INDUSTRIAL TOURISM AS A MEANS OF “MADE IN CHINA” REPUTATION IMPROVEMENT

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ABSTRACT

The article discusses the development of industrial tourism as a way of country-of-origin promotion. The paper presents a study which focuses on determining the current situation of industrial tourism, and the peculiarities of international communication strategies in promoting industrial tourism in China. The methods of online international communication in promoting industrial tourism in China were analyzed in this study, specifically Shanghai’s strategy of promotion was chosen where 17 industrial tourism examples received additional governmental support and advocacy. As a result, it was found that the mechanism of international promotion is largely related to existing standards, new communication technologies are used in limited ways, and all the provided information is mostly not adopted for international target audiences. The analysis is made on the basis of theoretical and empirical data, both available by free access and the author’s data. The methods of data collection are analysis of scientific literature and content analysis of Internet sources.

Keywords: Industrial Tourism, Marketing Strategy, Made in China, Reputation, Country-of-Origin.

JEL Classification: L83, M31, Z32

1. INTRODUCTION

According to the plan “Made in China 2025” declared in October 2015 as a roadmap for the future of the country’s manufacturing sector, its purpose is a turnabout of China into a manufacturing superpower. Beijing is supposed to donate somewhere on the order of $US300 billion to that goal. This roadmap encompasses such emerging industries as robotics, the manufacturing of autonomous and electric cars, artificial intelligence, biotech and aviation.

China has been the “world’s factory” for years, but it has mainly produced low-end products. “Made in China” is associated with cheap wares and low quality (Fang & Walsh, 2018). Chinese producers are known to have well-known problems in categories such as dairy (Orr, 2008) and automobiles, which likely have had a negative effect on brands associated with China. One survey of international customers has shown that in many product categories many more respondents thought more highly of Indian brands than Chinese brands (Wang & He, 2014). Recent studies have shown that, with respect to perceived quality; China often lags behind other countries or regions, such as Japan, the United States, Europe and South Korea (Kumar & Steenkamp, 2013: 115-122).

It is obvious that the first step should be improving the “Made in China” reputation, for reaching the aim of roadmap. Industrial tourism could be the mean by which improving the reputation of product quality image could be made. Industrial tourism is a potentially
developed sector that is congruent with country identity: the sector offers opportunities to strengthen a county’s distinctiveness and image, notably by building on their existing assets.

Besides, there are great examples of European and American industrial cities which, since 1950, have had industrial recessions, and the competitive performance of their cities has diminished. Concerning the issue of looking for the potential to improve the situation, some industrial cities during the period of recession considered urban marketing as a way to redesign the city image, and to engage investment and tourism to those cities (Kavaratzis, 2007).

This study provides insight into the essence of industrial tourism and its opportunities for country-of-origin promotion, as well as presenting the situation of industrial tourism development in China, and the communication strategies used in industrial tourism promotion, and its application in China.

2. LITERATURE REVIEW

The development of industrial tourism started in the 50s, but only in the 1990s has industrial tourism been gradually recognized by government departments and the public and became a part of tourism research.

Nowadays, it has been acknowledged by many scholars as an increasingly significant field of the tourism industry. It seems to be one of the newest forms of tourism that has egressed due to increased demands in reaction to the emerging notions of individualization and differentiation in tourism (Nylander & Hall, 2005; Robinson & Novelli, 2005).

However, since it is a relatively unexplored research area, there is a lack of clear concepts and definitions, and it leads to different meanings. The rise and development of industrial tourism mainly was related to industrial heritage tourism and factory sightseeing tours (Hospers, 2002) where the primary goal was to show off the security and reorganization of machinery, plant buildings in an old industrial site, in order to assist tourists to be acquainted with the industrial culture and civilization of the area. Frew (2000) defined industrial tourism as “visits by tourists to operational sites where the core activity of the site is non-tourism oriented”.

Meanwhile, in some countries, industrial tourism is mainly about visiting operational firms, while in other places it refers to visiting industrial heritage (non-operational firms), or encompasses both meanings. In Germany and France, for instance, many people associate industrial tourism with industrial heritage, and not with visiting operational firms (Otgaar & al., 2010). Concerning this notion, in Chinese tourism literature, the wider application was considered to focus on such phenomena as “industrial heritage tourism” and “industrial tourism”. Nevertheless, “industrial tourism” acquired a specific meaning, mainly relating to “industrial production tourism” or “factory sightseeing tourism” (Huang & Zheng, 2015).

It should be mentioned that most definitions are given concerning the reasons of being engaged in industrial tourism. A 1992 survey of company visits in the UK showed that the most important reasons are (1) to improve their image, (2) to improve the working morale and (3) to reap an extra income (Frew, 2000). Thus, Yale (1991) defines industrial tourism as the presentation of contemporary manufacturing processes; whereas Li and Soyez (2006) present a two-dimensional model for categorizing industrial tourism products, with the horizontal axis indicating the difference between heritage and market (operational firms) and the vertical axis going from locations to destinations. Company visits combine a location with the market, whereas brand parks are examples of destinations in the market. Chen and Morrison (2004) state that enterprise sites also provide opportunities to learn about production processes: they are an integral part of industrial tourism. Frew (2008) accepts
industrial tourism as one of the types of tourism attractions and, therefore, it differentiates from other types while considering the organization’s “core” business, that is, the principal reason the organization is in existence, or the central, or essential part. Richards (1996) considers shows of industrial environments for tourists as a promotion tool in hope that the tourists would then like their brands more and thus allow them to reap greater revenues.

However, there is almost no study which would relate this type of tourism with the country-of-origin brand, and look at industrial tourism as a way of involving customers in the product experience process. Meanwhile, involvement theory suggests that consumers who have witnessed the production of a good become more brand loyal (Chow et al., 2017). According to study made by Quester and Lim (2003), the level of involvement with the product is above average in this case if a favorable brand attitude and level of commitment to the brand are higher in comparison with a lower level commitment. In addition, true brand loyalty is also apparently stronger in the case of above-average involvement. On the other side, a lack of true loyalty occurs in the condition of below-average involvement, less favorable brand attitude, and lower commitment.

In tourism, product involvement is determined as “the interest or motivational intensity toward a vacation place with behavioral consequences” (Lehto et al., 2004: 805). Due to the fact that involvement is related to the significance and appropriateness of a product to an individual, it reverberates on a consumer’s decision making concerning involved products. It is worth mentioning that studies devoted to the relationship between involvement and satisfaction (Kim, 2008), service quality (Hwang et al., 2005), opinion leadership (Jamrozy et al., 1996), consumer loyalty (Kim, 2008) and motives (Josiam et al., 1999; Kim, 2008) have been conducted and this relationship has been proved. Lin & Chen (2006) also distinguish in their research that consumer purchase decisions under different product involvement was positively affected by the country-of-origin image.

Thus, due to the fact that industrial tourism is engaged in delivering product knowledge and consumer’s involvement in the way of developing tourist attractions, it could be seen as a way to increase the country-of-origin’s image by enforcing product involvement events. In this case, special attention should be paid to marketing strategies where the special forms of attracting sites and communication technologies should be applied to succeed in promoting country-of-origin image. For instance, the application of Charles Osgood’s theory could provide the opportunity not only to measure the influence of the country on the customer, but as well to analyse the perception of the products and present the ground for further improvement of marketing activities (Nagashima, 1977).

It is not a secret that the development of industrial tourism depends on promotional activities, as well as information and communication technologies. Their increasing use has radically changed the relationship between the destinations and their visitors. In modern society the growing role of web sites and social media in tourism is undeniable; leveraging social media to market destinations has proven to be an excellent strategy. The vast majority of authors emphasized the main advantage of the Internet as a valuable communication medium in the area of hospitality and the tourism industry (Desai & Eric, 2015; Schuckert et al., 2015). Thus, this industry is unavoidably affected by up-to-date business environments created by the diffusion of communication technologies and thus, tourists become co-marketers, co-designers, co-producers and co-consumers of travel and tourism experiences, which is absolutely relevant to industrial tourism area (Sotiriadis & Zyl, 2017). Therefore, these technologies and social media are now crucial in the process of tourism industry growth, which is defined as high in customary qualities that consumers face as obstacles to assess attributes before purchase (Ban et al., 2015). It is worth noting that exactly the travel and tourism industry is more dependent on word-of-mouth marketing than any other sector due to its intangible and perishable service nature.
The purpose of this research to investigate the methods of applying industrial tourism for the purpose of improving “country-of-origin” image, using the experience of China and evaluate communication strategy launched in the aim of attracting visitors for industrial sites.

China was chosen due to the fact that it is highly engaged in promoting the development of industrial tourism, and is planning to create 100 bases at the state level by 2020. As a result, its industrial tourism rose in the 1990s with a late start but 140 million visits to Industrial sites are distinguished, and the industrial tourism annual income attained 21.3 billion yuan in 2017 (Fan, 2017). To make the scope of research narrower, Shanghai’s strategy of promotion was chosen to be analyzed, since 19 industrial sites were nominated to be included in the “National Model of Excellence”, where additional government support and advocacy are provided to become industrial tourism examples.

3. METHODOLOGY

Based on inference of some researchers (McEwen, 2005), the country-of-origin directly influences the positioning of its products. Country-of-origin reputation is designed to attract consumers, tourists and entrepreneurs, in a way of providing experience and is merchandise itself, regarding industrial tourism promotion (Kotler & Armstrong, 2004). In this vein, the lack of this mechanism applying a positive impact on the country-of-origin leads to constraints in exploiting their full potential, and reshapes competitive advantage around the countries in the world (Moilanen, 2008).

Therefore, the major purpose of this research is to investigate marketing strategies of positioning products in industrial tourism promotion, which can be identified with the country.

In order to examine the phenomena related to efficient communications with target audiences, Charles Osgood’s theory, modified later by W. A. Mindak, was chosen to be applied in this study (Nagashima, 1977). It is going to be comprised of categories since it is the first step in the research, and it is going to be implemented according to literature analysis, describing the promotion process of industrial tourism in Shanghai, and content analysis of online communication used for spreading information about industrial sites. The categories are: Advertising and Reputation, Design and Style, and Consumers’ Profiles. The study is focused on getting data on how China is using its current positioning to change or to strengthen its “Made in China” reputation.

Shanghai case in industrial tourism development was chosen to be analyzed for the reason of being considered as a model of excellence where additional government support and advocacy have been provided to become industrial tourism examples. It is also China’s largest industrial center and an important international industrial city with a large amount of industrial resources.

With the purpose of worldwide promotion of industrial products, the Shanghai Industrial Promotion Center (SITC) was created for marketing chosen sites. The first industrial tourism development plan in China included the “Shanghai Industrial Tourism Development Plan 2006-2010” and according to the plan the major focus encompassed such industrial tourism examples as: Baosteel, Shanghai Volkswagen CO. Ltd., Shanghai General Motors, Yakult, Free-trade zone, R & D park, Zhangjiang High-tech park, the Bridge 8, Tianzi lane, M50 Creative Park, Industrial Park of Tobacco Group Shanghai, ship-building museum, Maglev, East-sea Bridge, Junmiao Tower, Sony gallery; Oriental Land (Otgaa et al., 2010). Therefore, websites, social media pages of Shanghai China Travel, SITC and 17 selected industrial sites were chosen for further content analysis, as well as, the search of other possible sources of
medium was launched based on such searching requests as “industrial culture”, “industrial tourism”, “visit industry in Shanghai”.

To systemize the information on defined website content analysis was applied due to the fact that this type of analysis is an appropriate method when the phenomenon to be observed is marketing communication, rather than behavior, or a physical object (Malhotra, 1996). This study carefully followed the procedures recommended in content analysis literature (Harris, 2001). One of the most fundamental and important decisions is the determination of the basic unit of provided information to be classified (Weber, 1990). Six units that have been commonly used in content analysis literature are word, word sense, sentence, theme, and whole text (ibid.). The main codes were connected with central elements of industrial tourism and product information on the websites and social media channels.

This research will start with an analysis of the marketing strategies in the first variable – Design and Style, where the range, size and models of chosen industrial sites in Shanghai will be determined and matched with the purpose of “Made in China” promotion. Then, looking at consumer’s profiles, it will be possible to indicates the age, culture and income of the target audience visiting Shanghai’s industrial sites. The Advertising and Reputation variable will help us to distinguish the main communication tools used in disseminating information, and if new technologies are used in this process. It is necessary to stress that one of the limits of the paper is that it mostly focuses on the first local industrial tourism development plan, namely “the overall layout of Shanghai’s industrial tourism development (2006-2010)”, and the marketing strategy which has already been implemented.

In concordance with the results obtained, it will be possible to make deductions and suggestions on the issue of strengthening a new strategy in order to improve the “Made in China” reputation, while developing industrial tourism promotion.

4. RESULTS

The first industrial tourism development plan in China, the “Shanghai Industrial Tourism Development Plan 2006-2010”, provides a geographic and thematic overview of Shanghai’s industrial tourism resources, with seven main areas and corridors of industrial tourism development. The zoning of these development areas is largely similar to the layout of the city’s most important industrial clusters (Otgaar et al., 2010). According to the plan, the city considers industrial tourism not only as an instrument to improve Shanghai’s image, but also as a way to make the development areas more attractive and to lively by realizing a mix of functions and additional sources of income. Therefore, the Shanghai Industrial Promotion Center (SITC) was created with a mission to develop a more integrated industrial tourism product, and to improve the marketing and promotion of this product.

4.1 Design and Style

Thus, the following industrial attractions were opted to be industrial tourism examples in the first development plan: Baosteel, Shanghai Volkswagen CO. Ltd., Shanghai General Motors, Yakult, Free-trade zone, R & D park, Zhangjiang High-tech park, the Bridge 8, Tianzi lane, M50 Creative Park, Industrial Park of Tobacco Group Shanghai, ship-building museum, Maglev, East-sea Bridge, Jummao Tower, Sony gallery, Oriental Land (Otgaar et al., 2010).

Looking at the chosen attraction sites, we can see that the priority is given to the industrial heritage direction, and that such sites mainly support the purpose of country image building as regards an international audience, since there are not many sites specifically focused
on product promotion. However, some sites can be defined as ones connected with the possibility of country-of-origin improvements and enforce customer involvement. They are Baosteel, Shanghai Volkswagen CO. Ltd., Shanghai General Motors and Yakult. With the popularizing of the Shanghai Volkswagen site, the marketing strategy gives a contribution towards strengthening the foreign brand Volkswagen, which is mainly associated with Germany. The same situation occurs with Shanghai General Motors, which is, in fact, a merger of GM (General Motors) and SAIC (Shanghai Automotive Industry Corporation). They produce the automotive brands Chevrolet, Buick and Cadillac for the Chinese market. The same situation is with Yakult, the world’s leading probiotic beverage, created in Japan in 1935. Therefore, these companies are mainly interested in their internal audiences, and will not make big contributions to country-of-origin reputation improvement. The only national band represented in this industrial tourism plan is Baosteel, also known as Baowu, a state-owned iron and steel company headquartered in the Baosteel Tower in Pudong, Shanghai, China. This industrial attraction site could be used in developing contributions to the “Made in China” reputation improvement and strengthening its product and company image.

4.2 Consumer Profile


Concerning the data provided by The Shanghai Industrial Tourism Promotion Centre, more than 6.15 million visitors were elicited to attend in 2006. However, it constitutes a mere of 6.4% of the total quantity of visits to touristic sites (SITPC, 2007a). In reference to places where visitors were attracted, the Maglev train and the Jinmao Tower were included which, in fact, didn't relate directly to industrial factories, but mainly present entertainment sites as parks, museums and even industrial landmarks. Eighty thousand visitors a year were attracted to Baosteel, 100000 of them to Shanghai Volkswagen, approximately 12000 tourists visited the M50 Creative Park and 70000 viewers attended Yakult (Otgaar & Klijs, 2010).

As a result, around 70% of these visitors are pupils, students, pensioners and leisure visitors, and the share of single leisure visitors is very small. Thirty percent are professional visitors. Around 75% of all visitors are locals and Chinese citizens; the other 25% are foreigners from such countries as Japan and other Asian countries.

Eleven-point eighty-three hundredths percent of the sites only receive groups, while the rest receive groups and individual visitors. Thirty-two point thirty-six hundredths percent receives people who book a tour at least one week in advance. This shows that the necessary popularizing information should be online so people who are planning to visit Shanghai and sites of attraction should know this information.

Concerning the results, company visits are more popular around the target audience then the traditional way of attractions, which is aimed at industrial heritage popularization. However, the target audience for promoting the country-of-origin image constitutes 30% of professional visits, which are not really clear since 75% are Chinese citizens. It is obvious that for improving country-of-origin image, the target audience should be internationally focused. So, if there are approximately 25% of foreigners and not all of them have a business purpose, we may conclude that the appropriate audience according to our research issues is absolutely limited.

At the same time, due to income, such groups of visitors as pupils, students and pensioners are not high representative groups for reaching the necessary goal because the higher the income, the more people are spending on luxury and innovative products (Aaker, 1991).
4.3 Advertising and Reputation

Based on the developed marketing plan, Shanghai pinpointed just three types of theme routes to be promoted for various target groups. The nostalgic elderly was defined as the first group with proper propagation activities aimed to attract to touristic sites. The second one includes young students who are supposed to carry out research-related activities, and in this way tend to be attracted to a particular site. Finally, business was considered to be the third group where they were provided travel products for government, business, cooperation, as well as, other survey groups (Wang & Fu, 2019).

To reach the defined target groups, the following communication tools were chosen: the annual industrial tourism ticket book, visitor package and tourist routs, and a data-sharing system. The annual industrial tourism ticket book is a voucher-book that allows the free of cost visit of industrial tourism attraction which was promoted as an incentive program for employee of local companies and can be observed as a communication tool concentrating on internal target audience (Mianyang Tourism Bureau, 2010).

At the same time, national and, probably, international promotion is supposed to be done by 28 travel agencies in Shanghai that signed strategic cooperation and promotion contracts with SITPC, as well as, center may organize any promotion campaign also. Though, one of the target group is claimed to be international audience, whereas the materials on SITPC web site are provided in Chinese language.

Paying attention to Baosteel industry, as this site is the one type related to the purpose of country-of-origin promotion, it is mainly promoted by the Baosteel Travel Agency.

Recognizing the potential role of the Internet and social media in influencing decisions about visiting destinations, online promotion was investigated. No specific website or any social group which would acquaint target audience with the industrial culture of Shanghai or even China was found. The official Shanghai China Travel website, despite the fact of it being the “Industry voice” page, doesn’t provide any exact information related to any industrial attraction site. On Facebook, there is only one official group represented by the and the main information is devoted to coming events, there are not any special videos or photos which would concentrate attention on industry promotion.

5. CONCLUSION

A key point made from the outset was that there is an extensive body of literature within each of the country-of-origin and industrial tourism fields, but also that research attempting to link them is rare and mostly conceptual—and that research integrating communication strategy with its product and tourism components is virtually nonexistent. Thus, such an integrated approach to country-of-origin or industrial tourism has never before been supported empirically. Yet, in practice, several countries are taking steps to coordinate their country-of-origin images across various contexts. For instance, breweries are still popular destinations throughout the world; in Scotland numerous tourists visit the famous scotch-making breweries (McBoyle, 1998). In addition, vineyards and breweries are popular in Italy, Spain, Germany, the Czech Republic and Hungary as well (Gyuricza, 2008; Van Westering & Emmanuelle Niela, 2008; Michalkó, 2010).

Before marketers can successfully integrate the various elements of product country image, they need to know whether industrial tourism and product images interact in the minds of target consumers, and if so, how.

The goal of this study was to contribute to knowledge about industrial tourism and country-of-origin by applying Charles Osgood’s theory as an effective model that encompasses both the product and tourism sides in the way of developed communication strategy.
The emersion of industrial tourism provides opportunities for industries, and the regions in which they are located, and should be accepted as a source of income and employment, but more importantly, as a marketing and public relations tool. Such forms of tourism emerged for making concentration narrower in promoting tourism. It is not just a fresh occasion to create new types of tourist attractions, but it reflects a deeper approach to this area. It is a new way of building communication strategy between business and society in our modern technological world. Industrial tourism can be an effective tool for co-branding the region, industry and its products, notably by involving customers in getting product knowledge.

Therefore, when a country develops its industrial tourism, it should not only consider the incomes coming with the flow of tourists, but include product brand image and the country-of-origin image, while developing the most appropriate competitive marketing strategy. Especially in the case when country-of-origin image should be improved, then a company’s marketing strategy should focus on the attribute of a product’s features. Execution of a series of marketing activities helps a consumer to better understand the advantages of a product, in order to change a consumer’s product evaluation principles.

This case study analysis of two streams of research conflation that have had little communication interaction with each other has resulted in helping to untangle a concept that has often been treated narrowly within industrial tourism: adding support for the role of marketing strategy in industrial tourism and product country image, and exploring the crossover relationships in marketing strategy between industrial tourism and country product.

Even though the Shanghai method of development in industrial tourism is seen to be a model of perfection in promoting industrial attraction cities, in fact, it fails in distinguishing industrial tourism sites from the bunch of other touristic sightseeing. The purpose of improving the industrial image of the country is not followed. It can be explained with the way sites are chosen, which are totally concentrated inside the interests of the national market. The result, when 70% of these visitors are pupils, students, pensioners, and 75% are national citizens, is explained according to the types of promotional materials used in the popularizing of industrial attraction tours.

In this century, while new technologies have conquered our world, the usage of the Internet and social nets are limited in industrial tourism. Nowadays, potential tourists are able to take a look at destination websites; so, these websites are vital advertising channels. The official websites are not the only ones at potential tourists’ disposal. However, they are the ones that officially represent the cities and industries, and have the most impact on visitors. Thus, the more attractive and useful an official destination website is, the higher likelihood of a potential tourist turning into an actual tourist. Social media is a word-of-mouth tool disseminating information very quickly, and providing opportunities to talk about an attraction to a huge number of participants and future visitors.

It is worth saying that the mechanism of the international promotion industrial tourism in China is largely related to existing standards concentrating on national citizens; new communication technologies are used in limited ways, and all provided information is mostly not adopted for the international target audience.

The results contribute to both the theoretical foundations and practical analysis of tourism and product country image. For researchers, the results shed the light on the theoretical background that could be involved in the process of increasing the country-of-origin image. For practitioners, the analysis contributes to strengthening image-based branding strategies and suggests that tourism marketers consider associated product strengths, and possible product affiliations, as a means of leveraging industrial marketing campaigns. To benefit from these associations, tourism marketers might consider how exports are positioned and in what markets, and build industrial tourism marketing campaigns to exploit this relationship. For
national place marketers, this case study analysis can guide strategic development at a more macro level, by attracting their attention to distinct influences of place image components, and the relationships between product and industrial tourism beliefs and behavior. This more holistic approach can reduce incongruence among various parts of product country image, and lead to a higher synergistic value from public expenditures on industrial tourism marketing.

Due to the fact that this study is the first to examine the conflation of industrial tourism and country-of-origin through marketing strategy empirically, it also has limitations that may constrain the generalizability of the findings, but also point to possible future research avenues. One limitation is the choice of sampling location and target product origins and industrial tourism. On the one hand, China announced the strategic plan in developing the industrial tourism sphere but, in fact, there is little information provided to an international audience. Consequently, there was the lack of data on the marketing strategy in Shanghai’s development of industrial tourism, in particular due to the low level of new technology usage in the process of promotion. On the other hand, the possibility of different sample and target country combinations is very high, especially if the context chosen in future studies differs substantively from the present one. Overall, further research may be followed in more theoretical base, joining theoretical models in developing an integrative one and apply it in distinct country contexts —with beneficial results either way for both researchers and practitioners.

This case study analysis will hopefully stimulate the interest of other researchers toward more advanced and in-depth studies of industrial tourism and country-of-origin, and their relationship through marketing strategy.

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