participants were either invited to complete the survey or saw the posts on the platform where we posted the survey. This is to say, the samples are limited to the ones that are either directly or indirectly connected to our personal connection and a small group of users of certain social media platforms. The use of convenience sampling method might result in low external validity, which limits the generalizability of the results (Bell et al., 2019). In our case, most of the samples are from several cities, which might make it hard to argue that the samples are representative enough to capture how Chinese think about this topic. Therefore, one can argue that the results of the experiment might not stay true for Chinese in general.

Moreover, due to the limited time given, it is hard to control the sample size we can get in the end. Our sample size of 245 valid responses is relatively small, which is a bit insufficient since China has a large population. The gender and age of our participants are not very evenly distributed. The number of female participants is around 58% more than the number of male participants. The age of our participants are mostly quite young, which is centralized in 18-35 years old. Therefore, it is hard for us to argue that our sample is representative enough for the overall targeted population of this research.

5.4.2 Lack of measurement of attitudes towards models

In the experiment of the thesis, human models are exposed and take up the majority of the advertising content. Viewers tend to categorize the human models according to their age, appearance, gender, ethnicity. This happens when a viewer starts to process the information after seeing the advertisement at first sight. A wide range of literature in the area of advertising have examined the influence of audience's attitudes to human models on their evaluation towards the advertisements. However, in this thesis, viewers' attitudes towards the models in the experiment are not measured. One can argue that the results would be more reliable and convincing if the attitudes towards models, as an upstream factor of the mediators variables introduced in the thesis, were measured and analyzed.

5.4.3 Only one type of product included

Another aspect that affects the study's external validity is that the experiment includes only one type of product. The perfume in the advertisements is visually modified from an actual

one to fit the fictional brand “Wave”. One can argue that the results found in the study might hold true only for the featured product in our advertisements and for the fictional brand “Wave”. According to the results of our focus-group interview, some believe that their thoughts might differ when seeing Asian models in advertisements for different types of goods (premium v.s. affordable) from different types of brands (niche V.S. global). Therefore, one can argue that the results found in this thesis might not be applicable for other types of products and brands in the fragrance industry, let alone other industries.

5.4.4 Mock-up ads development

The mock-up ads used in the experiment were developed by ourselves and this is the first time for us to complete such a project. Although we got guidance and help from advertising Industry practitioners during the process, the mock-up advertisements might still be not professional enough. Thus, there is the possibility that other aspects of the advertisements other than the treatment (featuring Asian models or not) are not well controlled as completely the same and consequently cause differences between the two groups. These factors can be the slight differences in physical features such as fitness and appearance, or the slight differences of their facial expressions and postures.

5.4.5 Internal Migrants

The differences among cities towards the discussed topic are measured in this thesis through introducing the moderator – city origin of participant. The results indicate that there are different results between participants from first tier cities and those from lower tier cities on several hypotheses and there are no significant differences regarding other hypotheses. This can to some extent reflect the actual variance among cities in China. However, as Cai & Wang (2012) proposed, the internal migration of China has always been one of the largest population movements in recent years. Population that flows from rural areas to urban areas and from lower tier cities to first tier cities is extremely huge. This means that there are a large number of people whose origin city is a lower tier city but was raised, educated and have been working in a first tier city. As they might have stayed longer in first tier cities during their growth, it is hard to say that their opinions can reflect what most people think in lower tier cities. Since the online survey was spread within a relatively limited network of people, it can be expected that the samples of this thesis include many who have similar growth paths as us (born in lower tier cities but grew up in first tier cities). Therefore, not taking internal migrants into account when measuring the differences among cities can be considered as another limitation for this thesis.

5.4.6 Majority v.s. minority ethnic groups

Because of time and scope limitations for this thesis, we do not take minority ethnic groups in China into consideration when choosing Asian look models for our experiment. Both of the Asian models used in advertisements are Han Chinese, which is the majority ethnic group in China and consists of 90 percent of the Chinese population. However, considering the considerable population of China, the population of minority ethnic groups in China is still large. Among many minority ethnic groups in China, though there are ones who look similar to Han Chinese to a large extent, there are many whose appearance differs greatly from Han Chinese. Consequently, it is difficult to argue that the Asian models in our experiment can make all the minority ethnic groups in China feel represented. One can argue that the results of our experiment might be differentiated if the participants of the survey include more minority ethnic groups. And this is related to another limitation regarding the sampling of the experiment: Although there are minority ethnic participants included, most of the ones who have completed the survey are Han Chinese. Lee et al. (2002) found variance in majority and minority ethnic group viewers' self referencing results when viewing the same advertisement with the same model. This thesis can be critiqued for the lack of consideration on the ethnicity differences among the samples.

5.5 Suggestions for future research

This thesis covers a wide range of topics related to advertising in China, and opens avenues for future research by introducing Asian models as a sort of 'Chinese Culture Cues'. Several potential directions that can be dived deeper into by researchers in the future are discussed in the following paragraphs.

First of all, researchers can broaden the scope of this thesis by including more minority ethnic group participants in their experiments and investigate whether minority ethnic group viewers might think and react differently from Han Chinese. Minority ethnic group viewers in China might not evaluate the advertisements featuring Asian models as positively as Han Chinese since their physical appearance and culture might vary from Han Chinese. This is vital when considering the regional differences in China because there are provinces and cities where ethnic minority groups congregate and are the majority citizens. It would also be insightful if future research can be conducted to study Chinese's reactions to the use of minority ethnic groups in advertising.

Secondly, using Asian models in Chinese targeted advertising was found to have positive impacts on advertising effectiveness for foreign brands. Here, foreign brands is a relatively

broad concept that covers companies from many different countries. However, there are huge differences among the countries and each of them might be similar or different from China at a different level. Future research can study whether there will be different results when dividing foreign companies into different categories based on their origin countries' cultural closeness to China. This can be done by introducing the concept of cultural distance (Sousa & Bradley, 2006). One can expect the results to be different between brands from a country with closer cultural distance and brands from a country with larger cultural distance to China. By combining the perspectives from cultural distance theory, the research might offer more targeted and practical guidelines for foreign brands that want to step into the Chinese market.

Finally, since this thesis did not identify the impact of using Asian models in advertisements on Chinese audience's Brand Attitude, further research can be done with regard to what can be done to acquire higher brand evaluation among Chinese consumers and what can be the optimal solution to make the positive Ad Attitude convert to Brand Attitude in the modern context in China. In addition, the differences between first tier cities and lower tier cities are recommended to be extended, especially regarding what elements in advertising can be a better stimulus to people from first tier cities' self-referencing. Moreover, researchers can investigate whether and how Chinese consumers' reaction towards a brand will alter after seeing its different advertisements with consistent content continuously.

6. Conclusion

Our study investigates the use of Asian models in foreign brands' advertising' s impact on advertising effectiveness in China, contributing to the academia by filling the research gap in this area. In addition, several existing theories and concepts such as self-referencing, cultural compatibility, high & low context communication are used to identify the possible factors that might serve as the explanations for the impact. Furthermore, this research is one of the first that takes the differences between first and lower tier cities in China into account in the area of advertising in China. This makes the results of this thesis be of more help to practitioners who want to bring foreign brands into the Chinese market by advertising.

In this study, the advertisements with only foreign models and with both foreign models and Asian models are compared based on the developed conceptual framework. Many other researchers have suggested that foreign brands only use Asian models in advertising can arouse many controversial opinions from the local customers. From the practice perspective, it is also good for foreign brands to include some foreign elements (such as the choice of models) to keep the foreign identity. As the positive effect of using Asian models in Chinese targeted advertisements on Ad Attitude is identified in the research, we suggest marketers who seek to expand to the Chinese market consider including Asian models in their advertisements. This is especially effective when the advertisements are placed in lower tier cities. However, to achieve a better Brand Attitude among Chinese consumers, this might not be enough. Consistent advertising content and brand image might be of great importance for their success in the long term.

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Appendix 1: Focus Group Interview Flow

Opening

Through this focus group interview, we want to know the effect of using Asian models in foreign brands' advertising in the Chinese market. The interview will last about 1.5 hours, during which we will ask some related questions for free discussion.

Ethics Statement

Before we start the focus group interview, we would like to seek your consent on a few matters regarding the ethics statement of this focus group interview.

- 1) All personal information and data we collected in this focus group will be kept completely confidential. We guarantee that all the personal information and data will be completely and permanently deleted within 1 month after the end of the paper.
- 2) We want to ask for your consent as the discussion will be recorded by screen-recording. If you don't want your face to be shown in the recording video, please feel free to turn off your camera now.
- 3) If any participant has any discomfort or dissatisfaction with the focus group during the process, he can withdraw from the discussion at any time.
- 4) We will send you a GDPR form to sign after the focus group interview.

Ice-breaking

Please introduce yourself one by one, feel free to tell us how you want us to address you (such as your nickname), where you are from in China, and your background if it is okay to share.

Discussion

As you can see now on the screen, the two pictures are from the same series of a foreign brand's advertisements in China. Please pay attention to the advertising models and the visual effects they create. Remember the intuitive feelings that these two advertisements bring to you.

- 1) As you can see from the ads, one of them only has western models in it, while the other one has one Asian-face model and one western model. Do you think you would consciously or unconsciously pay more attention to the piece of ad with an Asian model in it?
- 2) Do you feel a higher level of self-referencing when noticing a foreign brand using Asian models to present their products?
- 3) For a foreign brand using Asian models in the advertising in China, what do you think are the potential advantages and disadvantages?
- 4) What kinds of foreign brands do you think are more suitable for using western models? What kinds of foreign brands do you think are more suitable for using Asian models?
- 5) When you see an advertisement, do you prefer the brand to use relatively direct words to express the brand value and intention? Or Do you prefer the brands to use non-words to use visual effects and some hints in the background?
- 6) Do you think the models in the advertising would affect how much you like the ad and how much you like the brand?

Ending

Thank you so much for your participation, feel free to contact us if there are any more thoughts you want to share regarding the questions we discussed today. We will send you the GDPR form right now, please read it carefully and send it back to us after signing it.

Appendix 2: Complementary Expert Interview Transcript

Opening: Thank you so much for taking this interview with us. We are now doing research about the effect of using Asian models in foreign brands' advertising in China. It would be so great to get some valuable industrial inputs from you before we start to work on our mock-up ads.

Q1: Do you think Chinese customers are sensitive to the difference of brands using Asian models or not? Is there any way we can make it more noticeable in the ad?

Summer Wong: Well I would say the answer to the first question really depends on what kind of products are presented in the advertisement. Models are not the core of a piece of advertisement, the products are. But then why would we still use models? That is related to the functions of models in advertising. We want the models to help present the products better, or create a scenario for customers to imagine using their products. Therefore, if the model can have these functions in the advertisement, customers will pay attention to them automatically, vice versa. And I guess this also answers your second question here. Another point I want to add here is that the number of models in one advertisement also have an effect on this. For example, if there's just one model in the ad, do you think people would have the cognitive procedure of identifying the model's ethnicity? The noticeability comes from comparison. If you have several models in the ad, and there is just one Asian model in it, of course you would pay more attention to that.

Q2: Do you think there are any regional differences regarding this?

Summer Wong: The regional differences did exist but it is not major. China is a very big country with 56 ethnic groups, and there are differences in language and culture among different regions. As you just mentioned, there must be differences between first-tier cities and lower-tier cities. After all, the information received in different places is different. On the whole, people in China's developed cities are more accustomed to the international advertising environment. People in low-tier cities are exposed to more local advertisements and they are more likely to consider international advertisements to be novelties to some extent. However, with the rapid development of the Internet, people get more and more

similar information through social media, and many people in low-tier cities will live in first-tier cities, so this difference is gradually becoming smaller.

Q3: What kind of foreign brands do you think are suitable for using foreign models? And What kind of foreign brands do you think are suitable for using Asian models?

I think it is very important for foreign brands to keep a balance between localization and foreign identity. On the one hand, using Asian models will make Chinese consumers feel more respect. On the other hand, Chinese consumers actually have a certain degree of preference for foreign brands. Chinese consumers are curious about different styles of foreign countries, and they still look up to most foreign brands. So I think there is no standard answer to this question, and it needs to be analyzed according to specific industries and product types. Take the perfume advertisement you prepared for example, I think the combination of foreign models and Chinese models will be very suitable.

Q4: Do you have any suggestions based on the development plan of mock-up ads we just showed to you?

The idea of your advertisement is quite good. There are three main points to pay attention to: 1) The shooting should be as professional as possible because the shooting of advertisements is quite different from the usual street photography. I suggest you find a local photography studio to shoot. 2) As mentioned earlier, the function of models in advertisements is to show products, so we must make the products more conspicuous in the pictures. 3) The temperament of your choice of models is better in line with the brand image you set. In addition, because several models will appear in one piece of advertisement at the same time, the makeup and outfits must be matched with the same style. If you can't guide the models very well to have natural interactions, it is better to take single pictures and then put them together in one ad.

Appendix 3: Mock-up Ads

Version 1: Without east Asian models



Version 2: With east Asian models



Appendix 4: Questionnaire

Chinese version:

哈喽，我们是两名埋头为毕业论文奋斗的斯德哥尔摩经济学院研二学生，非常感谢您能够点开并参与这份问卷！我们的研究方向是外国品牌针对中国市场的广告策略及其效果。鉴于我们的研究方向，我们期待填写问卷的您是土生土长的中国人。您输入的任何信息都会给予我们莫大帮助，我们只会对收集到的数据进行整体的分析，绝对不会以任何方式窥探您的隐私或者泄漏这些数据；) 关于GDPR，欢迎访问<https://www.hhs.se/en/about-us/dataprotection/>查看您个人信息的相关权益。这份问卷大概会花费您3至5分钟的时间：首先您会看到一则来自某外国香水品牌的广告，而后会有一些陈述需要您来判断您是否赞同，其中会有一些涉及到您对这则广告的看法。再次感谢您的参与！

下图是一则来自外国无性别香水品牌WAVE在社交媒体上的广告。假设你在平日常用的社交媒体浏览时，意外发现了这则广告。别着急～后面的问题会有一些陈述需要您来判断您是否赞同，其中会有一些涉及到您对这则广告的看法。所以，请用几秒钟的时间仔细看一看这个广告，记住它给您带来的感受哟！准备好了就点击“继续”吧！

我对于这则广告的态度是	十分否定	1 2 3 4 5 6 7	十分肯定
我对这则广告的偏好是	十分讨厌	1 2 3 4 5 6 7	十分喜欢
我认为这个广告	十分糟糕	1 2 3 4 5 6 7	十分不错
我对于这则品牌的态度是	十分否定	1 2 3 4 5 6 7	十分肯定
我对这则品牌的偏好是	十分讨厌	1 2 3 4 5 6 7	十分喜欢
我认为这个品牌	十分糟糕	1 2 3 4 5 6 7	十分不错

看这则广告时，我会优先注意到其中的某些模特	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
广告中的模特让我更加感觉到了我和产品之间的关联	强烈不赞同	1 2 3 4 5 6 7	强烈赞同

看到这则广告之后，我能想象该香水的使用场景	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为该广告中模特能代表该品牌在中国的目标群体。	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为我是该广告所针对的目标消费群体。	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
请选择数字三	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
广告中的模特让我产生某种程度的民族自豪感	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我能感觉到自己和广告中的模特之间存在某种纽带	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
广告中的模特让我产生了某种程度的文化归属感	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为这个广告展现了对于中国市场的尊重和诚意	强烈不赞同	1 2 3 4 5 6 7	强烈赞同

我认为广告中存在本土化元素	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为这个广告展现了文化多元性	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为这则广告很和谐	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我觉得这则广告有在刻意迎合中国市场	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为这个广告能展现出该品牌对中国消费者的亲和力	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为该品牌在通过这则广告传递某种信息	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我乐于尝试解读这则海报中暗含的信息	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我认为这则广告展现了该品牌想给中国消费者传达的信息	强烈不赞同	1 2 3 4 5 6 7	强烈赞同

我认为这则广告中的模特构成是在暗示些什么	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
外国品牌的广告中出现中国模特是一种信息暗示	强烈不赞同	1 2 3 4 5 6 7	强烈赞同
我乐于尝试解读海报中暗含的信息	强烈不赞同	1 2 3 4 5 6 7	强烈赞同

我注意到广告中的模特

- A) 都是外国人
- B) 有部分为中国人
- C) 全是中国人

您籍贯所在的省/市/自治区是？ _____

您的年龄是？

- A) 18岁以下
- B) 18-25岁
- C) 26-35岁
- D) 35岁以上

您的性别是？

- A) 女性
- B) 男性
- C) 非二元性别/其他
- D) 不愿意透露

您目前的状态是？(选择：学生/待业/自由职业/工作中)

- A) 学生
- B) 待业
- C) 自由职业
- D) 工作中

您已取得或即将获得的最高学位是？

- A) 高中及以下
- D) 专科
- E) 本科

- F) 研究生
H) 博士及其以上

English version:

Hi, we are two master students from Stockholm School of Economics. Thank you so much for your participation! This questionnaire is for the research of our thesis, which is about Foreign Brands' Advertising for the Chinese Market. This questionnaire is intended to be answered only by people who are born and raised in China. All the responses will be recorded anonymously. To know more about your rights of personal data under GDPR, please visit <https://www.hhs.se/en/about-us/dataprotection/>. The questionnaire will take about 3 to 5 minutes in total. A piece of social media advertisement from a foreign brand. Please answer all the questions carefully, your help is very much appreciated!

Below you will see a piece of social media advertisement from WAVE, a foreign gender-neutral perfume brand. Imagine you find the ad when scanning through the feeds from your daily-used Chinese social media platforms. Please take your time to check the ad carefully and click the “continue” button when you are ready.

I feel positive/negative towards the ad	Strongly Negative	1 2 3 4 5 6 7	Strongly Positive
I like/dislike the ad	Strongly Dislike	1 2 3 4 5 6 7	Strongly Like
I think the ad is good/bad	Very Bad	1 2 3 4 5 6 7	Very Good
I feel positive/negative towards the brand	Strongly Negative	1 2 3 4 5 6 7	Strongly Positive
I like/dislike the brand	Strongly Dislike	1 2 3 4 5 6 7	Strongly Like
I think the brand is good/bad	Very Bad	1 2 3 4 5 6 7	Very Good

I would pay more attention to certain models in the advertisement at first sight.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
The models in the ad make me feel more relatable.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
After seeing the ad, I can imagine the situation when the fragrance is applied to me.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think the model image in this advertisement can represent the target group.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think the ad was intended for people like me	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
Please select number 3 below	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
The models in the ad give me the sense of national pride.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I have a close bond to the models in the advertisement.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
The models in the ad gave me a certain sense of cultural belonging.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think this ad shows respect and sincerity for the Chinese market.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree

I think there are localization elements in advertisements.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think this advertisement shows cultural diversity.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree

I think this advertisement looks harmonious.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think this advertisement is catering to the Chinese market deliberately.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think this advertisement can show the brand's affinity to Chinese consumers.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think the brand delivers certain messages through this ad.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I am willing to try to interpret the information implied in the advertisement.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think the advertisement displays the message the brand is trying to send to Chinese consumers.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree
I think the composition of the models in the advertisement implies something.	Strongly disagree	1 2 3 4 5 6 7	Strongly agree

I notice that the models in the ad are

- A) All foreigners
- B) Partly Chinese
- C) All Chinese

Where did you grow up? (in which city & province) _____

What is your age?

- A) Below 18
- B) 18-25
- C) 26-35
- D) Above 35

What is your gender?

- A) Female

- B) Male
- C) Non-binary/Other
- D) Prefer not to say

What is your current role?

- A) Student
- B) Job-waiting
- C) Self-employed
- D) Working

What is your highest education level?

- A) High school or below
- B) Collage
- C) Bachelor's degree
- D) Master's degree
- E) Doctorate or above