Purchasing Intentions and Behavior in China: A Comparison of Consumers in Key Cities - Beijing, Shanghai, Guangzhou, and Chongqing

Darren Melvin Paproski

Submitted to the University of Hertfordshire in partial fulfillment of the requirements of the degree of

Doctor of Philosophy

Department of Marketing and Enterprise

March 2011

Declaration

No portion of this work referred to in the thesis has been submitted in support of another degree or qualification to this or any other university or institution of learning.

Dedication

This work is dedicated to my wife Mandy and children Ryan and Kailyn. Thanks for being part of my life during the production of this work.

Acknowledgements

This work owes much to the encouragement and suggestion of Dr. Julia Saurazas whose consumer behavior research in the United Arab Emirates served as a foundation model for the present research. She generously suggested that I borrow her research approach and apply it to the Chinese market, a market of particular interest to me. I am also indebted to Vancouver Island University, which provided significant research funding throughout the past four years which has allowed me to produce a richer quality to the quantitative research. I am also deeply grateful for the many kindnesses shown to me over the past four years by my supervisor, Dr. Ogenyi Omar, and his family who provided help and hospitality beyond that expected by a student. Finally, I wish to thank my wife Mandy, son Ryan, and daughter Kailyn who have had to take on more than their share while patiently waiting for me to complete this project. Special thanks to my wife for assisting in data input and helping translate conversations from the depth interviews.

Abstract

This research is a study of purchasing intentions and behaviors in China. Consumers from four key cities including Beijing, Shanghai, Chongqing, and Guangzhou were studied and differences in intentions and behavior as well as influences on behavior were analyzed. The results of the study provide greater depth to understanding consumer behavior in China and insight into likely responses to marketing strategies.

Interviews with Chinese marketing experts were conducted and surveys were administered to samples of the target populations. Interviews assisted in understanding many of the general stereotypes held with respect to various ethnicities and helped to explain some of the reasons for differences found.

The study's results are categorized into five areas. First, with respect to general purchasing intentions the study found that Chinese consumers from key cities differ significantly with respect to most of the purchasing intentions measured including inclination to try to new products, brand loyalty, use of discount cards, and willingness to purchase substitute brands. Based on five measures of conservatism, Beijing and Shanghai consumers were found to exhibit more conservative consumption behaviors than Chongqing and Guangzhou consumers. Chongqing and Guangzhou consumers are more likely than consumers in Shanghai and Beijing to wait for a friend's recommendation before buying a new brand. Second, with respect to brand choices, the study found that Beijing consumers tend to be more ethnocentric in their purchasing behavior in comparison to consumers from other key cities. The study also found a moderate association between ethnicity and brand purchase repertoire in most product categories. Third, with respect to reasons for purchases, the study found that generally there was only limited association between ethnicity and the reason for selecting brands. Consumers most often cited quality as the main reason for purchase. Fourth, with respect to actual brand purchase frequencies, the study found that Beijing consumers made more frequent purchases more often than other consumers in half of the categories studied. Chongqing consumers tend to purchase favorite brands less frequently than consumers from other key cities. Fifth, with respect to country of origin, the study found that for most product categories (nine of twelve studied) country of origin was an important consideration in the purchase decision. Chinese consumers are better able to identify country of manufacture than country of origin with Guangzhou consumers the most informed generally. Country of origin refers to the originating country of brand origin where the product was devised, designed, and commercialized whereas country of manufacture refers to the country where the brand was produced as indicated on the brand label.

The research provides insight into important purchase cues and moderators impacting brand choice behavior.

Keywords: Chinese consumer behavior, purchasing intentions, country of origin, Confucian *face*

Glossary of Key Terms

Attitude – refers to a lasting, general evaluation of people (including oneself), objects, or issues.

Attitude object – refers to anything toward which a person has an attitude, whether it is tangible or intangible.

Consumer Ethnocentrism - refers to the tendency to prefer products or people of one's own culture over those from other countries regardless of reason.

Country of Origin Effects – refers to influences on consumer behaviors, particularly brand choice, that derive due to a brand's country of origin

Country of Manufacture – refers to the country where the brand was produced as indicated on the brand label.

Country of Origin - refers to the originating country of brand origin where the product was devised, designed, and commercialized.

Confucian *face*- refers to a positive feeling that derives from one's perception of the attitude others have owing to one having a thing that others may or may not have, achieving something others may or may not have, or in some other way causing a perceived positive effect on others.

Ethnicity – refers to a distinct sub-segment of a national population characterized as having a unique language and sub-cultural values, habits, and behaviour.

List of Acronyms

CE – Consumer Ethnocentrism

CET – Consumer Ethnocentrism Tendencies

COB – Country of Brand

COE – Country of Origin Effects

COM – Country of Manufacture

COO – Country of Origin

EKB – Engel, Kollat, Blackwell

FCB – Foote, Cone, Belding

FEC – Foreign Exchange Certificates

GDP – Gross Domestic Product

GRP – General Research Proposition

GRQ – General Research Question

HKTDC – Hong Kong Trade Development Council

IPF – Intended Purchase Frequency

NFCC – Need for Cognitive Closure

PCI – Product Country Image

PB – Purchasing Behavior

PR – Public Relations

RO – Research Objective

SRQ – Specific Research Question

Table of Contents

List of Figures

List of Tables

1. Motivation and Summary of Results

1.0 Introduction

This chapter introduces the main areas of research and discusses motivation for this study from both academic and managerial perspectives. A brief outline of the thesis and a synopsis of key findings are also presented. The main theme of the research is the comparison of purchasing intentions and behavior among Chinese consumers in selected regions of the People's Republic of China (hereinafter China). In other words, this study aims to determine if there are significant differences in intention and behavior among specific ethnicities. Ethnicity refers to a distinct sub-segment of a national population characterized as having a unique language and sub-cultural values, habits, and attitudes. As a proxy, consumers from four key Chinese cities - Beijing, Shanghai, Chongqing, and Guangzhou - were studied. Consumers from these key cities all speak local dialects which vary, to differing extents, from Mandarin which is the national language. It is anticpated that the habits, values, and attitudes of these ethnic groups are different and that these differences are reflected in their respective consumer behaviors.

The five main areas researched are summarized below:

I. Examination of differences in general purchasing intentions and the general importance of several aspects of purchasing intentions.

II. Identification and comparison of specific brand choices and brand repertoires.

III. Determination of reasons for brand choice and differences in reasons among ethnicities.

IV. Examination of the frequency of brand purchasing among ethnicities and comparison of actual to intended brand purchase frequencies.

V. Determination of the importance of a brand's country of origin to purchasing intentions and examination of the level of consumers' knowledge of both brand origin and country of manufacture.

In addition to quantitative data derived from the main survey, the study also included expert interviews to obtain their opinions on several questions related to behavior and to obtain insight as to where differences may be between consumers from the four key cities studied. During depth interviews marketing experts were asked for their opinion of the extent of Chinese consumer ethnocentrism, brand origin, product trial, brand loyalty, attraction to loyalty programs, willingness to pay more for better service, as well as differences in behavior among ethnicities. In this paper, ethnocentrism refers to the tendency to prefer products or people of one's own culture over those from other countries regardless of reason. It is also useful to distinguish country of origin from country of manufacture. Country of origin here refers to the originating country of brand origin where the product was devised, designed, and commercialized whereas country of manufacture refers to the country where the brand was produced as indicated on the brand label.

A detailed list of questions can be found in the interview discussion guide in Appendix IX.

1.1 Background of Study

Once the Chinese ruling party formally instituted a Market Socialist form of economics in October 1992, business opportunities in all segments of the Chinese economy opened up dramatically. The transformation fueled double-digit annual growth over the past two decades and combined with benefits derived from ascension to the World Trade Organization, unprecedented market openness and market opportunity have come to China (Hu, 2009; Cai, 2009). From an export-driven, inward-investment-focused economy, the next stage of China's economic evolution is expected to be the expansion of domestic consumption. In the midst of its emergence as a powerhouse consumer market it is undergoing "one of the most dramatic evolutions in the history of capitalism" (Young, 2004, p.21B). China is a global production base, a consumer market of increasing affluence, a transitional economy growing incredibly fast, a marketplace full of ambiguities, a business environment full of opportunities as well as pitfalls and a must-win market for multinational corporations of the 21st century (Ordonez de Pablos and Lytras, 2008b). Consequently, a new consumption era is emerging for Chinese consumers (Zhu, 2006).

Chinese consumers have gained from the increase in choice in both the volume and the breadth of goods and services available. Competition among marketers has increased as has the level of sophistication in marketing strategies and the volume of marketing communications aimed at Chinese consumers. Concomitantly, the level of sophistication of consumers has increased (Fan, 2009, Cai, 2009).

This new level of sophistication has led to more savvy consumers. Thus, for marketers to optimize integrated marketing communications they must understand the psychology and behavior of this "new" consumer in China. At present, academic enquiry on the subject of Chinese consumer behavior is still in its infancy while most commercial studies narrowly focus on their particular market information needs (Hu, 2009). There is a critical need for information and understanding of behavioral intentions among consumers and their likely responses to a host of marketing strategies. The issue is further complicated by the sheer size of China and trying to determine if, or by how much, behavior differs from region to region, and city to city.

China is very diverse in its regional development. There is a world of difference between the richer coastal regions and poorer inner provinces (Ordonez de Pablos and Lytras, 2008). As such, in terms of marketing, China should not be treated as a single country. There are vast regional differences in consumer reactions to marketing stimuli within China (Cui and Liu 2000; Schmitt 1997; Swanson 1998; Wei 1997).

Using economic development and consumer purchasing power, Cui and Liu (2000) identified seven regional markets in China: south, east, north, central, southwest, northwest, and northeast. Chinese consumers can be broadly categorized into urban and rural consumers, each with a distinctly different living context (Gu, 2008). Urban areas can be broken down into city tiers. Each tier is categorized by the level of economic development. Tier-one cities are generally considered to consist of Beijing, Shanghai, Guangzhou, and Shenzhen. Tier-two cities include the municipalities of Tianjin and Chongqing, special economic zones of Dalian, Qingdao, Ningbo, Zhuhai, and Xiamen and some provincial capitals and key cities including Suzhou, Hangzhou, Chengdu, and Nanjing. Third-tier cities include Zhengzhou, Yantai, Qinghuangdao, Weihai, Harbin, Shaoxing, Changsha, Wuhan, Tangshan, Shenyang, Fuzhou, Changchun, Wenzhou, Nanchang, Hefei, Yangzhou, Lanzhou, Luoyang, Taiyuan, Xian, Guiyang, Shijiazhang, and Daqing. Tier-four cities include numerous small- and medium-sized rural cities throughout the country (Hu, 2008). As a start, this study explored aspects of consumer behavior among consumers in three tier-one cities: Beijing, Shanghai, and Guangzhou and one tier-two city, Chongqing. These four cities are generally regarded as the four most important consumer markets in China (Gu 2008; Cai 2008; Hu 2008).

1.2 Aims and Objectives of Research

This study aimed to develop and extend the understanding of consumer behavior in urban China and to determine if significant differences in behavior between cities exist. Engel, Kollat, and Blackwell (1973) defined consumer behavior as "acts of individuals directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts". Alternatively, consumer behavior can be defined as "the study of human responses to products, services, and the marketing of products and services" (Kardes, 1999, p. 5).

Purchasing intentions, brand behavior, and moderators affecting actual purchase behavior were examined. The objective was to contribute to knowledge by developing an adapted conceptual consumer behavior model applicable to the urban Chinese context and to aid managers in identifying where they may need to adapt aspects of integrated marketing communications to effectively serve their target markets. Contributions to knowledge from academic and managerial perspectives are discussed in the next two sections.

1.3 Motivation for the Research - Academic Interest

A major impetus for the study was the developmental research undertaken by Dr. Julia Saurazas who first studied and compared purchasing intentions and behavior among different ethnicities in the United Arab Emirates (Saurazas, 2000). This study adds to knowledge by applying Saurazas' research foundation to a Chinese context. This research thus contributes to the understanding of consumer behavior among ethnicities in China. Its academic interest lies in extending the learning with respect to where and why behavioral differences exist. This study, moreover, reduces the paucity of consumer behavior knowledge and understanding in China. No one doubts that China has changed dramatically in the past twenty years. As Helou and Caddy (2007) and others (Pennington 2003; Wong and Yu, 2002) have indicated, despite many changes there has been relatively little research of consumer behavior and consumer psychology. This is partly due to government regulations against conducting *economic* research in the past and to the closed-door command economy that characterized China prior to 1992.

The role that culture plays in general purchasing intentions and behavior is also of academic significance as it aids in an understanding of the relationship between Chinese culture and marketing. Although there is a considerable field of literature suggesting that several aspects of the marketing mix are culturally sensitive, marketing concepts that were initially developed with reference to Western cultures have not been adequately tested outside the Western world (Elbashier and Nicholls 1983; Saurazas, 2000). The empirical work reported in this thesis serves to advance knowledge in this area.

Many aspects of branding have been studied during the past twenty-five years; however, academic interest in "the brand" has escalated since the 1980s when brand equity became a prominent issue. In addition to studies of brand equity (Aaker 1991, 1996; de Chernatony and McWilliam 1992; Aaker and Biel 1993; Kapferer 1992, 1997; Bellow and Holbrook 1995), the literature on branding has also included research on brand identity and image (Biel 1992; Sampson 1993; Roth 1992, 1995a, 1995b).

Another motivation for this research from an academic perspective was to expand on the relatively limited research available in the marketing branding literature as it relates specifically to China and thus to contribute to the limited studies involving China.

In the context of developing countries, what patterns of brand choice are there? How loyal are consumers to their brands, and do they exhibit split-loyalty as is commonly observed for frequently bought items in developed, competitive markets (Ehrenberg and Uncles 1999)? Does a level of patriotism exist toward local brands, which in many cases are cheaper than international brands, or are consumers willing to pay more for well-known and well-regarded international brands? Is there a difference in the purchasing intentions and frequency among cities, regions, or ethnicities? Consumers in China may be faced with many unfamiliar brands, across a range of quality levels, as well as being subjected to inconsistencies in the availability of some brands. International brands are also being produced more frequently in China. This heightens the importance of country of manufacture as an issue and may increase the consumer's perceived purchase risk (Hampton 1977). Is there a perceptual difference between country of manufacture and country of origin? For instance, a consumer may have second thoughts about purchasing Heinz ketchup, an American brand, if it is known to be made in Guangzhou. Such factors can result in differences between purchasing intentions and actual purchasing behaviors.

Helou and Caddy (2007) suggested that the adoption of Western behavioral models may not be appropriate for China. This view is also argued by others (Leung, 1998; Tai, 2005; Yau, 1994) feeling that Western models could be misleading because of differing cultural values, social influences, and individual situations, which impact consumption processes.

The relationship between the level of involvement and the reason for the selection of specific brands is also a subject that needs to be investigated. For example, is the motivation for the purchaser of a brand within a high-involvement product category for a consumer in a developing country largely based on functional or emotional criteria? The importance of such studies becomes evident when considering that newly developed and developing countries represent the growth markets of the future, as national markets in the West reach maturity and become saturated.

The role that culture plays in general purchasing intentions and behavior is also of academic significance as it aids in an understanding of the relationship between Chinese culture and marketing. Although there is a considerable field of literature suggesting that several aspects of the marketing mix are culturally sensitive, marketing concepts that were initially developed with reference to Western cultures have not been adequately tested outside the Western world (Elbashier and Nicholls 1983). The empirical work reported in this thesis serves to advance knowledge in this area.

The research has also made a contribution to the study of the relationship between consumers' ethnicity and brand choice. Empirical work in this area has mainly been confined to the study of ethnic groups within developed countries (Hirschman 1981; Assael 1987), across national cultures, or across developed countries, such as pan-European research (Halliburton and Hunerberg 1993; Moore 1993) but few English language studies are available in the Chinese context.

This limitation was also highlighted by Helou and Caddy (2007) who stressed the need for a fundamental examination of the characteristics of 'Chinese end-users' and pointed out that there are diverse cultures and cultural preferences, among other cultural and demographic distinctions that exist within China. This study by contrast considered four different ethnic groups in China as a starting point in the examination of in-country differences.

In conjunction with ethnicity and brand choice, this research has contributed to country-of-origin studies. In particular, this study has found that there may be a distinction in the country-of-origin effect and the country-of-manufacture effect.

While many of the country-of-origin studies have experimented with well-known brands and/products that are typically classified in the high-involvement categories this study contributed to knowledge concerning the relationship between four distinct categories of involvement and the importance of country of origin. For example: Is the country of origin more important for high involvement purchases as opposed to low involvement purchases (e.g. mobile phones versus bottled water)?" or "Does the level of importance vary as to the ethnicity of the consumer?" (Saurazas, 2000).

1.4 Motivation for the Research - Managerial Interest

Managerial interest, on the other hand, derives from the growing commercial opportunities for market development in China and the need to develop the most suitable marketing strategies. The study also extends previous work in the area on other emerging markets. A contribution has been made in clarifying a framework for brand choice in China. It is hoped that such a framework will assist marketing managers and academics in understanding the factors that contribute to a brand's success in local Chinese markets.

Understanding how to enhance brand equity has become a principle motivation for marketing managers (Saurazas, 2000; Bello and Holbrook, 1995; Aaker, 1991). To accomplish this objective managers require an understanding of brand motivations and perceptions among their target consumers. This study attempts to aid marketing managers in the China market by providing them insight into consumers' brand purchase motivations, brand perceptions, as well as into their general consumer behaviors. Moreover, a unique aspect of this study was the examination of differences among consumers in major cities in China. Such knowledge can help managers customize aspects of marketing strategies to suit the particular consumer segment they are targeting.

Managers also gained from current evidence of the impact that ethnocentrism has on brand choice among consumers in key cities in China. At the same time, the old stereotype among Chinese that all things foreign are good may or may not be currently applicable to the Chinese context.

The country-of-origin work in this study is of particular relevance to management. An examination of country-of-origin effects is a useful byproduct in this study as well as whether or not there are regional differences with respect to this effect. This study ascertains whether consumers are in fact knowledgeable about the origins of brands they purchase, especially in those product categories where country of origin is deemed an important factor in the purchase decision. The country-of-origin work in this study sheds some light on the purchase of local brands (e.g. who buys them and why?) which helps to highlight the importance of country of origin in the decision process. This knowledge is important to marketing managers in China as the country continues its shift to a competitive market economy. This study also distinguishes between brand origin and country of manufacture, two terms which are often used interchangeably in academic research, perhaps unjustifiably. In product categories where consumers tend toward a domestic brand preference, managers of international brands may wish to de-emphasize brand origin or perhaps, in the case where the brand is locally manufactured, may wish to promote the "Made in China" aspect of their brand. This study's results suggest that where perceptual errors exist with respect to the brand, manager's can correct misperceptions should they exist. Managerial learning in this area, for example, can help managers determine if brand packaging changes are needed or if marketing communications messages need to be refined.

In China, where change has been rapid, the role of marketing may be even greater than that in other developing countries for it provides both the stimulus for development and the means by which development can progress. The development of the marketing discipline in conjunction with the economic development of a country is of interest to managers as it becomes increasingly more important to understand the role that marketing plays in a particular developmental stage to ensure corporate success (Drucker, 1958). This is particularly important in China where in the space of about fifteen years economic development has forced a change within traditional marketing institutions. For example, the typical state-owned retail institution's traditional role was passive and limited to reacting to demand or simply focused on providing what the central planners decided. These institutions now are required to identify consumer needs and satisfy them in a very competitive market place. Further, although countries develop at different rates, and other factors such as industry, natural resources, political structure, and demographics may impact the speed of development, it should be possible to make some generalizations about marketing's role during different stages of development. This study helps to understand the current state of marketing in China and thus aims to enhance knowledge of the role marketing institutions play in a transforming economy.

This research provides information on brand awareness among a number of brands in various cities. Moreover, this study also interests managers from the perspective of whether consumers generally prefer local or international (primarily Western) brands, and provides insight into the reasons behind their brand preferences as well as to whether different ethnic groups purchase the same brand for different reasons.

Finally, fine tuning a framework of brand choice with respect to Chinese consumers assists marketing managers in understanding the factors that contribute to a brand's success in that market. This framework also forms the basis for similar frameworks in other regional developing countries. It must be emphasized, however, that the overall focus of this study is on consumer behaviors and not marketing management *per se*. The results of the research do, however, indirectly impact the management issues discussed above and are also supported by anecdotal evidence from industry interviews.

1.5 Structure of the Thesis

The thesis is organized into eight chapters which are briefly described below.

- Chapter 1 - Motivation and Summary of Results (the importance of the research and key findings).
- Chapter 2 – Managerial and Consumer Perspectives on Branding: An international context (reviews the literature on brand meanings and evolution, discusses involvement, situational factors, attitudes, and brand loyalty).
- Chapter 3 – Chinese Culture and Marketing (examines the socio-cultural environment, brand symbolism, *Confucian face*, and consumer motivations in China).
- Chapter 4 - A Framework for Studying Brand Choice in China (discusses alternative consumer behavior models, details the framework and key moderators used in the study including country of origin, discusses the general research questions and propositions following from the framework used).
- Chapter 5 - Methodology (discusses research methodology and data collections, the results of pre-tests used for the primary survey, and implications of the preliminary tests for the main survey, and depth interviews).
- Chapter 6 - Data Analyses (presents the findings from the quantitative study and relates them to the framework).
- Chapter 7 - Discussion (relates both quantitative and qualitative findings to evidence).

- Chapter 8 -Summary, Implications, and Conclusion (provides a summary of the research, its contributions and implications, discusses limitations, alternative approaches and further research).
- Appendices (includes supplementary chapters on the marketing environment in China, Chinese marketing mix considerations, and detailed discussion of depth interview results, as well as survey instruments and additional tables and supporting information).

1.6 Summary of Results

The research was undertaken in China between 2008 and 2009 and studied purchasing intentions and behaviors of four ethnic groups. The survey questionnaire elicited responses in terms of general purchasing intentions as well as specific brand purchase behavior in twelve product categories (household cleaners, bottled waters, cooking oil, specialty chocolates, potato chips (crisps), ice cream tubs, white household appliances, toothpastes, banks (ATMs), mobile phones, perfumes, and hypermarkets/department stores) including 60 specific brands, within four categories of involvement.

The key findings are summarized by general research question:

I. General purchasing intentions

- Chinese consumers from key cities differ with respect to their purchasing intentions.
- Urban Chinese consumers are moderate "trailblazers". Most consumers only moderately like to try new brands or try new brand variants.
- Peer pressure is evident in the purchasing intentions of urban Chinese consumers. Chinese consumers moderately agree that others often go out to buy something after seeing them buy it, but they do not see themselves pressured to purchase products their friends have recently bought.
- Urban Chinese consumers appear to be brand loyal. Most aim to buy certain favorite brands, seem to be less willing to purchase substitute brands, or are only willing to buy a substitute brand that is familiar to them, are generally willing to pay more for a known brand rather than pay less for an unknown brand, and tend to agree that they will buy their favorite brand at any price. Moreover, if a product is not too expensive, they are virtually all the more likely to buy the brand they most prefer.
- While urban Chinese consumers appear to be brand loyal they do not seem to be creatures of habit when it comes to choosing shopping venues. Most consumers shop for groceries in more than three stores in a month and few agree that they prefer to shop for groceries in just one store.
- Discount or membership cards seem to enhance store loyalty which is consistent with a broad-based use of store discount or membership cards. Store loyalty seems to be enhanced by their willingness to pay for customer service.
- Based on five measures of conservatism, Beijing and Shanghai consumers exhibit more conservative consumption behaviors than Chongqing and Guangzhou consumers.
- Chongqing and Guangzhou consumers are more likely than consumers in Shanghai and Beijing to wait for a friend's recommendation before buying a new brand.
- Beijing and Guangzhou consumers are more likely than consumers in Shanghai and Chongqing to shop in only one department store in a month.

- Having a credit payment option is important in store choice in China but the level of importance differs by ethnicity.
- Shanghai consumers tend to find price differences on the same brands in different stores more than other urban consumers.
- Consumers from the key cities studied tend to have a certain brand of product in mind when they go shopping. There are no significant differences between *a priori* purchase intent between the ethnicities.
- Shanghai and Chongqing consumers are more willing to pay a higher price for better customer service than Beijing or Guangzhou consumers.
- For most product categories, with the exception of mobile phones and perfume, the intended frequency of purchase is influenced by ethnicity.
- Ethnicity shows a better association with purchasing intentions than income. Differences in income are generally not associated to purchasing intentions.

II. Brand choices

- Beijing consumers intend to be more ethnocentric in their purchasing behavior in comparison to consumers from other key cities. Beijing consumers intend to purchase Chinese brands to a greater extent than consumers from other key cities.
- Intention to buy domestic brands is not consistent with actual purchase behavior is some cases. Examining the favorite brand by category (most often purchased) reveals that in 5 of 12 categories Beijing, Chongqing, and Guangzhou consumers purchase a foreign brand while Shanghai consumers most often purchased a foreign brand in 7 of 12 categories.
- There is some association between ethnicity and brand purchase repertoire in most product categories.
- The favorite brand in each city was purchased by more than 25% of all consumers in that city in 32 of 48 instances. This indicates that leading brands tend to hold large market shares and that market shares are concentrated among category leaders.
- A low to high level of association exists between ethnicity and favorite brands. The association is strongest in toothpaste, ice cream tubs, perfume, and banks (ATMs) categories.
- Shanghai and Guangzhou consumers have the highest number of shared favorite brands among ethnicities with 10 of 12 categories sharing the same favorite. In contrast, Shanghai and Chongqing as well as Chongqing and Guangzhou share favorites in only five categories.

III. Reasons for purchase

- In general there was no significant relationship between ethnicity and the reason for selecting brands. Consumers most often cite quality as the main reason for purchase. Quality was cited as the main reason particularly for low functionality/low representationality and high functionality/low representationality categories.
- Aside from quality another often cited reason for purchase is "family likes it" which indicates that consumers tend to consider family desires in their purchase decision. This is especially true for low functionality/high representationality product categories.
- When arranged by Cell, the reasons for purchase are not significantly different between ethnicities except in the case of Cell 2 product categories (specialty chocolates, potato

chips, and ice cream tubs). In Cell 2 product categories Shanghai and Guangzhou consumers exhibit some substantial differences in reason for purchase.

IV. Actual purchase frequency

- Beijing consumers made more than twelve purchases (uses) more often than other consumers in half the categories studied.
- Chongqing consumers tend to purchase favorite brands less frequently than consumers from other key cities.
- Snack items such as potato chips, ice cream, and chocolates are quite frequently purchased with about half of consumers purchasing them more than six times per year. Ice cream tubs are a particular favorite with 27 percent of consumers purchasing the product more than once a month on average.
- Perfume was the least frequently purchased product among categories studied.

V. Importance of country of origin to purchasing intentions and knowledge of COO and COM

- For most product categories (9 of 12 studied) country of origin is an important consideration in the purchase decision.
- For Beijing consumers, country of origin as a purchase cue is less important than for consumers in the other key cities under investigation.
- Country-of-origin is a more important purchasing cue for high functionality/low representationality (Cell 3) categories (toothpaste, white appliances, banks/ATMs) than for other cells. Country of origin is not an important consideration with respect to Cell 2 categories (potato chips, specialty chocolates, and ice cream tubs).
- Chinese consumers are better able to identify foreign regional brands (Japan/Korea) than brands from USA/Europe.
- Chinese are generally able to correctly identify brand origin of domestic brands.
- In comparison to knowledge of country of origin, knowledge of country of manufacture is superior in most product categories (8 of 10 examined).
- Knowledge of brand origin in the high functionality categories (Cells 3,4) is highest.
- Of the ten product categories analyzed, brand origin knowledge of household cleaners and packaged chocolates is lowest and highest for mobile phones, appliances, vegetable oil, and perfume.
- For the majority of brands (45 of 70) there were no significant differences in the proportions of recent purchasers and general consumers who knew the country of brand origin. In other words, for many brands users and non-users had the same level of knowledge of brand origin.
- Guangzhou consumers have the most accurate knowledge of brands' country of origin while Beijing and Shanghai consumers have similar knowledge levels and the least accurate knowledge of country of origin is evident among Chongqing consumers.

1.7 Research questions and purpose

China is a vast country but a country with a strong culture that has been molded over millennia. It is quite easy to point to many commonalities among people in China but it may be unwise to assume that those commonalities carry over to the marketing realm.

In examining consumer behavior among consumers in four key cities in China, marketers need to know whether they can adopt a common marketing strategy or whether they should adapt strategies to accord with differences in consumer behavior. We therefore need to determine if there are significant differences in meaningful aspects of consumer behavior. To address this research problem we examined a series of general research questions, identified accompanying research objectives, and then developed and empirically tested a range of hypotheses (see Appendix XI). The study's general research questions are outlined below and outlined in detail in Appendix V:

General Research Questions

1.0 **Differences in intentions.** Are there differences in purchasing intentions among ethnic consumers in key cities in China?

2.0 **Brand choices.** Are particular brand choices related to ethnicity among consumers in key cities in China?

3.0 **Reasons for choices.** Are the reasons given for the purchase of favorite brands influenced by ethnicity of consumers in key cities in China?

4.0 **Purchase frequency.** Is actual purchase frequency of favorite brands influenced by ethnicity among consumers in key cities in China?

5.0 **COO influence.** What influences, if any, does a brand's country-of-origin have on purchasing intentions of consumers in key cities in China?

This study therefore extends previous work in the area by examining a broader range of consumer behavior moderators in the Chinese context over a broader range of product categories.

1.8 Summary

This chapter introduced the main focus of the research project. The importance and significance for academic research in branding and marketing strategy were discussed together with the potential relevance for brand and marketing management in China. The topic coverage in the paper was outlined in detail, the main findings were summarized, and the five general research questions were presented.

2. Managerial and Consumer Perspectives on Branding: An international context

2.0 Introduction

There are several main themes discussed in this chapter. This first theme relates to brand meanings from both the consumer's and marketer's perspectives. Much of the discussion follows the Atomic Model of brand attitude developed by de Chernatony (1991; 1993a; 1993b). The role of symbolism in brand choice is highlighted. Several brand taxonomies are briefly outlined followed by a discussion of brand loyalty and key situational factors that impact actual brand choice. The second theme provides a comprehensive discussion on attitudes primarily related to brands along with related attitude models used in understanding the relationship of attitudes to brand choice. This section concludes with an updated multi-attribute model of attitudes incorporating most recent theory. The third theme relates to consumer involvement in brand choice. Several models of involvement are discussed and the model used in this research is highlighted. The final theme of this chapter is a comprehensive review of literature related to country of origin and ethnocentrism, which are hypothesized to be key moderators affecting brand choice in China. Several moderators of the country-of-origin effect are also discussed.

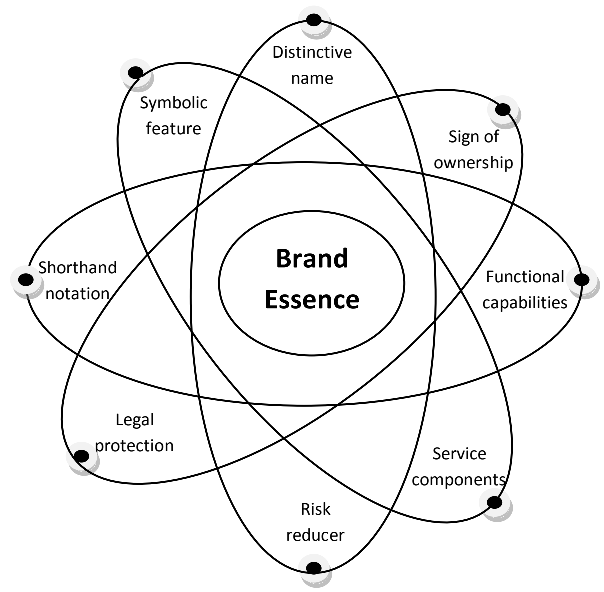
2.1 Brand definition

It is necessary to begin a study involving brand purchasing decision by defining a brand. Kotler (1984) defined a brand as a "name, term, symbol, or design, or a combination thereof intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors. Bailey and Schechter (1994) and Grossman (1994) developed simple models of the brand referring solely to the tangible, visual elements of the name, logo, and product design as the components of a brand. Along with Kotler, these can be considered as technical definitions without considering the deeper structure that might constitute the total value of a brand. Nine basic brand interpretations were highlighted initially by de Chernatony (1993a; 1993b) encompassing definitions from both the manufacturer's and the consumer's perspectives. The manufacturer sees the branding process as a means of affording trademark protection or perhaps aiding effective marketing communications whereas to the consumer a brand provides a cue, makes sense of the complexity involved in shopping, and offers decision reassurance (de Chernatony and McWilliam 1989; 1993). De Chernatony and Dall'Olmo Riley (1998) identified twelve main themes categorizing definitions of the brand from their comprehensive literature review of brand definitions: legal instrument, logo, company, shorthand, risk reducer, identity system, image, value system, personality, relationship, adding value, and evolving entity.

2.2 Elements of the brand - A Consumer's Perspective

To characterize what he conceived as the essence of a brand, de Chernatony (1993a; 1993b) developed an Atomic Model of the brand (Figure 2.1). The Atomic Model of the brand identifies eight brand elements which taken together were thought to constitute the core components of a brand. These elements essentially provide the rationale for the true value of a brand, including the brand's "equity".

Figure 2. 1 Atomic Model of Brand Essence



Source: De Chernatony (1993a;1993b)

The Atomic Model of Brand Essence includes eight components: two components related to brand naming; a functional capability component which summarizes the functional advantages of the brand such as performance and aesthetics; a service component; a risk reducer component, which is the extent the brand reduces performance risk related to time risk, social risk, and financial risk; a legal protection component, which protects against counterfeiters; a shorthand notation component, which provide simplicity of the brand presentation, and; a symbolic feature component, which considers how the brand's values can be brought to life through association with a personality or lifestyle. A later qualitative study of brand experts found that the model is useful in an applied context, albeit with some additional modifications (de Chernatony, 1996). These eight elements are further discussed below.

2.2.1 The Brand as a Differentiation Device

When more brands become readily available, it is common to differentiate competing products by the use of a distinctive name or attractive packaging. Where differentiation between brands has not been established in the minds of consumers, price becomes the major competing factor and the lowest cost producer is likely to be most successful (de Chernatony, 1993). While the differentiated brand may appeal to a consumer's rationality, it does not take into account the emotional component inherent in the appeal of certain products such as sports cars and perfume, although emotional components are not limited to this. This does not imply that brands cannot be differentiated by non-rational, emotional components, however the manufacturer-centered nature of the original definition does not allow for the incorporation of "non-rational" elements as this alters its inherent meaning. Product positioning strategies which serve to differentiate brands may involve significant emotional aspects or at least perceptions of differences that are not otherwise significant.

2.2.2. The Brand as a Sign of Ownership

This sign of ownership encompasses its identity, the authority it brings through its competencies and experience, its ethical stance, vision, employee policies and the staff (de Chernatony, 1996). De Chernatony (1996) argued that a brand definition based on ownership is unsatisfactory in the contemporary marketing environment as it takes for granted that the consumer will purchase brands solely based on the name of the brand owner. This historical ownership definition does not take into account the needs of the consumer or the influence of a brand's marketing strategy in the decision process, however, it does represent a move towards the consumer on the continuum as consumers begin to evaluate brands and associate them with their owners. This is particularly important in China where local distributors enter into exclusive agency agreements with vendors and the "brand" confers physical and legal ownership within a constrained geographical area.

2.2.3 The Brand as Providing a Function

As the number of competitors increases and consumers are faced with more "offerings", a brand's functionality can be differentiated from other brands. Through experience with a brand, consumers begin to appreciate its functional qualities thereby moving the brand further from the marketer and closer to the consumer (de Chernatony 1993b).

2.2.4 The Brand as Providing a Service

As a means of moving a brand nearer to its customers, the brand may be augmented by the addition of a service component. A brand within the service stage satisfies both functional and service needs and emphasizes benefits of the brand as opposed to brand features (de Chernatony 1993b). For example, Dell Computers emphasizes the free repair and free shipping services among its products which has enhanced the strength of the Dell name.

2.2.5 The Brand as a Legally Protected Entity

Where marketers have been successful in developing a sustainable differential advantage whereby consumers prefer the brand over competitors' brands, brand ownership is usually given protection through legal means. The brand has now moved closer to the consumer and retains with it a "cluster of added values" satisfying both functional and service needs (de Chernatony 1993a). Legal protection is gained from registering a trade name or trade mark or other intellectual property.

2.2.6 The Brand as a Shorthand Device

In a competitive marketplace, the purchase decision becomes more complex due to the large selection of competing goods and the amount of marketing communications relating to these offerings. As consumers are deemed to not have the mental capacity or the time to assimilate all available brand information before every purchase, they must use shortcuts. A brand provides a form of mental shorthand and reduces the shopping effort required to make a 'good' purchase decision (Arnold 1992; Restall and Gordon 1993). A brand name therefore confers a certain degree of simplicity in the brand choice. The task of the manufacturer is to communicate the differentiating brand benefits to facilitate a rapid purchase decision. Consumers are able to ascribe certain traits and benefits to a brand based on their experience and recall of information about the brand. This gives them confidence in making a speedy purchase decision.

2.2.7 The Brand as a Risk Reducer

Solomon (2008) identified five types of consumer risk: monetary risk – money and property; functional risk – alternative foregone; physical risk – physical vigor, health, vitality; social risk – self esteem and self confidence, and; psychological risk – affiliation and status. The brand can serve to reduce any one or more of these types of risk. A satisfying user experience or at least information obtained from a trusted source such as a family member or friend enables the consumer to make a product choice that is relatively risk free. The brand represents a certain standardization of quality and thus serves as a risk reducer in that a consumer is less likely to end up spending money on a brand that they later regret. Ultimately, such a brand is trusted in that to the consumer it represents a company and the products and services in which it holds faith, in addition to the promise of quality (Selame, 1993). Montgomery and Wernerfelt (1992) also observed that branded products appear to reduce consumer risk because they are perceived to have a lower variance in product quality.

2.2.8 The Brand as a symbol

Kapferer (1992) predominately stresses emotional and representational brand components, noting that physique forms only the first stage in brand building. The intangible or symbolic elements in his brand model refer to the beliefs and meanings created in the minds of consumers by the brand's marketer through a mix of media and non-media elements. These symbolic elements include the brand's personality, the way in which a brand reinforces a consumer's self-image, and the brand's ability to help a consumer display his desired image to others. In Kapferer's categorization, the various elements of the brand system interrelate to form a structured, integrated whole. Brand symbolism is further discussed in the sections below.

2.3 A robust model of brand - A Manager's Perspective

As de Chernatony (1996) pointed out, the Atomic Model of the brand suffers from several weaknesses: the model is static which could detract from a correct understanding if assessing the brand at different stages of its development; the model does not account properly for brand value systems/ethics; the model does not explicitly account for relative differences in the importance of brand elements, and; the model does not explicitly distinguish between manufacturers' versus consumers' concerns. To address these areas de Chernatony developed a modified model called the Double Vortex Brand Model. The revised model adds an element constituting the brand vision, mission, values, the firm's heritage, and stakeholder value. Also, the "sign of ownership" element has been expanded into two components: naming policy and corporate culture. The new model incorporates a dynamic aspect by using an analogy of a vortex which can spin and change trajectories depending on a given market situation. Placement on the spinning vortex represents the relevant importance of a given brand element, which is also subject to change; so, for example, if symbolism is relatively more important its trajectory will angle upward. The left hand vortex of the revised model focuses on managers in the process of building brands and is intended to be atomistic which enables managerial analysis of the various elements. The right hand vortex represents consumers' perceptions of the brand and is intended to be holistic since consumers consider the brand elements in totality. The Double Vortex Brand Model, although more complicated than the simpler Atomic Model, allows for a modification of weightings to help understand what the brand really means to a consumer. If risk, for example, is a target segment's primary issue in purchasing within a product category, the Double Vortex Brand Model allows for a higher priority placement on the vortex which can highlight to managers the key area to address in marketing communications and service design.

For the purpose of understanding brands and branding in this paper, the interpretation of brand encompassed in the Double Vortex Brand Model is used.

2.4 Brand progression from producer- to consumer-centric stages

The eight interpretations of brand discussed in the Atomic Model are not necessarily independent of each other in that one brand may encompass more than one "meaning" in different countries (or possibly within one country). Interpretations may also vary depending on whether the brand is being defined from the viewpoint of manufacturer (marketer) or consumer.

De Chernatony (1993b) argued that it is the symbolic brand definition that has resulted in a shift of brand meaning from being product-centered to being consumer-centered and is the definition that is of particular interest to researchers today. As opposed to the utilitarian performance needs of a brand's functionalities, the symbolic 'representationality' component describes a brand's ability to express a consumer's feelings about his personality, roles, and emotions in a given situation to himself or to others and enables him to better understand other brand users (de Chernatony 1993b). Marketers need to search for the intangible emotional factors which drive brand choice rather than for the superficiality of unique rational product benefits (Gordon and Corr, 1990).

The brand progression continuum shifts from being manufacturer-centric to being consumer-centric as a brand evolves over time, with the brand usually carrying over to the next stage elements of the previous stages (de Chernatony, 1993). For example, those brands that manage to reach the symbolic stage will, in addition to emotional factors, also shorten the consumer's decision-making time, reduce risk by providing a quality guarantee, and perform a functional role. The general evolution of the brand flows through the following progression: Differentiation-> Sign of Ownership->Functional-> Service->Legal->Shorthand->Risk Reduction->Symbolic (de Chernatony, 1993).

Although a brand's meaning might be expected to evolve through the progression stages in its market of origin, it is possible that when expanding to a developing country, for example, it may be marketed as an advanced stage brand. This is particularly evident in cases where a significant number of people of the target country have had access to the home country where the original product branding took place. This would explain why brands such as Starbucks or Body Shop are able to rapidly develop new international markets. In such cases, exposure to brands, which most often comes from consumers in the more cosmopolitan parts of the target country, rapidly diffuses to general consumers. This is especially conducive to a market like China whose culture is such that word-of-mouth communication speedily comes from those who have directly or indirectly had experience with a given brand.[1]

2.5 Symbolism as brand attribute - A Consumer's Perspective

Consumers buy brands for what they *mean* not for their basic functional uses.[2] Solomon *et al* (2006) argue that all things being equal a consumer will choose a brand whose image, as manifest by personality, most closely matches his underlying needs or self image or *wannabe* image. This can be tested by measuring and correlating personality variables with the perceived personality of brands.

One of the important brand symbols in China is conceived to be country of origin. It is generally hypothesized that having a foreign brand origin relates positively to product symbolism. However, many product areas now in China have improved to the point that some argue the symbolic effects attributed to foreign brands are waning (Zhou and Hui, 2003).

To test whether product symbolism is positively related to foreign brand origin in China, Zhou and Hui (2003) used an inexpensive, privately consumed item, pork sausage, to attempt to demonstrate that symbolic benefits constitute one of the primary motivational forces of Chinese consumers' purchases of foreign products, including products that may not be commonly considered conspicuous. They studied whether utilitarian attributes for a product such as sausage (e.g. freshness, nutrition) outweighed symbolic effects. They defined symbolic attributes as modernity, novelty, popularity, and associations with foreign lifestyles. They hypothesized that consumers from China would choose foreign products primarily for their symbolic values, even for inconspicuous items such as pork sausages.

They first asked respondents to identify and prioritize, unaided, three salient attributes of sausage in general. Over 95% mentioned utilitarian attributes. Of these, three were related to extrinsic product cues (price, brand, and place of production) and six factors were related to intrinsic product cues (freshness, color/texture, and safety/hygiene, preservation, leanness, and smell). They then presented respondents with a product explanation (a simple written description and a picture of the new product (i.e. Canadian pork sausage). The product was described as follows: "A new imported Canadian pork sausage product will soon be available in your local area. This new, quality product adopts advanced processing technology and is developed to meet your desire for a contemporary consumption experience". They then asked respondents what attributes, from a list of seven attributes, they would consider in purchasing the sausage. They found that 61 percent of the mentions pertained to three utilitarian attributes and 39 percent of the mentions pertained to four symbolic attributes. Respondents were also asked their attitudes about a similar combination of utilitarian and symbolic attributes as well as willingness to purchase the Canadian sausage. They concluded that three symbolic measures (modern meat consumption, novelty, and popularity) were significant determinants of purchase intention, whereas only one of the utilitarian variables (perceived quality) was significant.

The study may suffer from the assumption of the separateness of country-of-origin perceptions and the product category studied. This can explain the apparent contradiction of ranking utilitarian attributes higher than symbolic attributes yet have a higher degree of association between purchase intent and symbolic attributes as found in the regression analysis. That is, it is extremely difficult to isolate country-of-origin effects in measuring attributes of symbolism as defined in the study. It is entirely plausible that respondents would intend to buy the Canadian sausage because Canada symbolizes agricultural cleanness, fresh air, and clean animal feed, high technology processing, and the like. Nonetheless, the study suggests at least that symbolic importance of foreignness is still relevant even for inconspicuous products and that perhaps the other reasons they posited may explain any decline in popularity of foreign products.

2.6 Brand personality

The symbolic nature of brands has given rise to the notion of brands having *personalities*, which are comprised of emotional factors over and above a brand's functionality (McWilliam and de Chernatony 1989; Sampson 1993; Solomon 2006). This personality displays its core characteristics in human terms, such as friendliness and caring, and is often the most successful aspect in differentiating brands in many markets (Restall and Gordon 1993).

Restall and Gordon (1993) argued that it is this personality aspect that is the main factor in providing a brand with a sustainable differential advantage that cannot easily be copied by "me-too" brands. For example, it is the emotional core qualities of freedom and individuality embodied by Levi's jeans, created by the manufacturer and positioned in the consumer's mind, that have led to its enduring success and classic brand status which is the not the case with other jeans. Brand imagery such as that evident in the Javex Bleach brand with 'Mr. Clean' implies strong and reliant. These inferences about a brand's personality are an important part of brand equity which Keller (1993) and Aaker (1997) refer to as the extent to which a consumer holds in memory strong, favorable, and unique associations with the brand.

The idea that consumers buy products that are extensions of their personalities makes intuitive sense. This is one reason why marketers try to create *brand personalities* that can appeal to different types of consumers. Yet, research designed to predict brand choice based on standard personality-trait measurements have not been uniformly successful (Solomon, *et al* 2006). It is hypothesized that dimensions of one's personality are linked with one's choice of leisure activities, aesthetic tastes, and other individual factors (Solomon *et al*, 2008). Marketers find it useful to develop psychographic profiles of consumers based on lifestyle, through which personality is reflected (Solomon *et al*, 2008). Personality refers to a person's unique psychological makeup and how it consistently influences the way a person responds to his environment (Solomon *et al*, 2008).

The "symbolic" brand definition is the most appropriate one for "emotional" brands in developed and hence fully consumerized nations in which consumers have a high level of discretionary income, although there are numerous examples that as a country develops industrially, so does the brand *culture* (Goodyear, 1993). The brand as a symbolic device is particularly important in Asian markets at the *luxury* end of the market and in certain product categories such as cars, watches, clothing, and jewelry where consumers with high levels of discretionary income purchase these products purely on the basis of their symbolic importance (Zhu *et al*, 2006). Symbolism in this context, of course, is related very much to the cultural concept of *Confucian face* in many Asian countries which involves a sense of pride that one feels when impressing others in one way or another (discussed further in Chapter 3). As opposed to Western consumers, who place more emphasis on hedonic experience, Chinese consumers place more emphasis on publicly visible possessions (Zhu *et al*, 2006). This was also argued by Richins (1994) who felt that Asian cultures place more importance on public meanings (symbolic meanings that are widely shared within a culture or group) rather than on private meanings (meanings are idiosyncratic to an individual) in product symbolism. To Richins (1994) this suggests that when faced with a trade-off between goods that provide hedonic value versus symbolic value, Asians would place more importance on the symbolic value, especially when consuming in public (Zhu, *et al* 2006).

2.7 Brand Taxonomies

In conjunction with the brand progression from manufacturer to consumer, de Chernatony (1991) argued that brands can be categorized in a variety of taxonomies (de Chernatony, 1996). Brands may be categorized by their focus on functional versus representational needs (de Chernatony and McWilliam, 1990), the basis by which they achieved their leadership position (DMB&B, 1994), or the extent to which they focus on brand vitality and brand stature (Young and Rubicam, 1994).

Most brands can be characterized by the functionality-representationality matrix, further discussed in a section below. However, there are a minority of brands that have a notable third dimension, centrality value (Stobart, 1994). These brands adopt a strong view about the world and are concerned with stressing their opinions. Brands such as Starbucks (Fair Trade Coffee) and Benetton (United Colors) have a notable centrality value which is dedicated to making people aware of social problems (de Chernatony, 1996).

Two leading international advertising agencies, DMB&B and Young and Rubicam, developed models of brand taxonomies (de Chernatony, 1996). DMB&B undertook qualitative and quantitative market research into leading brands in the USA, the UK and Europe (DMB&B, 1994). Their results identified four categories of brands using the airline industry as an example: (1) *power brands* that inspire rational trust through excellence in product and service performance; for example, Lufthansa Airlines; (2) *identity brands* that facilitate character recognition, through associations with the brand's personality; for example, Virgin Airlines; (3) *explorer brands* that enable consumers to develop through challenging them and suggesting possibilities; for example, Qantas Airlines, and ; (4) *icon brands* that carry myths that consumers dream about sharing; for example, British Airways. Hamel and Prahalad (1994) reasoned that it is not unusual for a firm to have several different brands satisfying different niches in a market. De Chernatony (1996) felt it is sometimes possible to categorize an individual firm's product line according to a similar taxonomy and gave an example of British Airways sub-classes: BA First Class (*power brand*); BA Club World (*identity brand*); BA World Traveler (*explorer brand*) and; BA Concorde (*icon brand*).

Young and Rubicam developed a BrandAsset Valuator, a model based on the assumption that brands can evolve through four stages in sequence: differentiation, relevance, esteem, familiarity (Young and Rubicam, 1994). At the initial stage the key objective is to establish brand differentiating characteristics in the minds of target consumers. Relevant needs among target consumers must be matched to these differentiating benefits. Since it is likely that not a single brand can meet all perceived needs, marketers must build brand preference through building esteem for their brand through a variety of initiatives. If stage three can be achieved the brand then aims for familiarity and ultimately loyalty. Young and Rubicam's empirical analysis indicates that the strength of a brand, its *brand stature*, is a combination of its esteem and familiarity scores. Its growth potential, or *brand vitality*, can be assessed based on its differentiation and relevance scores (de Chernatony, 1996).

2.8 Brand Loyalty

A variety of heuristics are used by consumers to assist them in product choice (stage 4 of the five-stage consumer decision process model to be discussed in Chapter 4). A commonly used heuristic is *brand*. Once a brand achieves status in the minds of consumers it endures. Brand loyalty ultimately occurs when a customer is highly satisfied with the composite of brand performance. In other words, the brand consistently delivers as *promised*. In the United States 27 of 30 market leaders in 1930 are still leaders today (Solomon *et al,* 2008, p. 279). Many people buy the same brand every time they go to the store. This consistent pattern is often due to inertia, where a brand is bought because less effort is required in making the decisions. However, there is little underlying commitment to a brand in this case. If true brand loyalty exists there is a conscious desire to continue buying the same brand and there must be an underlying positive attitude toward the brand (Solomon *et al*, 2008). In contrast to where a consumer passively repurchases a brand because of inertia, a brand-loyal consumer is actively involved with his favorite brand (Solomon *et al*, 2008).

Consumers can be brand loyal yet sometimes consume other brands. Consumers engage in brand switching, even if their current brand satisfies their needs. Consumers tend to have a repertoire of two to six favorite brands which is the same as saying they engage in variety seeking behavior. Variety seeking can occur because of "sensory-specific satiety" - the pleasantness of consumption which may mean we often switch to a "less preferred" option just for variety's sake (Solomon *et al*, 2008).

Some argue that Chinese display less loyalty to brands since China's exposure to the luxury market is so new, and consumers are still figuring out what sort of products they like. “The Chinese consumer is still experimenting, they like trying everything” (Weiderhecker, 2007, p.8).

2.9 Situational Factors Affecting Brand Choice

A consumption situation is defined by factors over and above characteristics of the person and product (Solomon *et a*l, 2008).

Belk (1975) developed a logical classification of shopping influences into two categories; situational factors and non-situational factors. Solomon *et al* (2008) argued that situational factors have a time (temporal) and place dimension (physical and social surroundings) as well as antecedent states. Temporal factors affect stages of decision making and consumption and the amount of information search. Antecedent states and the purchase environment combine to impact post-purchase processes such as consumer satisfaction, product disposal, and whether consumer's will seek alternative markets for additional brand choices. Key antecedent states highlighted by (Solomon *et al*, 2008) include situational factors (e.g. behavioral situation such as entertaining your in-laws), usage context (e.g. whether the product is purchased for frequent use or occasional use), time pressure (e.g. a last minute purchase), mood and conditions (e.g. feels good or feels bad while shopping or being short of money), and shopping orientation. Situational effects can be behavioral such as entertaining friends at home or perceptual such as being depressed or feeling pressed for time. The role a person plays at any time is partly determined by his *situational self image*; for example, the role one plays when trying to impress a girl or the role one plays when *hanging around with the boys* (Solomon *et al*, 2008). A store's physical environment (e.g. décor, smells, temperature) and social environment (presence or absence of other patrons) affects motives for product usage and evaluation (Solomon *et al*, 2008). The purchase environment also includes the shopping experience (e.g. the in-store visual and physical experience), point-of-purchase stimuli (e.g. shelf talkers and displays), and sales interactions (e.g. friendly or helpful in-store staff) (Solomon *et al*, 2008).

Previous studies have shown that a variety of situational factors impact shopping behavior (Zhuang *et al* 2006, Wakefield and Inman, 2003; Engel *et al* 1995). Some of the studies on consumer shopping behavior, for example, demonstrate that many factors may influence shoppers' buying decisions (Zhuang *et al*, 2006). Zhuang *et al* (2006) found, in a multiple-nation study, that 9 out of 13 situational factors significantly affected purchasing behavior including, for example, store atmosphere, staying time, number of stores visited, and product assortment. Wakefield and Inman (2005) found that the presence of friends affects sensitivity to prices. Engel *et al* (2005) found that shoppers purchase more when they have a shopping plan.

In addition, non-situational factors have a longer term impact on brand choice and include characteristics of the individual such as personality, intellect, and culture, as well as to an object, for example, brand image and brand functionality (Belk, 1975).

2.10 Attitudes and brands

2.10.1 Definition of attitude

A frequently used definition of attitudes is that given by Allport (1935) who defined attitudes as "learned predispositions to respond to an object or class of objects in a consistently favorable or unfavorable way." An attitude is a lasting, general evaluation of people (including oneself), objects, or issues (Solomon *et al*, 2008). Anything toward which a person has an attitude, whether it is tangible such as a brand of beer, or intangible such as feeling toward environmental protection, is called an “attitude object” (Solomon *et al*, 2008 p. 191). An attitude is lasting because it tends to endure over time. Consumers have attitudes toward very product-specific behaviors (using Colgate instead of Crest) as well as toward more general consumption-related behaviors (how often we should brush our teeth).

Marketer's need to understand and monitor the overall attitude toward their respective brands to identify needed changes to marketing strategy levers such as marketing communications’ thematic focus or product functionality.

2.10.2 Attitudes and Function

A consumer’s attitude tends to endure over time and is manifest in a consumer’s brand behavior. A consumer's attitude toward a brand, as well as toward other aspects that influence brand choice, such as attitude toward a brand's marketing communications, tends to motivate behavior toward the brand. Laforet and Li (2005) found that consumers' motives predetermine consumers' attitudes and behaviors towards different banking technologies. Barczak *et al* (1997) studied consumers' motives in the use of technological-based banking services and different motivational clusters for people's money management philosophies such as 'security conscious' or 'instant gratification. They found that different segments had different attitudes and behaviors toward different banking technologies.

Another way of looking at attitude is by looking at a functional approach. Katz (1960) developed a “functional theory of attitudes” to explain how attitudes facilitate social behavior but his theories also apply in a consumer behavior context. The functional approach characterizes attitudes in terms of four functions: utilitarian, ego-defensive, value-expressive, and knowledge functions (Schiffman, 2008). Katz (1960) conceived that attitudes have four functions which relate to a person’s motives. The first is a utilitarian function where attitudes are formed due to (perceived) brand benefits. Product packaging that highlights brand benefits appeals to the utilitarian function. Second is a value-expressive function which relates to what a brand says about you. Ads appealing to a consumer segment's main interest appeals to this attitude function. Third is an ego-defensive function in which attitudes are formed to protect a person’s self image. This is an appeal used by consumer segments that have a heightened level of insecurity about, for example, their sexuality, physical appearance, or masculinity. Fourth is a knowledge function where an attitude is formed as a result of the need for order, structure, or meaning. Marketing communications appealing to this function would provide in a succinct way the information most likely desired by their target segment.

Further, marketers try to determine the dominant attitude function a brand serves for consumers since several may come into play in a given scenario. Marketers would thus presumably devise different marketing communication strategies to appeal to a set of consumers with a heavier orientation to one of the specific attitude functions.

2.11 Attitude Models and Brand Choice

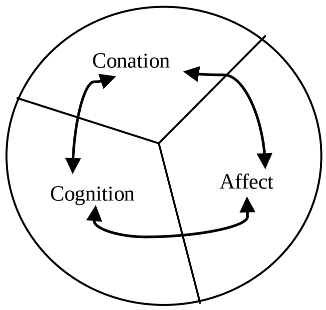
Attitude models have been developed to help identify factors that may influence people's evaluation of attitude objects (Solomon *et al*, 2008). Four broad categories of attitude models have received attention: the tri-component attitude model, multi-attribute attitude models, trying-to-consume attitude models, and attitude-toward-the-ad models (Schiffman, 2000). Multi-attribute attitude models (i.e. attitude-toward-object, attitude-toward-behavior, and the theory of reasoned action) have received much attention from consumer researchers. As a group, these models examine consumer beliefs about specific-product attributes such as product or brand features or benefits. The models are examined below.

2.11.1 Tri-components Model of Attitudes

Of considerable importance in understanding the role of attitudes in consumer behavior is an appreciation of the structure and composition of an attitude. The Tri-components Model of Attitudes conceives of attitude as being comprised of three parts, which are cognition (thought and beliefs), affect (feelings), and conation or behavior (actions). These components determine the level of interest a consumer has with respect to a brand-related marketing strategy and hence relates to the decision of whether or not a product or service will be consumed (Sheth and Mittal, 2004). Another way of thinking about the Tri-components Model is to consider the interrelationship among knowing, measured by beliefs about a brand (C), general feeling about the brand (A), measured by assessing the relative degree of liking of a brand, and doing (B), measured by asking future purchase intent (next brand to be purchased) (Solomon *et al*, 2008). For example, you may know all of the functions of a mobile phone but such findings say nothing about whether you feel these attributes are good, bad, irrelevant, or whether you would actually buy the mobile phone (Schiffman, 2000; Solomon *et al*, 2008).

Based on the Tri-components Model (See Figure 2.2) an attitude can form in several different ways. Theoretically, an attitude can form in six different ways. With respect to a particular brand choice, the formulation of attitude depends on the hierarchy of effects in operation. The rational hierarchy of attitude (CBA) would cover the concept of attitude as a continuous process that consumers achieve in order to purchase a product or service. It is also part of learning that occurs when consumers think about becoming a user, and use their feelings as part of their decision tools, and taking actions to eventually use a product or service (Sheth and Mittal, 2004). For example, a routine purchase of household detergent may follow a rational hierarchy whereby a consumer has certain beliefs about the efficacy of certain product benefits such as "eliminates odor", then purchases a brand believed to contain the benefit, and upon product use, assuming the product results in a pleasant fragrance, the consumer would retain his positive feeling about the brand. In contrast, consumers purchasing diet foods may follow a CAB hierarchy where he believes that the Atkin's diet brand leads to weight loss due to components that promote lean eating. The consumer has a positive image of Atkin's diet program then purchases the program.

Figure 2. 2 The Tri-components model of attitudes



Source: Schiffman, 2000

2.11.2 Fishbein's Multi-attribute Model

As much as it is useful for marketers to identify the correct hierarchy of effects employed by the majority of its target segment in forming attitudes, it is also necessary to be able to measure attitudes and to track changes in attitudes toward their own brands as well as brands from both established competitors and new brand entrants. To help in this objective, Fishbein (1963) developed an approach to quantitatively measure attitudes.

2.11.2.1 Fishbein's Original Multiattribute Model of Attitudes

Fishbein's (1963) original research on attitudes has been a foundation for subsequent models of attitude. Fishbein theorized as follows: first, that an individual holds many beliefs about any given object. These beliefs may relate to many different characteristics, attributes, and the like about an object and these beliefs are either positively or negatively associated with a given object; second, associated with each of these objects is a mediating evaluative response, referred to as an attitude; third, these evaluative responses are combined and summated; fourth, through the mediation process, the summated evaluative response is associated with the attitude object, and thus; fifth, on future occasions the attitude object will elicit this summated evaluative response, or in other words, this attitude (Fishbein, 1963). According to the theory, therefore, a consumer's attitude toward any object is a function of his beliefs about the object (i.e. the probability that the object is associated with other objects, concepts, or goals) and the evaluative aspect of those beliefs (i.e. the attitude toward the 'related objects').

Algebraically,

$$A_{object} = \sum_{i=1}^{N} B_i a_i$$

where

A_{object} =attitude toward the object

B_i = belief '*i*' about the object

a_i = the evaluative aspect of B_i

N = the number of beliefs.

Thus, Fishbein's original measure quantified attitudes based on a summation of evaluated beliefs about an object.

2.11.2.2 Refined Fishbein Model

Following a review of empirical research on the original attitude model, Azjen and Fishbein (1977) concluded that the original model supports the contention that strong attitude to behavior linkages are obtained only where there is a high correspondence between at least the target and action elements of the attitudinal and behavioral entities. Where such correspondence does not occur they accepted that the model may not accurately represent the attitude to behavioral linkage. This weakness served as the impetus for a refined model which they later developed to more clearly represent attitudes toward individual brands of products (Ajzen and Fishbein, 1980).

As Fishbein and Azjen conceived, a consumer's overall evaluation of a brand is a mental summation of the product of beliefs about brand attribute components and their evaluation of each attribute and the relative weightings assigned to each component attribute. This is hypothesized to represent the consumer's attitude toward a specific brand. Thus, the refined model measures three components of attitude: salient beliefs, object-attribute linkages, and attribute evaluations. The model theorizes that salient beliefs are first considered about an attitude object (i.e. only those beliefs considered during a brand evaluation) by a potential purchaser. Second, object-attribute linkages, or the probability that a particular object has an important attribute, are considered. Finally, the potential purchaser considers the importance of each relevant attribute. The theory is quantified as follows:

Refined Fishbein Multi-attribute Model:

$$A_{ijk} = \sum B_{ijk} I_{ik}$$

where

A represents a particular consumer *k*'s attitude score for brand *j; i* = attribute; *j* = brand; *k* = consumer; *I* = importance weight given to attribute *i* by consumer *k;* B_{ijk}= consumer *k*'s belief regarding the extent to which brand *j* possesses attribute *i*.

Source: Solomon *et al*, 2008.

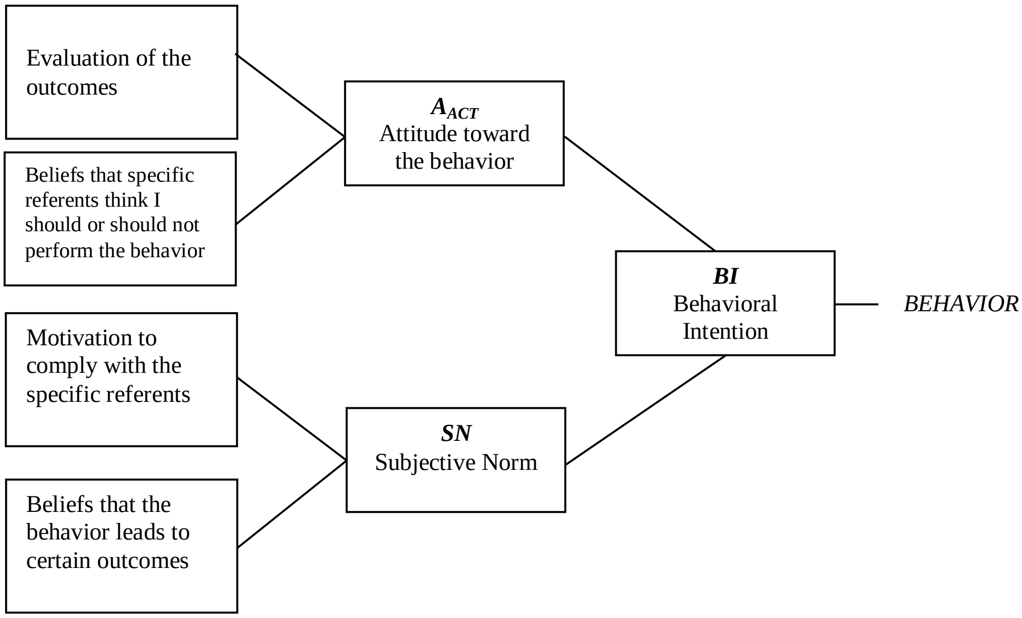
An overall attitude score (*A*) is derived by summing the products of a consumer's rating of each attribute for all of the brands considered by the importance rating for that attribute (Solomon *et al*, 2008). The Fishbein Model remains a model of current usefulness to marketers as it assists the manager in identifying ways of improving attitudes. Solomon *et al* (2008) identified some of these which include capitalizing on relative advantages if a brand is superior on one attribute, trying to increase the importance weighting for a given attribute, strengthening the perceived product-attribute links to the brand, adding a new attribute to the brand, or influencing a competitor's rating through comparison advertising.

The *Refined* Fishbein model assumes that consumers are able to articulate all relevant attributes used in evaluation. Moreover, it assumes a person will go through the process of identifying a set of attributes, weigh them, then sum them either formal or informally. These assumptions serve to limit the potential robustness of the model because in many cases consumers are either not able to bring to mind relevant attributes or otherwise disinclined to do so. Moreover, the model further precludes attitudes formed by an overall affective response, a process known as “affect-referral” (Solomon *et al*, 2008). According to So *et al* (2005) the model works well when a consumer can purchase based on his own volition. In other words, interceding moderators may impact the attitude-to-behavior linkage. The reality is that a person’s attitude toward a brand may not necessarily be a good predictor of behavior because a number of things can get in the way of action. To consider this limitation an Extended Fishbein Model was proposed.

2.11.2.3 Theory of Reasoned Action (Extended Fishbein Model)

The Theory of Reasoned Action, also called the Extended Fishbein Model, links behavior with several psychological antecedents (Fishbein 1967; Fishbein and Ajzen 1975; Ajzen and Fishbein 1980). The theory considers the control on behavior exerted by the social and physical environments (So *et al*, 2005). The model assumes that consumers’ choice of behavior is based on conscious thinking leading to the most desirable outcome (Ajzen and Fishbein, 1980). The model represents a comprehensive integration of attitude components into a structure that is designed to lead to both better explanations and better predictions of behavior (Schiffman, 2000). Like the basic Tri-components Attitude Model, the Theory-of-Reasoned-Action Model incorporates a cognitive component, an affective component, and a conative component. Although these components are arranged in a pattern different from that of the Tri-components Model, the theory is also classified as a multi-attribute model of attitudes. The Reasoned Action Model proposes that, like motivations, attitudes have both a direction and strength requiring the need to distinguish between firmly held beliefs and those that are superficial.

Figure 2. 3 Fishbein and Ajzen's Theory of Reasoned Action



Source: Fishbein, M. and Ajzen, I. (1975).

The factors influencing behavior are shown in the model of Figure 2.3. Behavioral intention (*BI*), a person's subjective likelihood of engaging in a given behavior, is the immediate determinant of behavior. The Theory of Reasoned Action considers the attitude toward the act of buying (A_{ACT}) and its impact on intended behavior rather than only the attitude toward the brand itself. A_{ACT} is a person's overall favorable or unfavorable evaluation (a predisposition or feeling) about performing the behavior. In other words it focuses on the perceived consequences of the act of buying. For example, is the task of searching for information and physically purchasing the product or brand a pleasant experience or not or, alternatively, is purchasing the product or brand a wise or unwise thing to do.

The subjective norm (*SN*) component was added to include the effects of what we think others should think we should do. *SN* is the perceived social pressure to perform (or not perform) the behavior, reflecting a person's motivation to comply with the attitude of various reference groups and family. For example, a consumer may purchase a brand, which confers a psychological benefit, due to his belief that his peer group will look favorably on that action. In this sense perceived social pressure impacts behavior. *SN* has two component: first, the intensity of a normative belief (*NB*) that others think an action should be taken or not taken, and; second, the motivation to comply (*MC*) with that belief. A_0, the attitude toward the object, may be positive but the A_{ACT} may be negative. For example, consider that a consumer wishes to buy Trojan condoms. He has read about their good quality and feels positive toward them but then at the purchase venue he gives in to embarrassment which prevents him from buying them. According to the theory, A_{ACT} and *SN*, each weighted by their relative importance for a given behavior, jointly determine behavioral intention, *BI*.[3]

The Theory of Reasoned Action model deals well with the fundamental motivational predictors of intention when behavior is volitional or in other words where nothing interferes with the motivation-to-behavior linkage (Ajzen and Madden 1986). The major weakness of the model is that where this assumption is not satisfied the model cannot be expected to accurately predict behavioral intention. Thus, where interceding factors such as skills, abilities, knowledge, time, financial situation, availability, and access to other inputs, which are needed to perform a behavior, but are not under a person's full control, the model is flawed. To correct this flaw, Ajzen proposed a third determinant of intention and behavior called perceived behavioral control (*PBC),* which was omitted in the Extended Fishbein model (Ajzen 1985; Ajzen and Madden 1986). This modified model became known as the Theory of Planned Behavior.

2.11.2.4 Theory of Planned Behavior

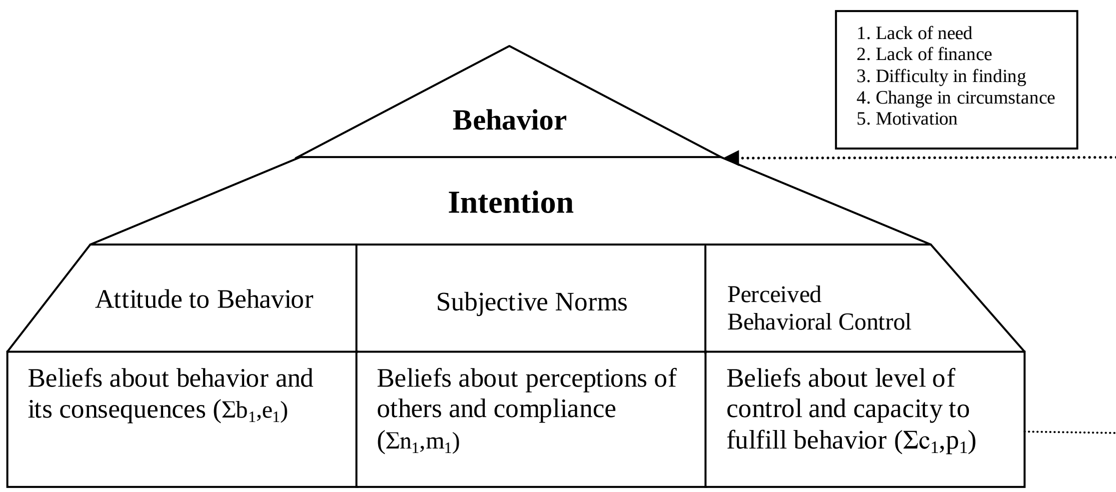
The Theory of Planned Behavior model was intended to be applied to situations where consumers have a wider degree of discretionary control toward the act of purchasing (Ajzen 1985, Madden *et al*, 1992). The theory takes into consideration the effects of a person's volitional control in behavioral intentions (So *et al*, 2005) and was added because it was felt the Reasoned Action model lacked the scope of behaviors that required resources, cooperation, or skills (Sheppard, Hartwick, and Warshaw, 1988).

Fishbein's original conception was then advanced in two phases: the first as a theory of reasoned action to brand behavioral intention anteceded by the consumer's subjective norm (*SN*) which are external influences, and the consumer's attitude toward actual behavior toward the act of buying (A_{ACT}) particularly in respect to purchase selection, a theory also put forward by Fishbein, and; a second phase that added a third antecedent, perceived behavioral control (*PBC*).

The Theory of Planned Behavior postulates three conceptually independent determinants of intention, which we can consider as *main* moderators of brand behavior. The first determinant, or main moderator, is labeled the attitude toward the behavior to act (*AB*) defined as the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question. This can be quantitatively summated as $\Sigma b_1,e_1$ which represents the totality of beliefs and evaluations about expected outcomes (Evans *et al*, 2009). The second determinant, subjective norm (*SN*) was defined as the perceived social pressure to perform or not to perform the behavior. This can be quantitatively summated as $\Sigma n_1,m_1$ which represents the totality of likelihood of consumer's holding normative beliefs and the motivation to comply with those beliefs (Evans *et al*, 2009). The third determinant, called the degree of perceived behavioral control (PBC) was defined as the perceived amount of resources and control one has over the behavior or alternatively as a person's perceived ease (or difficulty) of performing a behavior and reflects a set of underlying beliefs about resources and opportunities. This can be quantitatively summated as $\Sigma c_1,p_1$ which represents the totality of control (availability) and power (knowledge) and the respective impact on behavioral intention (Evans *et al*, 2009). *PBC* includes the availability of resources needed to engage in the behavior, including access to money, time, and other resources and secondly, self-confidence in the ability to perform the act (Taylor and Todd, 1995). The *PBC* antecedent was thus added to account for situations where a consumer's desire to behave is perhaps constrained owing to a lack of skill, resources, or other competency.[4] It is assumed to intercede between intention and behavior (see Evans *et al*, 2009, p. 114).

The Theory of Planned Behavior has received broad support in empirical literature in consumer and social psychology (Ajzen and Madden, 1986; Madden *et al*, 1992; Chiou, 2000).

Figure 2. 4 The Theory of Planned Behavior Model



Sources: Evans, Jamal, and Foxall (2009); East (1997).

Chen and Zimitat (2006) applied the Theory of Planned Behavior Model to the selection of international education destinations among Taiwanese Chinese students. They postulated that if students hold positive attitudes (*AB*) towards overseas study, believe that important family members such as parents (*SN*) would approve of the behavior, and have the financial resources available (*PBC*) to undertake study, then students would be more likely to form an intention to perform such behavior (i.e. apply for overseas programs). According to the Theory of Planned Behavior, the stronger the attitudes toward the behavior, the greater the approval of others of the behavior, and the greater the consumer's capacity to fulfill the behavior, the stronger will be the intention to purchase the brand under consideration (Chen and Zimitat, 2006).   Results from their research found that attitudes toward higher education in the destination country were a key component in determining their intentions for overseas study. The influence of family and friends (*SN*) was more important than consideration of resources necessary or beliefs in shaping intentions to study in the USA but the most important factor shaping intentions to study in Australia related to beliefs (*AB*).

The Theory of Planned Behavior intends to serve the dual purpose of describing and predicting behavior, which allows marketers to develop strategies to trigger the responses they desire (Chen and Zimitat, 2006). At the same time, as some researchers have pointed out (Azjen 1991, Chiou 2000), empirical investigations have sometimes shown that behavioral intentions are poor predictors of actual behavior. There may be a plethora of reasons for this which is why a number of moderators have been proposed to explain and better predict the behavioral outcome expected by the Planned Behavior model.

Partly because empirical investigations have often shown weak relationships between attitudes and behaviors (Terry and Hogg, 1996) and to otherwise enhance the correlating relationship between antecedents and purchase intention, researchers have emphasized the effects of various moderators postulated to be relevant to the attitude-behavior relationship.

In a study among Taiwan Chinese junior and senior high school students, Chiou *et al* (2005) examined the moderating effect of celebrity adoration on the purchase intention of celebrity merchandise using the Theory of Planned Behavior model. They classified respondents into an adoration group and a non-adoration group based on responses to related survey questions. Results showed that the relative strengths of the attitude toward the act and perceived behavioral control in predicting purchase intention toward the merchandise of a celebrity were stronger for adolescents in the celebrity adoration group than for adolescents in the celebrity non-adoration group. On the other hand, the relative importance of the perceived norm in predicting the attitude toward the act and the purchase intention was stronger for adolescents in the celebrity non-adoration group than for adolescents in the celebrity-adoration group. These results thus showed that adoration of a celebrity was a meaningful moderator in understanding the relationship between antecedents of behavioral intention.

Another moderator of behavior in the Theory of Planned Behavior is product knowledge. Attitude strength is correlated to product knowledge. The theory posits that the higher the level of product knowledge a consumer has about the brand he intends to buy, the more likely he will actually purchase that brand. The strength of the attitude will be greater because he will be more certain and confident in the purchase intention, which is part of the perceived behavioral control component of the model of planned behavior (Peterson and Bitz, 1988; Berger *et al*, 1994). Chiou (2000) also hypothesized that attitudes based on high levels of product knowledge are better predictors of behavioral intent than attitudes based on low levels of product knowledge. However, Chiou (2000) argued that if a person has a low level of product knowledge, the roles of subjective norm and perceived behavioral control become more important in predicting behavioral intentions. This is because if a consumer is unsure, for example, of the product category, he may consult the opinions of others before making purchase decisions or otherwise may give more consideration to the resource constraint or behavior limitations (Chiou, 2000). For a study that found subjective product knowledge to be an important mediator between attitudes and purchasing intentions see Berger *et al* (1994).

Some researchers (Miniard and Cohen, 1983) have also advocated distinguishing between normative and personal motivations underlying behavior by adding another component, personal normative beliefs (NB_p), to the Subjective Norm component. Others (Chiou *et al*, 2000) distinguished between subjective and objective norm in their application of the model.

Lin and Chen (2006) conceived that product knowledge, country-of-origin image, and product involvement impact consumer purchase decision through their influences on information search intentions and actual purchasing intentions. Some researchers (Alba and Hutchinson, 1987; Brucks, 1985; Rao and Sieben, 1992) argued that consumers' product knowledge is positively correlated to information search quantity and also affect information treatment and decision-making processing thereby affecting purchasing intentions. Other researchers such as Johnson and Russo (1984) theorized that the relationship between product knowledge and information search quantity has a U-shape correlation rather than simply a linear correlation. This theory would argue that consumers with little to no knowledge do not engage in much information search whereas those who have significant product knowledge engage in extensive information search. Sheth and Mittal (2004) argued that purchase decision involvement is affected by information search and processing stating that in order to determine the relevance of purchase intention toward a certain product, consumers gain knowledge and expertise through prior experience and information gathered from previously purchased products.

In a comparison study of American and Taiwanese students, Chiou (2000) researched the moderating effect of product knowledge on three antecedents of purchase intent: attitude to the act, subjective norm, and perceived behavioral control. In Taiwan, all three independent variable had significant effects on purchasing intention among consumer with relatively lower subjective product knowledge scores. Attitude toward the act and subjective norm had significant effects on purchasing intention among those with higher subjective knowledge scores (Chiou *et al*, 2005). Results also showed all three antecedents had significant effects on purchasing intention among those with low and high scores of objective knowledge.

2.11.2.5 Theory of Trying

Recently, there has been an effort to better accommodate consumers' goals as expressed by their "trying to consume" (i.e., a goal the consumer is trying or planning to accomplish). The Theory of Trying (to consume) modifies the criterion of behavior in the Reasoned Action model with "trying" to reach a goal (Bagozzi and Warshaw, 1990). The Theory of Trying, therefore, was designed to account for the many cases in which the action or outcome is not certain.

This theory considers that personal and/or environmental barriers may prevent an individual from achieving a goal (e.g. to lose weight). This theory is essentially another representation of the perceived behavioral control antecedent in that individual barriers such as a negative attitude toward the likelihood of being able to afford a purchase, for example, may hinder a consumer's chance of turning intentions into actions. Such attitudes may either help or hinder a consumer's intention to try and include the amount of control the consumer has over the situation, his/her expectation of success or failure in achieving the goal, social norms related to attaining the goal, and his/her attitude toward the process of trying (i.e. how the actions required to attain the goal makes a person feel regardless of the outcome).

2.12 Attitudes toward the advertisement

An often cited brand attitude moderator is the consumer's attitude toward the advertisement (Att_{AD}). As many have pointed out, a person's attitude toward advertising in general is affected by family, peer group, personality traits, previous information, and experience (Bennett and Kassarjian, 1972; Fishbein, 1975; Lutz, 1991; Brown and Stayman, 1992; Assael, 1995; Wells *et al*, 1998, Liu, 2002). A consumer, for example, that experiences a low quality advertisement of a brand may transfer the feeling toward the ad to his feeling toward the brand itself. The attitude-toward-the-ad models examine the influence of advertisements on the consumer's attitudes toward the brand. Attitudes toward the advertisement have been shown to be a significant influence on advertising effectiveness, brand attitudes, and purchasing intentions (Shimp, 1981; MacKenzie and Lutz, 1989).[5]

2.13 Attitudes toward the Category

The consumer's overall attitude toward the product class (ATT_{PC}) may also impact behavior. This is especially true of some service-related products such as insurance or travel products and other products where consumers are required to buy products (e.g. petroleum) where they may carry an overall negative attitude toward all brands in the category. In such cases behavioral intention may be assessed using a low involvement hierarchy of affects within the Tri-components Attitude model since consumers are likely to register need based on cognition, then behavior occurs based on the cognitive element of price. It is likely that very little "affect" ever occurs with such a consumer.

2.14 An Adapted Multi-attribute Model

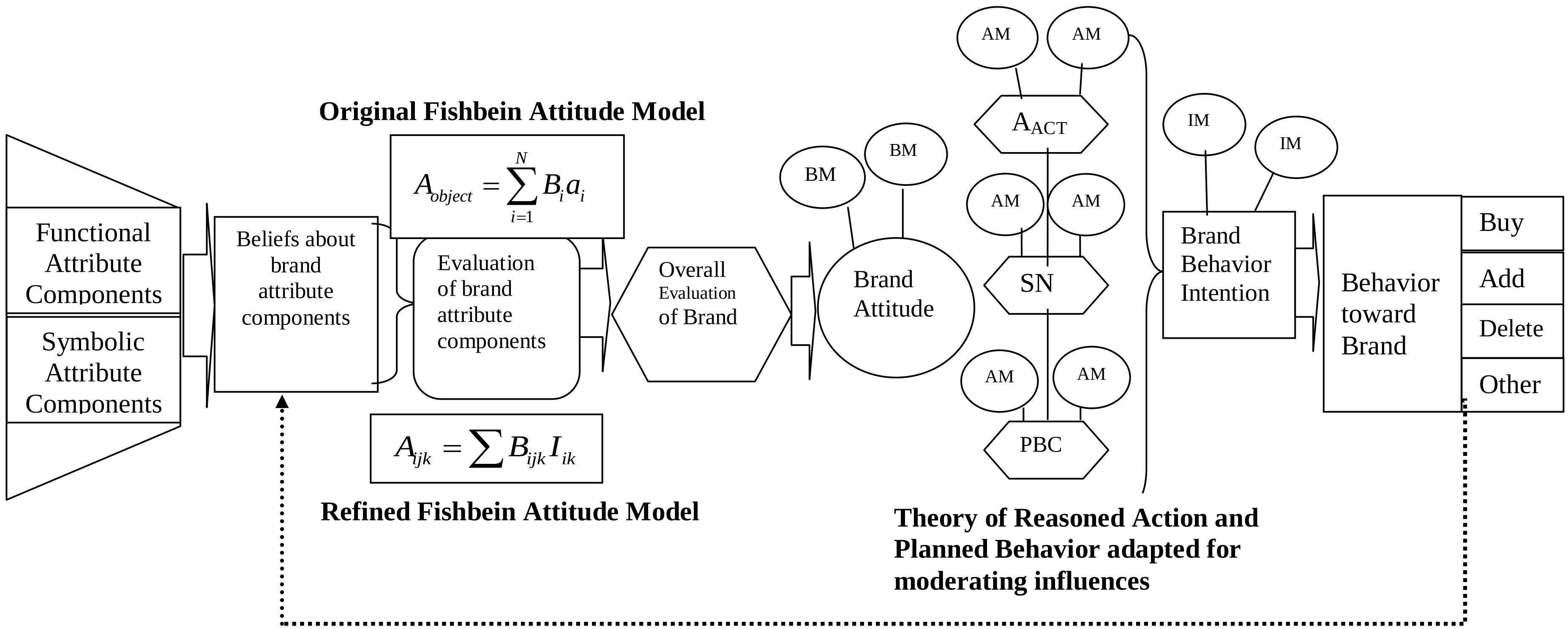
For purposes of understanding the ultimate impact on brand behavior it is useful to distinguish between a moderator and an antecedent. In the Theory of Reasoned Action and the Theory of Planned Behavior models, the antecedents include A_{ACT} *(i.e. AB)*, *SN*, and *PBC* while moderators include, for example, product knowledge (e.g. country-of-origin knowledge). In other words, antecedents are influencers on behavior while moderators affect the importance that each antecedent might have on behavioral intent or actual behavior.

Moderators may influence any of the three antecedents identified in the Model of Planned Behavior. For example, the attitude toward the act of buying the brand or product category may be moderated by a consumer's level of independence. Someone who feels it is embarrassing, for example, to purchase male birth control products, may select the brand whose packaging masks its contents. Consumers who tend to be followers or particularly concerned about *Confucian face*, for example, may make brand choices that meet others' approval or gain them public esteem. In this case *Confucian face* and tendency to followership are moderators of subjective norm. Perceived behavioral control is often moderated by product knowledge whereby those who perceive themselves as possessing a high degree of product knowledge may tend toward a more sophisticated brand whereas those suffering from a lack of perceived product knowledge may select a dummied-down brand version.

The net result of brand intention is assumed to lead to behavior toward the brand, yet there are also moderating influences at this stage of the behavioral process. Behavior outcomes may include the decision to buy the brand, add the brand to the future purchase repertoire, eliminating the brand from purchase consideration, or other behaviors such as talking to others about your own brand beliefs.

A number of researchers have contributed to the theories of attitudes and behavior by testing a variety of moderating influences designed to improve the predictability of behavioral intention (Brown and Stayman, 1992; Bennett and Harrell, 1975). These moderators can be seen to act indirectly on brand behavior by impacting brand attitude which may be labelled as brand attitude sub-moderators (*BM*) such as Attitude toward the Product Category (ATT_{PC}), as well as those impacting various antecedents to behavioral intentions which can be labelled antecedent sub-moderators (*AM*), and those impacting directly upon purchase intention which can be labelled brand intention sub-moderators (*IM*) such as, for example, the presence of in-store promotions of competing products. In a sense, attitudes, antecedents, and intentions exist within a "constellation of sub-moderators" as shown in Figure 2.5 below. The net result of the influences is a formed brand behavioral intention. It is assumed that *normally* brand intention will transform into action toward the brand such as buying the brand, deleting it from further consideration, adding it to the future purchase repertoire or other action unless one or more moderators of brand intention interferes with this transformation. Taking the sum total of the antecedents identified in the Theory of Planned Behavior (*SN*, *AB*, and *PBC)* as well as the many sub-moderators acting upon them along with their differing relative influences, it is not surprising that it is difficult for marketers to predict behavioral responses to marketing activities!

Figure 2. 5 An adapted multi-attribute model of brand purchase behavior



Source: Compiled from theories noted therein.

Where BM = brand attitude sub-moderators; AM = antecedent sub-moderators; IM = brand intention sub-moderators; A_{ACT} = Attitude toward the act of buying; SN = Social Norm; PBC = Perceived Behavioral Control

2.15 Brand and Product Involvement

Another factor which also influences a consumer's brand attitude and intention is the level of consumers' involvement in the acquisition of goods and services. Consumer involvement can be defined as "a person's perceived relevance of the object based on their inherent needs, values, and interests" (Solomon *et al*, 2008, p.100). It may also be defined as the motivation to process information (Zaichkowsky, 1985). Hynes and Lo (2006) and Richard *et al* (1988) defined consumer involvement as the perceived personal importance or interest attached to the acquisition, consumption, and disposition of a good, service, or idea. We can also define consumer involvement as the level of mental and physical effort expended in the process of product acquisition. This would include effort expended to process marketing communications, seek out information, digest product and brand information, patronize shopping locations, and the like.

2.15.1 Motivation and consumer involvement

Analysis of consumer involvement is related to motivation in that consumers who are more involved with products are more motivated to make purchases or otherwise participate in the buying process whether as a purchaser, decider, influencer, or user, for example. Zaichkowsky (1985) reasoned that involvement is a motivation construct and can be induced by one or more antecedents about the person, object, or situation. For example, an athlete may read everything on exercise equipment, nutrition, advertising for athletic shoe stores, and the like, while others ignore such information. This view was echoed by Knox *et al* (1994) who stated that involvement can provide a basis for a motivational force that can explain various outcomes of consumer behavior such as the number and type of choice criteria, extensiveness of information search, and length of the decision-making process.

2.15.2 Relevant forms of consumer involvement

Consumers experience involvement as cognitive perceptions and affective feelings of arousal (Peter and Olson, 2002). For marketers, consumer involvement has many dimensions and implications. This is because the level of actual consumer involvement relates to areas of critical concern to marketers. Some of these areas include the likelihood to pay attention to advertising and promotion messages, the extent of brand loyalty (Robertson, 1971), interest in product trial, extent of comparison between brands (Zaichkowsky, 1985), degree of information search (Robertson, 1971), and the way marketing messages are processed (Krugman, 1965; 1967), among other dimensions.

Three of the most often cited types of consumer involvement (Hynes and Lo, 2006) are those: that relate to the product; that relate to the communication message; and, that relate to the purchase situation. With product involvement, involvement relates to consumers' level of interest in a particular product category. With communication message involvement, involvement refers to the consumers' interest in processing marketing communications (e.g. TV is low, print media is high). The degree of consumer involvement in a specific product category is of major relevance to advertising strategy and other promotional strategies (Rothschild, 1979; Vaughn, 1980). For example, consumers with low levels of involvement would be less likely to engage in information search or be less interested in marketing communications related to a brand (Laurent and Kapferer, 1985). With purchase situation involvement, involvement refers to differences that may occur when buying the same object for different contexts (e.g. buying something for a girlfriend when she is with you).

We can analyze consumer behavior in terms of involvement, learning, culture, and other bases. Wills *et al* (1991) suggested that in many *Third World* countries, where incomes are relatively low, most purchases are relatively important, expensive, ego-related, and, thus, higher risk; therefore, consumers generally have a higher level of involvement in their purchases. Zaichkowsky (1985) further alluded to this arguing that in some cultures there may be strong social pressures on the individual, which would increase involvement. To Wills *et al* (1991) three concerns become particularly critical in multicultural marketing situations: (1) Does one culture or subculture impose more or less involvement than others on individuals?; (2) Is it possible for the relative importance of a specific product to vary according to the culture or subculture, making it high involvement in one and low involvement in the other?; and (3) How would high- and low-involvement products be advertised in different cultures?.

Along a similar vein, learning is considered to impact product choice (Johnson and Russo, 1984). In the *Western* world learning is based upon past experience and company-supplied consumer information but in many parts of the world learning may depend upon a network of friends, colleagues' opinions, or influencers who may be quite different from opinion leaders in the western model (Cosmas and Sheth 1980).[6]

2.15.3 Product-Brand Involvement Categories

A major dimension in which consumer behavior can be classified is the level of involvement that the consumer has in the decision process. The amount of cognitive thought or emotion in the purchase decision process is believed to vary by product category. Foote, Cone, and Belding developed an involvement and product typology matrix (see Figure 2.6) which classifies product categories according to the type of attitude component and involvement level. Laurent and Kapferer (1985) proposed a four-faceted profile of consumer involvement that included perceived product importance, perceived risk associated with the product's purchase, the symbolic value and the hedonic pleasure value of the product, which is similar to the FCB matrix.

Figure 2. 6 Foote, Cone, and Belding's (FCB) Involvement and Product Typology

		Cognitive	**Affective**
Level of Involvement	High	Product examples: Cars, New products Media: print, information board	Product examples: Jewelry, Motorcycles Media: TV, image-based
Level of Involvement	Low	Product examples: Meats, Household cleaners Media: 10-second ads, POS reminders	Product examples: Candy, Liquor Media: POS attention grabbing

Source: Adapted from Vaughn (1980).

2.15.4 Involvement and the Tri-components Attitude Model

Attitude researchers traditionally assumed that attitudes were learned in a fixed sequence consisting first of the formation of beliefs (cognitions) regarding an attitude object, followed by some evaluation of that object (affect), and then some action (behavior). Depending upon the consumer's level of involvement and the circumstances, though, attitudes can result from other hierarchies of effects as well. The relative importance of the three attitude components varies depending upon a consumer's level of motivation with regard to the attitude object. Attitude researchers have developed the concept of a hierarchy of effects to explain the relative importance of the three components. Each hierarchy specifies that a fixed sequence of steps occurs en route to an attitude. Three main Hierarchy of Effects models relating to attitude constructs have been proposed: high involvement purchase situation, low involvement purchase situations, and Zajonc's model of purchase situations (Solomon, 2008). These are further discussed below.

2.15.4.1 High involvement purchase situations - the Traditional Hierarchy

Beliefs (C) - Affect (A) - Behavior (B) --> Attitude based on cognitive information processing

Product decisions under a high involvement hierarchy would imply that the consumer approaches a brand choice as a problem solving process. First, consumers form beliefs by accumulating knowledge regarding relevant attributes or communication messages. Second, the consumer evaluates these beliefs and forms a feeling about the product, an affective evaluation (liking/disliking), and over time a brand preference is formed. Third, based on the evaluation and his formed brand preference he engages in a relevant behavior such as finding out where the product is sold or buying the brand.[7]

2.15.4.2 Low involvement purchase situations

Beliefs (C) – Behavior (B) – Affect (A) --> Attitude based on behavioral learning processes

A consumer with only a lukewarm interest in the attitude object, for example, a particular brand of alcohol, may collect only a minimal amount of information (thereby forming at least a preliminary belief) before acting (behaving) and has an emotional response only after consuming the beverage (enjoyed the taste). This attitude is formed via a low involvement hierarchy of effects. In such situations the consumer initially has no strong brand preference. The consumer acts on the basis of limited knowledge and then forms an affective evaluation (liking/disliking) only after the fact. The attitude, therefore, comes through behavioral learning.[8]

2.15.4.3 Zajonc's Model of Hedonic Consumption Involvement model

Affect (A) – Behavior (B) – Beliefs (C) → Experiential Hierarchy of Effects.

This model stresses the significance of emotional response as a central aspect of an attitude where attitude is based on hedonic consumption. According to the experiential hierarchy of effects, consumers act on the basis of their emotional reactions. Under this perspective, attitudes can be strongly influenced by intangible product attributes such as package design and by consumers' reactions toward accompanying stimuli such as advertising and even brand name. Brand beliefs may then be formed or perhaps reinforced based on behavior.

2.15.5 Classifications of Involvement

As we discussed above with respect to different attitudes toward an attitude object, we can identify different platforms of involvement toward involvement objects. Such platforms may include advertising involvement, product involvement, and purchasing involvement (Chen and Lin, 2005). To understand the difference between these three involvements, Lin and Chen (2006) further divided them into situational involvement, enduring involvement, and response involvement. Lin and Chen (2006) considered the effect of product involvement, which relates to the importance that consumers attach to the product and their level of interest in it. They examined the influence of country of origin, product knowledge, and product involvement on purchasing intentions in the insurance and catering industries in Taiwan. They found that country-of-origin image (discussed further in Section 2.16), product knowledge, and product involvement have a significantly positive influence on consumer purchase decision. They further found that country-of-origin image and product knowledge have significantly positive influences on consumer purchase decisions under different product involvement levels. Further, they concluded that the influence of a brand's country of origin increases when the consumer's interest or involvement in the product is higher.[9]

2.15.6 The de Chernatony and McWilliams Model of Involvement Typology Matrix

The de Chernatony and McWilliam's (1989) model clearly highlights the levels of involvement based on functional and representational brand characteristics. This model consists of two dimensions which conceptualize brands in terms of the extent to which they satisfy performance or functionality needs (e.g. Tide clothing detergent) and personal expression or representationality needs (e.g. Gucci handbag). The impetus for this model was to assist marketers in developing more effective brand strategies by explicitly recognizing, and acting upon, the main reasons their brand is being bought whether for its emotional or functional satisfactions (de Chernatony and McWilliam, 1990).

Following the basis of the Saurazas's (2000) research, this study also applied the de Chernatony-McWilliam model to examine moderators with respect to a variety of involvement categories. This is because differences in involvement for purchasing decisions usually occur at the category level and not the brand level (McWilliam, 1997).[10] Low-involvement decisions such as purchasing bottled water require little effort whereas high-involvement decisions such as mobile phones purchasing require expending more thought and effort. With high-involvement purchases we can distinguish between one that is a high-price-ticket item, one that is a complicated purchase, and one that is a high-emotion purchase regardless of price. This framework is used in Chapter 5 as a basis for selecting product categories for the empirical components of the thesis. Throughout this thesis, reference is made to cells 1 to 4 which refers to the specific cells within the involvement matrix (see Figure 2.7).

Figure 2. 7 The de Chernatony-McWilliam Functional-Representational Benefits Matrix

High Functionality	(Cell 3) These brands are purchased primarily because of their utility: toothpaste, white appliances, banks (ATMs)	(Cell 4) These brands are perceived as providing functional excellence and good non-verbal communication: hypermarkets, mobile phones, perfume
Low Functionality	(Cell 1) These brands are the closest to commodities and purchasers are not really concerned about expressing themselves nor about particular functional needs: household cleaners, bottled water, cooking oil	(Cell 2) These brands are purchased more for symbolic reasons than for product utility: ice cream tubs, specialty chocolates, potato chips
	Low Representationality	**High Representationality**

Source: Adapted from Saurazas (2000).

This model is similar to, though not an exact replication of, the FCB involvement model. The low -representationality quadrant mimics the cognitive-affective dimension, while the functionality dimension represents the involvement dimension. We can intuitively hypothesize that products with a high representationality or a high functionality characteristic are more involving. The Involvement matrix considers Cell 2 as low involvement. This seems reasonable if we consider that they may be related more so to habitual purchases yet we can conceive of them being considered as reward purchases which have more representational characteristics.

2.16 Country of origin as a moderator of brand intention

At the brand or product-choice stage in the Engel-Kollat-Blackwell (EKB) consumer decision process, heuristics or mental shortcuts are often employed by consumers. Heuristics are product signals or cues that infer hidden dimensions of products from observable attributes and may include brand name, country of origin, price, and the retail outlets that carry the product, among many other cues (Solomon *et al*, 2008). Huber and McCann (1982) argued that consumers are particularly prone to using the country of origin to infer the quality of products of brands that are unknown to the consumer (Huber and McCann, 1982).

2.16.1 Definition and concept of country-of-origin

Among the earliest theorists involving the country-of-origin cue, Dichter (1962, p.116) felt that a product's country of origin may have a "tremendous influence on the acceptance and success of products". Country of origin (COO) can be defined in several ways. In the simplest interpretation it refers to the country where the brand is researched, designed, developed, and manufactured. Extant research distinguishes four types of COO: country of parts, country of assembly, country of design, and country of manufacture (Insch and McBride, 1998; Chao, 1993). Papadopoulos *et al* (1993) defined a product's COO "as the country of manufacture or assembly". Bilkey and Nes (1982) defined the COO by using the term "Made in" where a product's country of origin is simply the country of manufacture or assembly. Baker and Michie (1995) argued that globalization and the enormous growth of multinational companies have blurred the accuracy and validity of "Made in" or "Manufactured in" labels. This argument was supported by Lin and Chen (2006) who suggested that COO can refer to either country of origin or country of manufacture (COM) because the distinction often becomes blurred.[11] Perhaps most commonly, COO refers to the country in which the brand was first established (Kwok et al, 2006; Ozsomer and Cavusgi, 1991; Peng and Zou, 2007). This is the definition of the brand origin concept adopted in this paper.

Country-of-origin effect (COE) is often used interchangeably with the construct of country image. Generally, the COE is the perception about a country and its effect on a person's evaluation of its products and brands. Cateora *et al* (2009, p.363) defined the COE as "any influence that the country of manufacture, assembly, or design has on a consumer's positive or negative perception of a product". Saeed (1994) defined country-of-origin effect as any influences or preferences caused by COO and/or COM.

Research on COO, also known as product country image (PCI), began 40 years ago and remains an important strategy component in international marketing and business (Laroche *et al,* 2005). Nagashima (1970) defined the image that consumers associate with a given COO as "the picture, the reputation, and the stereotype that businessmen and consumers attach to products of a specific country" (Knight, 1999). Country image may be thought of as the perception about particular products from a country derived from a group of product attributes (Bilkey and Nes, 1982). Moreover, it reflects consumers' perceptions about the quality of products made in a particular country and the nature of people from that country. According to Knight (1999), country image is created by such indicators as representative products, national characteristics, economic and political background, history, and traditions.[12] Country image may impact at three levels: overall country, general product-country, and specific product country (Bilkey and Nes, 1982). In some instances consumers may evaluate all products generally good or bad based on the country of origin while in some cases consumers may evaluate only specific product categories as generally good or bad from a given country.

It is assumed that consumers' product evaluations and purchasing intentions may be influenced by their country image stereotypes (Peng and Zou, 2007). With hundreds of studies published since the 1960s (Verlegh and Steenkamp, 1999; Laroche *et al*, 2005; Pharr, 2005; Peng and Zou, 2007), the country of origin has become one of the most significantly researched concepts in marketing and consumer behavior. Peter and Olson (1987), Olson and Jacoby (1972) and Insch (2003), among others, have examined COO as an information cue.[13] One of the reasons for the interest is because marketers wish to know the extent of the influence that COO has on brand intention. In the context of a developing country, it is often hypothesized that COO is a key moderator of purchase behavior. Information cues of a product consist of both intrinsic and extrinsic cues. Intrinsic cues are viewed as the physical components of products such as texture, color, fit, flavor and so on.[14] Consumers may also use extrinsic cues to help them to make a judgment for their evaluations of a product. The source country is assumed to be an extrinsic information cue when making product evaluations and brand choice (Kwok, et al, 2006). The main assumption behind the extrinsic cue is that in a developing country products sourced from developed countries are perceived to be superior due to a combination of economics, political maturity, level of technology and industrialization, and similar factors (Lin and Chen, 2006).

2.16.2 Country of origin and brand decision

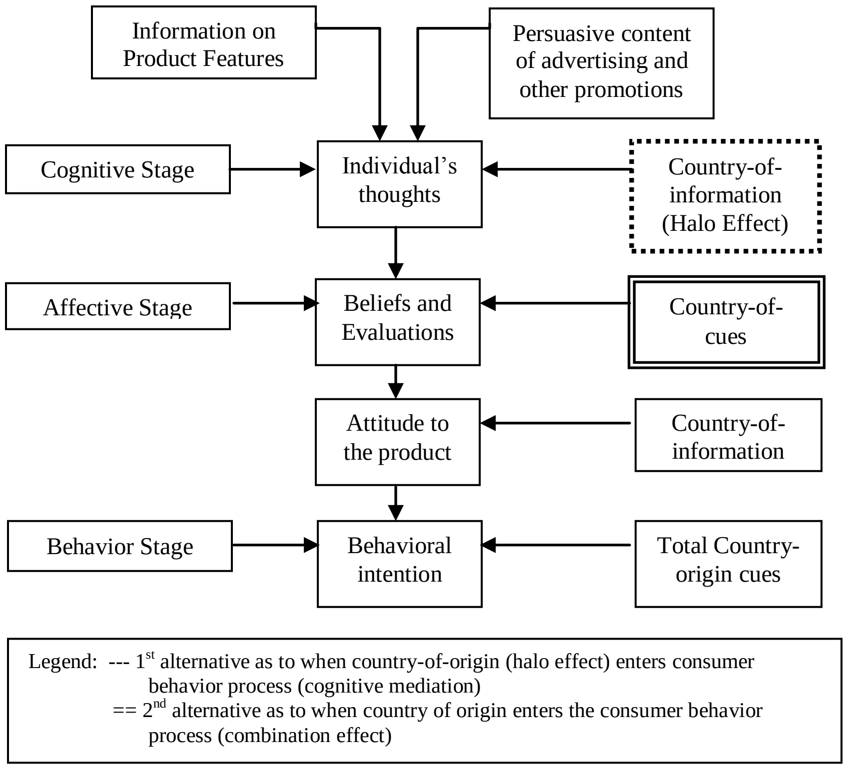
In evaluating a product, there are three separate ways by which the COO could affect the individual's judgment of a brand (Young, Sauer and Unava, 1994): (1) the halo process; (2) beliefs about brand attributes, and; (3) purchasing intentions.

2.16.2.1 The Halo Process – impact on brand behavioral intention

When consumers are not familiar with the products of a country, the country image may act as a *halo* that directly affects their overall evaluation of them (Erickson *et al*, 1984; Johansson *et al*, 1985) [see Figure 2.8]. Han (1989) demonstrated that COO serves as a *halo* in consumers' product evaluations when they are not familiar with the products or do not have enough product information because they are not able to determine the true quality of the product before purchase. Even though consumers may like the features of a product, they may revise and lower their perceptions of a brand if the brand originated in a country that does not have a good reputation for producing quality products. In this case the name of the country is the cue that triggers positive or negative feelings. Samli (1995) and Siu and Chan (1997) found, for example, that in a study of Hong Kong consumers, American products were regarded as prestigious, Japanese products as innovative, and Chinese products as cheap. Hanssen and Johansson (1991) found that Japanese products, especially high technology products, have a well-known reputation all over the world. Thus, when a consumer knows little about a product class, they may choose a Japanese brand due to this perception. Piron (2000) demonstrated that a country's name stimulates consumers' feelings that are transferred on a product when they decide to purchase an unfamiliar brand.

A negative halo effect may impact developing countries such as Thailand, China, and Vietnam that do not yet have a good reputation for producing high quality products which inhibits overseas consumers from purchasing products originating from those destinations. National characteristics, economic and political background, history, and traditions of these countries can affect the country image (Knight, 1999). Wang and Lamb (1983) accepted that typically developing countries have a lower reputation than developed countries. However, Han (1989) argued that a negative halo effect can be reduced if consumers are provided more product knowledge about the brand (Han, 1989).

Figure 2. 8 The Halo Effect of the Country-of-Origin Cue



Source: adopted from Young, Sauer, and Unava (1994). Revised by Samli (1995).

2.16.2.2 The Summary Construct Model

Another representation of the halo effect on brand/product evaluation is the Summary Construct Model. Han (1989) argued that when the consumer is very familiar with a specific country's product he assigns product associated information to that country causing a summary construct effect. This effect would indirectly impact attitudes toward the brand being considered. Han's (1989) original summary construct model demonstrated that the COO image summarizes beliefs about product attributes which directly affect brand attitudes. Consequently, brand attitudes can contain information as a summary construct.

The summary construct view shows that consumers try to summarize information in a way that makes it easier to store and keep in long term-memory because short-term memory has limited capacity (Han, 1989). Thus, when consumers are already familiar with a country's product, it may assimilate information into country image. Then, when confronted with products that are manufactured from the same country having attributes similar to those of products already assimilated in prior memory, consumers may infer the quality of products by using the country cue stored in memory (Knight and Calantone, 2000). Additionally, Johansson (1989) argued that the country of image as a summary construct provides a good connection between product familiarity and the use of COO cue in product evaluations (Laroche *et al*, 2005). For example, if Japanese consumers feel they have adequate knowledge about General Motors (US) vehicles and believe them to be of low quality, they may infer that Ford (US) vehicles are also of low quality as well (Knight and Calantone, 2000).

However, the summary construct model may be product specific. For example, if consumers wish to purchase cosmetics or luxury clothing products they may first consider French brands. This is because the country cue may cause them to infer that France is superior in producing such fashion products yet the same consumers may not want to purchase cars or computers manufactured in France. This is supported by a study by Bilkey and Nes (1982) who found that attitudes toward products from a particular country differ by product category. Kleppe *et al* (2002) further argued that the transference of country equity may apply to different brands and product categories depending upon the degree to which the country image is multifaceted. Some countries, for example South Africa, are known for just a few product areas such as diamonds whereas a country like Japan has a multifaceted image in electronics, appliances, automotives, and personal care, among many others.[15]

2.16.2.3 Product attribute beliefs, intentions, and the Tri-components attitude model

Samli (1995) argued that beliefs about a product's features or attributes are directly influenced by COE. This theory, known as cognitive mediation process, argued that attribute beliefs, which are already influenced by COO information at the cognitive stage, mediate changes in attitudes toward the product.

Young *et al* (1994) argued that COO can influence behavior directly without mediating effects of product attributes or attitudes. Analyzing this through the Tri-components Model of behavioral intentions indicates that COO cues may be received before or at the behavior stage. If the cues are received at the cognitive stage it may affect consumers' thoughts on product attributes. If the cues are received at the affective stage it may affect consumer beliefs and evaluations whereas if the cues are received at the behavior stage it may either reinforce product attribute beliefs or negate them (Samli, 1995).

Papadopoulos *et al* (1993) also felt that consumers' perceptions of COO can manifest themselves through the components evident in the Tri-components Model of consumer attitudes, namely: cognitive, affective, and conative components. Cognition is about the mental process of knowing, including aspects such as awareness, perception, and reasoning. A cognitive component involves consumers' knowledge and the perception about specific products and brands. For example, consumers may organize information which is related to product categories that are manufactured in a given country. For instance, Germany is associated with producing quality electrical household appliances and vehicles because it is viewed as high-technology country and possesses highly skilled labor. Also, Japan is associated with cameras and televisions and the U.S.A. with sport-related articles and computers (Hamzaoui and Merunka, 2006). Hence, consumers may rely on these perceptions of product categories in a given country such as Japan and Germany when they purchase a high-technology product like cars or televisions. An affective component involves consumers' emotions or feelings. In this context, consumers consider the affective component as favorable or unfavorable toward a country or a country's people. For example, New Zealand consumers hesitated to purchase highly-rated French products as France was opposed to Greenpeace in New Zealand territory (Beverland and Lindgren, 2002). A conative component consists of behavior acted upon perception of brand origin. Ahmed and d'Astous (1993) reasoned that if a sourcing country has a desirable image it will have an effect on consumers' evaluation of product quality. For example, in Canada, a Ford made in Japan is perceived to be of high quality. On the other hand, Ahmed and d'Astous (1993) found that in Belgium, a Ford that is made in Japan is less positively perceived than a Ford that is made in Belgium. Behavior thus occurs based on superficial beliefs.

2.16.3 Review of research on effects of country of origin and their role in product evaluation
The increasing competition among multinational companies worldwide has raised the interest of researchers and increased the amount of research done with respect to COO and its impact on consumer purchasing behavior. However, although the amount of COO research has increased, studies that investigate product perceptions of consumers in developing countries and newly emerging economies are relatively scarce (Kaynak and Kara, 2002).[16]

Hugstad and Durr (1986) found that most American consumers under 35 years old considered it unimportant to assess where their purchases come from. However, they found this condition varied across product categories where 74 percent of consumers studied considered country of origin as a relevant factor when purchasing a car, while only 20 percent of consumers surveyed found it relevant when purchasing a T-shirt. Hester and Huen (1987) found that only 25 percent of Canadian and 20 percent of American consumers were aware of the origin of their purchases, 65 percent of Canadians and 52 percent of Americans had no idea of their manufacturing origin, and only 11 percent were both concerned that their purchase was made in their own country. Usunier (2002) found that only 35 percent of French consumers knew the origin of their last product purchased, and only 16 percent had a preference for national manufacturing at the same time.

Some studies have found that when COO cues were combined with other cues, the COE dropped significantly. A meta-analysis of 52 country-of-origin studies by Peterson and Jolibert (1995) showed that the average COE with respect to quality and reliability perception was 0.30, measured as an index, when considering only COO as a single cue; however when multiple cues such as brand, price, and store were added to COO, the quality and reliability perceptions dropped to 0.16.

Other factors related to COO also impact buyers' purchasing perceptions. For instance, if people feel animosity toward a country as a result of factors such as its political or social policies, they also may react negatively to the products it manufactures (Hong and Kang, 2006). Knight (1999) studied consumers' perceptions of different classes of products from 25 countries. Knight (1999) found that respondents had positive attitudes toward products that were made in their own countries, especially developed countries. However, the COO was not the only factor affecting buyers' purchasing perceptions but there are still other cues such as brand name, price, reliability, and durability as well. Therefore, consumers could be attracted to choosing foreign brands without considering country of origin if quality and price considerations were sufficiently favorable (Knight, 1999).

Verlegh and Steenkamp (1999) confirmed that COO has a much larger effect on perceived quality than on attitude toward the product or purchase intention. Ulgado and Lee (1998) also found that consumers in USA and Korea use information related to key product attributes rather than COO information to form purchasing intentions.

Usunier (2006) argued that multinational corporations try to de-emphasize the origin of goods since the system of their global sourcing is based on low-cost manufacturing countries, where the country of manufacture usually has a lower quality image among consumers. In order to reduce the poor image of manufacturing countries, multinational corporations tend to emphasize the country of brand (COB) rather than emphasizing the manufacturing origin.[17] Usunier (2006) argued that brand names now carry more weight with consumers than COO does because brands can convey a great deal of information (Usunier, 2006). Consumers, for example, often assume that Häagen-Dazs is a Danish or Hungarian ice cream when in fact it is an American ice cream made by Pillsbury with headquarters in Minneapolis (Leclerc *et al*, 1994). Moreover, it is considered by many consumers to be an ultra-premium brand.

Appendix XII summarizes some of the studies done by other researchers on COO.
Some research has found that even though country of origin has an influence on consumer perceptions its influence on purchasing intentions is weak (Ettenson, 1993). Klein *et al* (1998) found that the state of political relations between two countries may impact consumers' willingness to buy products from the country either positively or negatively.

Most of the studies found that consumers have positive evaluations of products originating from more-developed countries and less favorable perceptions of products and brands originating from less-developed countries compared to their home country. Yet, consumers from developed countries do not necessarily have positive COO perceptions of products from other developed countries. Papadopoulos *et al* (1993) found that consumers from the Netherlands, France, Germany, and Greece have strong and positive attitudes about Japanese products but products from Western countries are not viewed the same way.

Traditionally, Chinese consumers have had a strong preference for foreign products because they perceive foreign brands to be of a higher quality. Chinese consumers have associated foreign brands with concepts of sophistication, prestige, modernity, and novelty (Cui and Liu, 2001). Wang (2003b) found that in terms of evaluating a country's image, Chinese consumers had a favorable image of the US and an unfavorable image of China. Chan *et al* (2009) studied competition between foreign and Chinese domestic brands and found that purchases of foreign brands in both consumable and durable goods vary greatly across geographic markets and product categories. They highlighted three reasons why a product's brand origin is so important to a Chinese consumer's purchase decision. The first reason is that developed countries' product are usually more functional than Chinese products; second, due to superior perceived quality of foreign brands, and; third, due to peer pressure since, they argued, Chinese care more about *face* than most other countries, generally.

However, even though many consumers in developing countries have a negative perception toward domestic products, Chinese consumer attitudes are in the midst of changing (Melewar *et al*, 2004; Kwok *et al*, 2006). Melewar *et al* argued that the shift from brand name (and origin) being significant to real value is the emerging reality even among higher technology products.

In a study of Shanghai consumers examining COO across several product categories, Kwok *et al* (2006) found that Chinese consumers generally preferred domestic brands over foreign brands especially in the grocery category. This retrenchment of preference for foreign brands may be due to competitive stimulation which has contributed to improved product quality, more complex marketing, and government protection (Kwok *et al*, 2006). Yet, their follow up panel data tracked over a six-month period found that consumers' stated brand preference was not always reflected in actual purchase behavior. Kwok *et al*'s (2006) study, however, attempts to extrapolate behavior based on a study of solely Shanghai consumers, which in the context of China's differentiated society may lead to unwarranted conclusions. As the authors pointed out, using a convenience sampling of university students makes it unfair to conclude that results accurately reflect the general population of Chinese consumers. Moreover, limiting the study to fast moving consumer goods may contribute to the preference for purchasing domestic brands because in many cases the local market is quite well served in many of the product areas.

If the primary conclusion of Kwok's study is correct, however, then if developing countries like China are able to improve their products as well as develop and execute more sophisticated marketing for domestic brands, they will have an opportunity to change domestic consumers' perception. Kwok *et al* (2006) argued, for example, that it is strategically astute for brand managers of local brands to capitalize on the apparent preference for local brands and to enhance positioning of local brands by emphasizing their Chinese origin.

In short, previous research shows that the COO influences consumer perception toward product brands.

2.16.4 Sub-moderators of the COO effect

Several moderators of the COE have been researched to determine their impact on purchase behavior. Among these are the product category, multicultural competence, product complexity, subjective norm, and ethnocentrism.

2.16.4.1 The sub-moderating role of product category

A brand's COO is expected to influence consumers' evaluation of luxury product categories more so than necessity products. Typically, luxury items have a degree of exclusivity and are usually more expensive thus carrying a higher monetary risk than necessity products (Piron, 2000). According to Piron (2000) the risk of a bad purchase and the high values of luxury products are characteristic of a sophisticated purchasing task; therefore, purchasing decisions are becoming more complex and the importance of a luxury brands' country of origin more important. Phau and Suntornnond (2006) showed that, in the case of luxury products, knowing the COO can impact consumers' evaluation of product attribute ratings. They found that for luxury products, introducing the COO changed the rating of all attributes for sports cars and for six out of seven attributes for home theater systems. In contrast, introducing the COO for necessity products changed the rating for only two of seven attributes for sunglasses and three of seven attributes for toothpaste. The Phau and Suntornnond (2006) study thus revealed that knowledge of a brand's COO influences the choice in luxury product categories while it moderately influences the brand choice in necessity products categories.

2.16.4.2 The sub-moderating role of multicultural competence

Zou and Peng (2007) in a study of Chinese consumers found that multicultural competence significantly moderates brand-of-origin effect on purchase decision. They relied on Arthur *et al's* (2005) definition of multicultural competence which refers to the ability to recognize, understand, and respect cultural differences and use multicultural knowledge. To measure multicultural competency, they used Need for Cognitive Closure (NFCC) which Arthur *et al* refer to as an individual's desire for clear, definite, or unambiguous knowledge to guide behavior. Using NFCC as the metric they found those with lower levels of multicultural competence (i.e. where NFCC was high) relied more on simple decision heuristics such as COO to guide brand choices. Conversely, for consumers with high levels of multicultural competency (measured as low NFCC) they found that other product attributes were more important to the purchase decision thus making these consumers less susceptible to COE.

2.16.4.3 The sub-moderating role of product knowledge

Some attitude studies have shown that behavioral intention may not be reflected in actual purchase behavior. Kwok *et al* (2006) demonstrated this in their COO investigation in China. They found that while in many instances Chinese consumers stated a preference for local brands, consumers who intended to purchase local brands did not do so significantly more than consumers who did not intend to purchase local brands. In postulating why, they proposed that limited (imperfect) product knowledge may cause consumers to inadvertently not act in the way they intend. The consumer's own expertise with the product category moderates the effects of the COO attribute. When other information is available, experts tend to ignore COO information whereas novices continue to rely on it. However, when other information is unavailable or ambiguous both experts and novices rely on the COO cue to make a decision (Solomon *et al*, 2008). Laroche *et al* (2005) found that despite many imported products in Thailand, consumers have little or no knowledge about foreign product attributes and therefore use indirect evidence such as the COO to evaluate products and brands. Hong and Kang (2006) found that if a product's COO has a poor reputation for product quality, consumers may have a negative perception of brands manufactured there especially for a developing country.[18]

At the same time, globalization has resulted in more international firms incorporating product components from many different countries. Due to this, the definition of "Made in" has become unclear and ambiguous. For example, Sony is a Japanese manufacturer but some components of its product are assembled in Singapore (Al-Sulaiti and Baker, 1998). Therefore, a product assembled in Singapore would be labeled "Assembled in Singapore" and a product assembled in Japan would be labeled "Made in Japan" (Al-Sulaiti and Baker, 1998). Hybrid products can therefore be designed in one country, manufactured in another, and assembled in others. This may confuse consumers as to the product's true (COO) and thus impact consumers' evaluation.   Lim and O'Cass (2001) similarly argued that a product's COO is becoming less important as hybrid products are becoming dominant in the global market place.

2.16.4.4 The anteceding roles of Subjective Norm, A_{ACT} , PBC

Chiou's (2000) study on the relationship of attitudes and behavior among American and Taiwanese college students found that subjective norm (i.e. social pressure) and *PBC* had anteceding effects on purchase intention but that cultural influence on the relationship between attitude toward the act and purchase intention tended to limit the relationship. This is because of the influence of elements of collectivism in Taiwan society. That is to say that the predictive power of attitudes on behavior is limited due to the constraints that social mores may have on purchase behavior.

Chiou's (2000) discussion of the Theory of Reasoned Action may also offer insight into why consumer's intention and behavior may differ; that is, of the three postulates of the model (attitude toward the act of purchase, subjective norm, and the degree of perceived behavioral control) the third postulate may be composed of two components: the availability of resources (especially money and time) and the person's self-confidence in the ability to perform the act. An absence of either of these two components may cause the actual behavior to be different from the intended behavior.

2.16.4.5 The moderating role of ethnocentrism

Another perspective considers consumer ethnocentrism (discussed further in Section 2.17) as a moderator of COO (Zou and Peng, 2007; Shoham *et al*, 2006). Some researchers have found that Chinese consumers' ethnocentrism was positively correlated to favorable attitudes toward local products (Wang, 2003). Moreover, it has been observed that the degree of the COE is negatively correlated with a consumer's familiarity with the product and the product's COO (Hong and Yi, 1992; Maheswaran, 1994). That is, the more familiar a consumer is with a product and its origin the less impactful the COE is on their brand decision.

Studies have shown that consumers may tend to have a relative preference for products from their own country or may tend to have a relative preference for, or aversion to, certain products that originate from certain countries due to their country image stereotypes (Nagashima, 1970; Solomon *et al*, 2008). This is further discussed in Section 2.17.

2.16.4.6 Limitations of COE

Despite much research on possible COE on brand choice most of them only measure the COE as a single cue. As discussed above, single-cue versus multiple-cue evaluations may produce different impacts on consumers' overall brand evaluations (Pecotich and Rosenthal, 2001). A single cue such as the COO is just one piece of product information used in consumers' evaluation. Multiple cues are additional product-related information such as brand name and price used in consumers' evaluation. Pecotich and Rosenthal (2001) showed that single-cue models show more inconsistencies compared to the multi-cue models (such as price, and packaging) when determining brand choice.   Ahmed *et al* (2002) found that both a single cue and multiple cues have an effect on purchasing decisions towards foreign products and domestic products of consumers; however, consumers will generally depend on multiple cues such as brand name, price, and reliability. They further found that multiple cues such as brand name and warranty reduce the strength of the COO effect (Ahmed *et al,* (2002).

2.16.4.7 Other COO Sub-moderators

Other factors have an influence on consumers' perception toward foreign products. Such sub-moderating effects include level of education, socio-economic class, age, and level of income of consumers. Social-economic class has been identified in the cross-culture literature as a key factor in how people feel about foreign products. Socio-economic class refers to the ability to purchase, level of income, world awareness, affluence, social status and power (Jin *et al* 2006). Jin *et al* (2006) reason that people from the upper social classes, in most societies, have more access to information, travel more often, have a wide range of knowledge, and are exposed to other cultures. Therefore, consumers from these classes are likely to be more aware of multinational brands and foreign products (Jin *et al*, 2006). With respect to income, Jin *et al* (2006) argued that brand evaluations are also associated with consumers' income and higher income consumers show preferences toward foreign brands. On the other hand, Paswan and Sharma (2004) similarly argued that people from lower social classes typically, have low incomes, have limited product information, are less familiar with multinational brands and, thus, are less likely to purchase foreign brands.

Al-Sulaiti and Baker (1971) concluded that *older* age groups perceived foreign products as relatively inferior when compared to consumers from *younger* age groups. Most females also evaluated foreign products higher than males, generally. Research from Hugstad and Durr (1986) showed that seventy percent of respondents under 35 years old said they ignored the country of origin when making brand choices. Lin and Sternquist (1994) concluded that males rated countries producing technologically-oriented goods higher than other countries (e.g. car and home entertainment equipment). On the other hand, females rated products highest for countries which were producers of fashion products. Lin and Sternquist (1994) also found that consumers with higher levels of education had a greater preference for foreign products than those with limited education. They further found that non-Caucasian consumers rated products from Africa, Latin America, and India better than Caucasian consumers while Caucasian consumers rated products of North America better than non-Caucasian consumers.

2.17 Consumer Ethnocentrism

The marketing concept, *consumer ethnocentrism*, is adapted from the general concept of ethnocentrism introduced by Sumner (1906). Consumer ethnocentrism is the tendency to prefer products or people of one's own culture over those from other countries (Solomon *et al* ,2008). Ethnocentrism can also be viewed as a purely sociological concept where one believes that his own group (the in-group) is superior to other groups (the out-groups) (Adorno *et al*, 1950) or, in other words, a person regards his own culture as superior to that of others (Czinkota and Ronkainen, 1998). Shimp and Sharma (1987) defined consumer ethnocentrism as the beliefs held by consumers about the *appropriateness* of purchasing foreign-made products in place of domestically-made products. Highly ethnocentric consumers tend to have a positive evaluation toward products manufactured from their own country while rejecting foreign products (Kaynak and Kara, 2002). An ethnocentric consumer, therefore, either believes that his country's products are generally superior to those from other countries or believes there is a moral obligation to purchase domestically-made products and brands. On the other hand, for non-ethnocentric consumers, all products are evaluated without consideration of where the product was manufactured (Shimp and Sharma, 1987). Solomon’s more general definition above is the working definition of consumer ethnocentrism in this paper.

Notwithstanding the above definitions of ethnocentrism it is important to correctly characterize what one means by consumer ethnocentrism. Solomon *et al*'s (2008) definition does not specify why, for example, ethnocentric consumers prefer their own country's products. Shimp and Sharma (1987) alluded to patriotism in their definition but purchasing for patriotism and purchasing for perceived 'preference' are two different things. The first, patriotism, may draw a consumer to purchase an inferior product despite knowing he is purchasing an inferior product. In the second instance, domestic product preferences results from a belief that domestically-produced products and brands are naturally superior.

In a general sense, from a developing country or a transitional economy perspective, we can conceive of country of origin and consumer ethnocentrism as opposite ends of a spectrum. On the one hand, consumers’ behavior consciously reflects a cognitive evaluation that products made from foreign countries are mostly better. This contrasts to the affective evaluation at the other end of the spectrum that consumers’ behavior reflects a preference for products and brands made domestically. At either end of the spectrum behavior is moderated by product category. The origin-ethnocentrism effects are more likely relevant to brand choice versus product choice. Origin effects come into play more likely at the brand choice level rather than product category level whereas ethnocentrism effects more likely come into play first at the product level then at the brand choice level. For example, an ethnocentric Chinese consumer may refuse to drink coffee preferring tea since tea is a Chinese drink and coffee is a "foreign" drink. Consumers operating under country of origin effects prefer foreign brands regardless of category and the impact of origin effects is more likely evenly spread over both product and brand choice. For example, a Chinese consumer impacted by country-of-origin effects may decide to go for a coffee because it's a "cool" thing to do and so chooses the flashy Starbuck's store located in the lobby of an ultra modern Shanghai office building as his brand choice.

Alternatively, Craig and Douglas (2005) considered world mindedness as being at the other end of an ethnocentrism spectrum. Yet, for some scholars (Horn, 2009), ethnocentrism is the opposite end of a product adoption and diffusion spectrum. In Horn's conception, ethnocentrism serves as a barrier and moderator of product adoption and serves to detract from the extant consumerism evident in China. Japanese brand managers in China are sometimes impacted by the first meaning of the definition as Horn (2009) maintains that a persistent anti-Japanese sentiment is prevalent in China due to history. Some examples of direct consequences have included mass demonstrations, consumer boycotts against Japanese goods and the banning of Japanese goods by local retailers.

The degree of preference for one's own country's products can be measured on the Consumer Ethnocentrism Tendencies Scale (CETSCALE) developed by Shimp and Sharma (1987). The 17-items scale was designed to measure consumer ethnocentrism tendencies on purchasing foreign products compared with domestic products (Hult and Keillor, 1994). The CETSCALE identifies ethnocentric consumers by their extent of agreement with items such as the following: purchasing of foreign-made products is un-Canadian; curbs should be put on all imports, and; consumers who purchase products made in other countries are responsible for putting their fellow citizens out of work. Some research using the CETSCALE shows a high degree of validity and reliability (Sharma *et al*, 1995; Good and Huddlestone, 1995; Klein, Ettenson, and Morris, 1998; Huddlestone, Good, and Stoel, 2000). Previous studies regarding consumer ethnocentrism by Okechuku (1994) and Wang and Lamb (1980) showed that in developing countries, people tend to buy domestic products even though lower on quality compared to imported products. Research by Darling and Kraft (1977) reported that Finnish consumers evaluated imported products lower than domestic products because of loyalty and pride in their country's products (see Appendix XIII**).** Gaedeke's research (1973) showed that US consumers tended to rate domestic products higher than foreign products because of patriotism (Lin and Sternquist, 1994). Such evidence shows that some consumers, particularly those from more developed countries, prefer to purchase domestically-produced products (Elliot, 2006).

2.17.1 Antecedents of Ethnocentrism

Several antecedents of consumer ethnocentrism have been identified in various studies. Consumers who tend to be less ethnocentric are those who are young, male, better educated, and have higher income levels (Balabanis *et al*, 2001; Good and Huddleston, 1995; Sharma *et al*, 1995).

The influence of consumer ethnocentrism on purchase decisions is also likely to be moderated by several factors. For example, the extent of the influence of consumer ethnocentrism likely differs across product categories (Roth and Romeo, 1992; Sharma *et al*, 1995). The consumer ethnocentrism effect may also be moderated by level of involvement. The effect, for example, upon purchase decision for high-involvement products such as mobile phones would be higher than with low-involvement products such as cooking oil. Product category and involvement, though sometimes related, are distinct because within a given product category consumers' level of involvement is individually determined. Finally, the impact of ethnocentrism on brand decision may be moderated by the brand's country of origin (Balabanis and Diamantopoulos, 2004) where, for example, ethnocentrism effects may be moderated by a consumer's affinity to the producing country.

Shankarmahesh's (2006) summarized previous studies on consumer ethnocentrism and identified four broad categories of antecedents of consumer ethnocentrism. These consist of socio-psychological, economic, political, and demographic antecedents.

Figure 2. 9 Four broad categories of antecedence of consumer ethnocentrism

Socio-psychological antecedents	
Cultural openness	It is determined by willingness to interact with people from other cultures and this broadens one's mind.
Patriotism	It is defined as love for or devotion to one's country and is related to CET.
Animosity	It is defined as "the remnants of antipathy related to ongoing military, political, or economic events that will affect consumer buying decisions".
Materialism	CET are associated with envy, possessiveness, need to identify with a large group and need to defend one's ego.
Economic Environment	Several studies have underscored the need to look at the economic environment as an influencing factor of CET.
Political Environment	Political propaganda is one of the antecedents Political histories of different countries determine the level of CET.
Demographic antecedents	
Age	Younger people have lower CET scores than older people.
Gender	Women have higher ethnocentric scores than men.
Education	More educated people are less likely to have ethnocentric prejudices and tend to be less conservative.
Income	Higher income people are more likely to have lower CET than low income people.

Source: Shankarmahesh, 2006.

In terms of cultural openness, research showed (Balabanis *et al*, 2001; Shankarmahesh, 2006) that people who have had international travel opportunities are more 'broad minded' in terms of accepting foreign products than people who have not travelled abroad (see Figure 2.9). However, some studies found that members of the group that have "the most contact with new cultures such as border dwellers, travelers and diplomats tend to be extremely ethnocentric or nationalistic" as well (Shankarmahesh, 2006). In terms of patriotism, for instance, Shankarmahesh (2006) found that US consumers tend to rate their domestic products higher than foreign products. In terms of economic environment, those with higher incomes tend to have a lower CET level. In terms of demographic antecedents, younger people have lower CET scores than older people. Women have higher ethnocentric scores than men. Those with higher education and those with higher incomes rated foreign products higher than those with lower education and lower incomes.

Research has also shown (Wang and Chen, 2004) that the impact of ethnocentrism on willingness to purchase between developed countries and developing countries are different. As mentioned above, consumers in developed countries tend to perceive domestic products as being of higher quality than imported products and prefer their own products in terms of their social, political, and economic interests. However, consumers in some developing countries have a different point of view. They view foreign products as a status symbol and using imported products demonstrates the symbolic meanings of high fashion and social status (Wang and Chen, 2004).

Liu, *et al* (2006) studied how consumer ethnocentrism relates to Chinese consumer evaluations of foreign brands across three brand naming strategies (Chinese name, English and Chinese name, and English and Chinese name with the brand's COO). Their study found that an individual's level of ethnocentrism had a significant, negative impact on the evaluation of store signs containing a foreign brand name and the foreign brand's COO. More ethnocentric consumers had significantly less favorable attitudes and buying intentions towards store signs with a name in English and a western COO. A study by Zhou and Belk (2004) suggested that the increasing use of foreign brand names by Chinese brands may confuse Chinese as to brand origin until actually looking at the product label, which often does not specify brand origin but rather manufacturing location. Liu *et al*'s (2006) study, however, found that product involvement had a significant, positive relationship with attitudes and intentions towards store signs with a local name and a foreign name. The study also found that the Chinese consumers' average consumer ethnocentrism score was 2.3 out of 5 (High) and that the higher the consumers' level of consumer ethnocentrism, the less favorable attitudes they were expected to have toward foreign brands.

Chinese consumers have recently shown an impressive trend towards embracing modern products and lifestyles. In some cases, however, this is combined with an ethnocentric tendency to prefer local products. This resulting consumer ethnocentrism, reflected in increased preference for local brands, confirms surveys that attest to young Chinese high patriotism scores (NSK, 2005a). Yet, as Horn (2009) pointed out, it remains to be seen how Chinese attitudes towards foreign brands as carriers of foreign lifestyles will change in light of improvements to the marketing repertoire of Chinese firms. Some Chinese companies are already very successful in implementing modern branding techniques and have closed the gap to global market share leaders. Chinese brands' popularity in China, and increasingly abroad, reflects not only imminent ethnocentric consumer behavior but also indicates that Chinese consumers may potentially evolve toward a preference for localized brand profiles (Horn, 2009).

2.18 Summary

This section discussed the concept of brand by examining the Atomic Model of brand, brand personality, symbolism, brand loyalty, and some of the main situational factors related to the impact of the brand on decision. Several brand taxonomies were briefly outlined. This chapter provided a comprehensive discussion of Fishbein's attitude models and subsequent improvements to the models. An updated multi-attribute model of attitudes was presented. Several models of consumer involvement were discussed and the de Chernatony-McWilliams matrix was presented as the model used for product category selection in the paper. Country of origin as a moderator of brand choice in China was discussed along with sub-moderators of the country-of-origin effect. The chapter concluded with a discussion of consumer ethnocentrism and its possible impact on brand choice behavior.

3. Chinese Culture and Marketing

3.0 Introduction

This chapter aims to provide an understanding of the context for marketing in China. It begins by looking at some definitions and conceptions of national culture.[19] The presentation of culture is followed by a discussion of the cross-cultural perspectives of Hofstede's cultural dimensions as well as some recent research on aspects of Hofstede's dimensions. Brand symbolism, *Confucian face*, and conspicuous consumption and their impact on consumer behavior are discussed. *Confucian face*, further discussed below, refers to a positive feeling that derives from one's perception of the attitude others have owing to one having a thing that others may or may not have, achieving something others may or may not have, or in some other way causing a perceived positive effect on others (Jap, 2010). Finally, the concept of motivation and a discussion of Maslow's *Western* hierarchy of needs and an alternative view of an *Eastern* hierarchy of needs are presented. The discussion of these cultural aspects attempts to shed additional light on major cultural influences on consumer decision making in China.

3.1 Marketing and the socio-cultural environment of China

Keillor *et al* (1996) postulated that culture is one of the key factors determining human behavior and, by extension, consumer behavior. In the context of this study, to the extent cultural differences exist between regions in China, we might expect to see differences in consumer behavior manifest in various ways. Consumer behavior researchers have found that consumers from different cultural backgrounds react differently to the same stimuli. Dong and Helms (2001), for example, found that Chinese consumers react differently to brand name than consumers from other countries.

3.1.1 Definition of culture

Wu (1998) defined culture as a product of the conformity of humans to the environment which implies that different societies produce different cultures. Cultural differences, Wu claimed, exist not only in different societies but also within the same society, that is, the so-called subculture. Peter and Olson (2002) felt that subculture can be considered as a manifestation of cognitive and emotional reactions (beliefs, values) and actions (customs, ceremonies, norms) of specific groups in society. Another interpretation of culture (Leung *et al,* 2005) emphasized the social nature of society viewing culture as a multi-layered construct existing at global, national, organizational and group levels, which encompass the individual.

3.1.2 Models used to assess culture

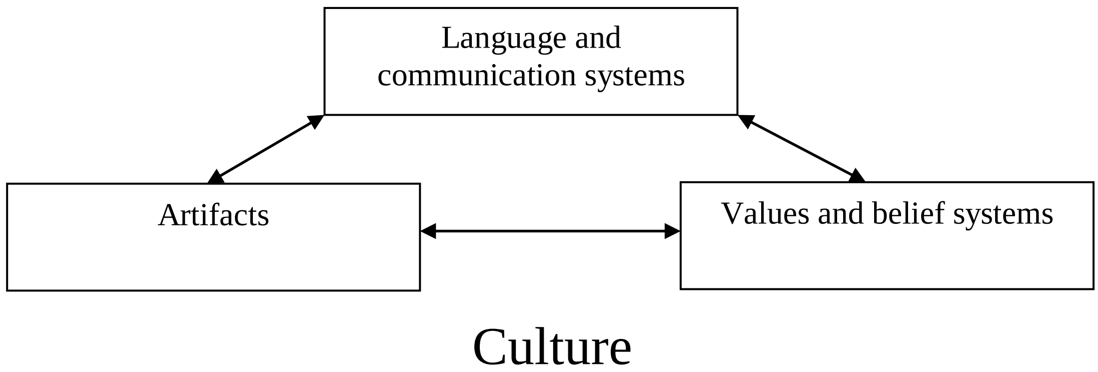
To assess consumer behavior differences evident within national culture, Usunier (2000) considered three main aspects: hierarchy of needs; culture-based values especially individualistic or collectivist orientations, and; institutions which influence consumer behavior. Most western-based marketing texts discuss needs within the context of Maslow's Hierarchy of Needs but there is a case to be made that this model is not universally applicable (further discussed in Section 3.3). Unlike western cultures that emphasize the significance of inner private self, which consists of emotions, desires, personal values, and memories, among other aspects, Chinese consumers generally consider family members and members of the social group to which they belong when making consumption decisions (Zhu *et al*, 2006). Their embedded cultural values, thus, lead to their unique preferences for products and brands (Usunier, 2000).

To Craig and Douglas (2006, p.335), "National culture is no longer as relevant as the unit of analysis for examining culture. Rather the dominance of national culture and national borders has been replaced by a multiplicity of complex cultural influences, which may be studied at the global, regional, cross-national or sub-national (e.g. urban/rural) level". To properly capture the effects culture has on behavior, we must take into account different levels of culture at the sub-national or regional level. Zhu *et al* (2006) researched national cultural differences with respect to consumption of information technology products in China and concluded that both national culture and local ethnicity still strongly affect how individuals make their buying decisions.

Chang and Huang (2005) argued that when companies develop cross-national marketing strategy, "culture" should have the greatest influence on changes in the strategy. The main reason is because culture can manifest itself in behavior through the values consumers possess. Rokeach (1973), famous for his Rokeach Values Survey used in organizational behavior analysis, defined a value as "a single belief of a very specific kind, as opposed to an organization of several beliefs around a specific object or situation" (Rokeach, 1973, p. 18). Langton (2008) defined values as concepts or beliefs that guide how we make decision about, and evaluations of, behaviors and events. People can feel emotion about values and this emotion can direct people’s actions (Mooij, 2004). Consequently, different values can lead to different consumer behaviors (Zhu *et al*, 2006). We can conceive of a macro value being emblematic of a national culture with micro values being emblematic of differing ethnicities. For example, Chinese may feel it is important to be 'patriotic' but people from Nanjing (Nanking) may feel it is their duty to despise and reject all things Japanese due to the atrocities committed against them by the Japanese during World War II.

Craig and Douglas (2006) identified three intertwined components of culture particularly relevant to marketing (see Figure 3.1): (1) Communication provides a means of transmitting the intangible aspects of culture, such as values and beliefs from one person to another or from one generation to another. This communication process is inherently dynamic and at the same time continually evolving, (2) Artifacts ranging from religious icons to shoes or clothing, may also be an expression of intangible beliefs, and at the same time designate membership in a particular culture, and;(3) values and belief systems which relate to intangible elements of culture. According to Craig and Douglas (2006) the interdependence of the three elements is evident in the lifestyles of teens throughout the world. Teens are exposed to media advertising as well as movies, music and magazines, and communicate shared values such as individualism, independence and self-reliance. Items of apparel such as jeans, athletic shoes, baseball caps, jewelry, and watches, symbolize their membership in this global culture. Taken together, these components influence teens' belief systems and values.

Figure 3. 1 Craig and Douglas' Components of Culture



Source: Craig and Douglas (2006), p. 324.

Craig and Douglas (2006) researched the impact of culture on molding consumer behavior. Among their major findings was that culture is becoming increasingly deterritorialized and penetrated by elements from other cultures. In the China context, cultural influences have come from North America and Europe but perhaps more importantly from Japan, Korea, and other Chinese societies especially Hong Kong and Taiwan. The net effects of these influences is "cultural contamination, cultural pluralism and hybridization", making it increasingly difficult to study culture due to its expanding diffusion (Craig and Douglas, 2006). Yet, as they argued, it is increasingly important to study the culture of market segments because of its pervasive influence on consumer behavior. In researching culture they proposed defining the appropriate unit of (culture) analysis, isolating confounding influences and expanding the range of (cultural) contexts examined. Yet, as Craig and Douglas (2006) and others (Naroll, 1970) have pointed out, it is difficult to conduct comparison studies because of potential confounding external influences.

A further complexity to the study of culture is that it is not a static phenomenon. Moderators of cultural behavior are evolving and environmental forces including political, social, economic and technological forces are reshaping the cultural landscape (Usunier and Lee, 2005). Craig and Douglas (2006) echoed this argument by saying that, for example, values, such as ethnocentrism or world mindedness, mediate responses to marketing stimuli.

Using Kluckhohn's and Strodtbeck's, (1961) value orientation model, Yau (1994) developed a Chinese value research framework encapsulating five major elements: ideal life orientation, man-nature orientation, relational orientation, behavioral orientation, and time orientation. In order to measure these traditional Chinese values, Yau (1994) then established direct indicators of values which included: (1) China's hierarchical nature; (2) the importance of *face* and *guanxi*; (3) clan-based structure; and (4) long-term orientation.

Howard and Sheth (1969) discussed the importance of identifying common values in society because these values affect motives, attitudes, and intentions. In order to formulate optimal marketing strategies it is necessary to understand these values comprehensively. Elbashier and Nicholls (1983) outlined areas that cultures affect consumer purchasing decisions including what they buy, when they buy, who participates in the buying decision, and the relative weights of marketing strategy levers (Saurazas, 2000). For example, Chinese culture, known for respect for elders, essentially requires that married adult children buy presents for parents at important festivals during the year. Buying gifts is a sign of respect. Invariably, gifts have an element of health, longevity, or the like. A popular television commercial shows two senior Chinese jumping on their television singing that they have received no gifts for the holiday, and that only 'Brain Platinum (*Nao Bai Jin*)" will do. There is the concern that if children do not show respect for their parents then they won't be respected by their own children. Usunier (1996) identified various other aspects of consumer behavior affected by culture including loyalty, involvement, perceived risk, and consumer cognitive processes.

Chang and Huang (2005) considered that Chinese culture is a compound. There are various nationalities, cultures of different regions, cultures of a same region at different times, and culture of a same time but in different regions. They argued that, therefore, Chinese culture consists of many subcultures and these different subcultures "…certainly cause different consumer behaviors…" (Chang and Huang, 2005, p. 135). Chan's (1998) study on consumer group segments in Taiwan, Shanghai, and Hong Kong found that Taiwan can be divided into a "conservative and economic consumer group", a "contingent consumer group", a "convenient service pursuing consumer group", and an "impulsive consumer group"; Hong Kong can be divided into a "non-loyalty consumer group", a "price sensitive economical consumer group", and an "attempting consumer group"; and Shanghai can be divided into an "epicurean consumer group", a "fashion pursuing consumer group", a "loyalty consumer group", and an "impulsive consumer group".

Although Chang and Huang (2005) very likely identified real differences in consumer behavior they did not offer compelling reasons to ascribe differences to "cultural" differences because they also pointed out that demographic variables may be key explanatory variables. Unfortunately their study did not discuss any data results to explain how they came up with their classifications of consumer segments.

Naroll (1970) was the first to propose a sub-segment of a national population called a “culti-unit” which he believed was particularly useful in identifying analytically pure units to study. A culti-unit comprised people of the same ethnic group who speak a unique ethnic language. The two-key criteria defining the unit are language, which may be a dialect or main language, and the degree of social interaction and communication. Craig and Douglas (2006) found this definition well suited for examining consumer behavior, where language and communication or interactions might be important in examining differences and similarities in consumption and purchase behavior. This approach is particularly suited to the Chinese context because of the dual linguistic capabilities of most Chinese where they speak both a local dialect and Mandarin, the national language. A sub-segment such as a single city can be further segmented into an even more refined culti-unit, for example, Guangzhou consumers who have travelled abroad, or domestically, extensively and those who have not (Craig and Douglas, 2006). The Chinese spoken by the Han majority, who constitute 92% of the population, comprises seven major dialects including Cantonese (Yue), Shanghainese (Wu), Minbei (Fuzhou), and Minnan (Hokkien-Taiwanese). Taken together these dialects can be further sub-divided into hundreds of categories.

Melewar *et al* (2004) discussed the influence of culture on brand building in China. Among the major cultural variables they highlight are the influences of language and aesthetic sense on brand building. The nuance of the Chinese written language is such that a single character can convey a complete meaning. Intelligent brand name translation can enhance brand equity by conveying positive brand attributes and contributing to brand positioning. Coca Cola's brand name "*ke kou ke le* - 可口可乐", which literally means 'tasty and happy', has helped to promote the brand benefit "tastes great" (Melewar *et al*, 2004). Interestingly, Coca Cola's original brand name translation failed to inspire demand and only after a name change did product sales take off (Craig and Douglas, 2006).

It is also important to note that nuances in language relate to contemporary culture and are changeable. Though both Taiwan and mainland China share the same 'national' language of Mandarin, the political separation since 1949 and communist control over mainland China has infused nuances to many words related to capitalism and materialism. The terms marketing and selling still carry pejorative connotations in mainland China but do not in Taiwan. Fan (2002) discussed the complexity of brand name translation. Unilever's popular *Lux* brand is translated in Chinese using two characters meaning 'strong man' but one of the characters is different in the written Mandarin script sold in Taiwan and means beauty. Both names are pronounced identically but use different characters because of the communist notion that beauty is related to decadence, a by-product of capitalism (Melewar *et al*, 2004).

Another influence on brand building is the Chinese sense of aesthetics. The aesthetic views of Chinese are usually based on their perceptions of nature and are regularly featured in many historical paintings and art forms with mountains and animals commonly used in brand imagery and visual displays (Melewar *et al*, 2004). Such images accord to traditional Chinese Confucianist, Daoist, and Buddhist cultural influences and signify the Chinese desire for peace and stability. Certain colors are known to be associated with certain images in China. The most popular is the color red which symbolizes happiness.

Cultural considerations play a crucial role in the development and marketing of global consumer products (Rogers, 1983; Cateora, 1987; Terpstra and David, 1985). Wells *et al* (1998) combined cultural context with the rate of diffusion to create a two dimensional matrix. In a high-context culture and a rapid rate of diffusion, personal influences and personal selling tactics along with an appeal to innovators and early adopters would be appropriate. Where the rate of diffusion is low combined with a low-context culture, print advertising and an appeal to the masses would be an appropriate strategy.

3.1.3 Hofstede Cultural Dimensions

In order to understand national culture, the renowned cultural studies of Geert Hofstede (1980, 1983, 1984, 1991, and 2001) can be used. From a cross-cultural perspective, Hofstede studied differences in culture by examining differences in psychological tendencies among 116,000 IBM employees in 72 countries in which IBM operated. Cultural distinctions were then analyzed based on responses to questions related originally to four dimensions: individualism-collectivism, power distance, uncertainty avoidance, and masculinism-feminism. In later research (Hofstede and Bond, 1984) a fifth dimension, *Confucian dynamism*, was added, although re-titled by Hofstede as long-term versus short-term orientation.[20] Hofstede's five-dimensional framework for understanding key differences in culture has applications to marketing.

The individualism-collectivism dimension represents the relationship between an individual and his fellow individuals. Individualists value personal independence, self-expression, and are more hedonistic (Hofstede, 2001). Collectivism is characterized by a tight social framework (Hofstede, 1983). Collectivists value a sense of belonging and respect for traditions, and their identity is based on the group to which they belong (Hofstede and Bond, 1984). The Chinese culture is often considered an exemplar of collectivist cultures when contrasted with individualist cultures (Craig and Douglas, 2006). Chinese culture embodies collectivist values which entails a ‘we’ orientation and an identity that is determined based on one’s association with a social group, perhaps better known by its euphemism, group-orientation (Browaeys and Price, 2008).[21] An understanding of this dimension is also important because when you have an interdependent cultural context such as that which exists in a collectivist culture like China, most consumption decisions and attitudes towards products and brands are made with other people and important relationships in mind (Eckhardt and Cayla, 2003).

Within the Chinese context the individualism-collectivism dimension could well be the most important in terms of understanding a target segment’s consumer behavior. This is because many aspects of the collective mindset relate to marketing including the important concepts of brand or product symbolism, word-of-mouth (WOM) communications, and *Confucian face*, among others. We may postulate that collectivist behavior is manifest in conservatism in brand choice, for example. This is a key dimension of relevance to marketers because it relates to the extent that group influence may impact behavior and the extent that consumers within a target segment may be inclined to self-expression as well as other behaviors aimed at satisfying their personal desires. Collectivism does not only affect consumer purchasing but also entry strategy and the marketplace. Melewar *et al* (2004) discussed the implications that collectivist tendencies have on the relative *person importance* of product categories. For example, it is common for several generations to live under one roof which relates to respect and care for the elderly. Health products are very popular among consumers in multi-generational families because younger adults show care for their elders in the household by purchasing herbal, nutritional, and other products related to good health for them.

The collectivist nature of the Chinese puts the onus on companies to properly manage the word-of-mouth communication network at work in China. Collectivism is also apparent in some shopping patterns. Melewar *et al* (2004) argued that the collective purchasing power of organizations is large since in many cases they purchase mass quantities of products or vouchers for products to distribute to their members. The development of relationships in China strongly influences the success of product entries. Collectivist cultures put a heavy emphasis on relationship building and maintaining harmony among business partners, where "everything must be done in a courteous, deferential manner to ensure that nobody is offended or loses *face"* (Browaeys and Price, 2008, p.61).

Wang *et al* (2005) argued that collectivist tendencies even relate to marketing issues such as software piracy. Their research on Chinese students found that collectivism had a positive effect on consumer attitudes toward software piracy. In other words, the more group-oriented one is, the more likely he is to engage in the theft of software or the sharing of property, depending on your orientation (Wang *et al*, 2005).

Reference group influences are significant influences in China. Balestrini and Gamble (2006) found that the most important information cue in evaluating the quality of wine among Chinese consumers, for example, was peer recommendation. For those who survive within a collectivist context peer recommendations are important because one who stands out too far from the norm risks ridicule by the group. One of the safest choices to make is one based on peers' recommendation which in effect reduces the risk of being judged as someone who sees oneself as being above or apart from the group. Jap's (2010) qualitative research found that the majority of Chinese consumers preferred to align purchases to conform to their in-groups or the public. The main reasons cited were lack of brand awareness or knowledge, desire to conform, and desire for social acceptance. Jap (2010) further argued that conformity, *guanxi*, and the bandwagon effect (*yang qun xin li*) are interrelated and strongly influence Chinese consumer consumption values on global brands.

3.1.3.1 Recent research on aspects of Hofstede's dimensions

Younger Chinese consumers, born post-1980, have quickly shed communist thoughts of putting society and community before the self and individuality. With the advance of market-oriented work and life patterns, they are increasingly focused on self-satisfaction and on expressing their individuality, a mindset that McEwan *et al* (2006) referred to as 'me-ism'. A longitudinal study conducted by the research organization Gallup found that self-satisfaction has advanced to become the primary motivator for private consumption in first-tier Chinese cities, while the number of respondents agreeing to statements such as 'work hard and get rich' and 'never think of self, give in service of society' has dropped quite sharply between 1994 and 2004 (McEwen *et al*, 2006).

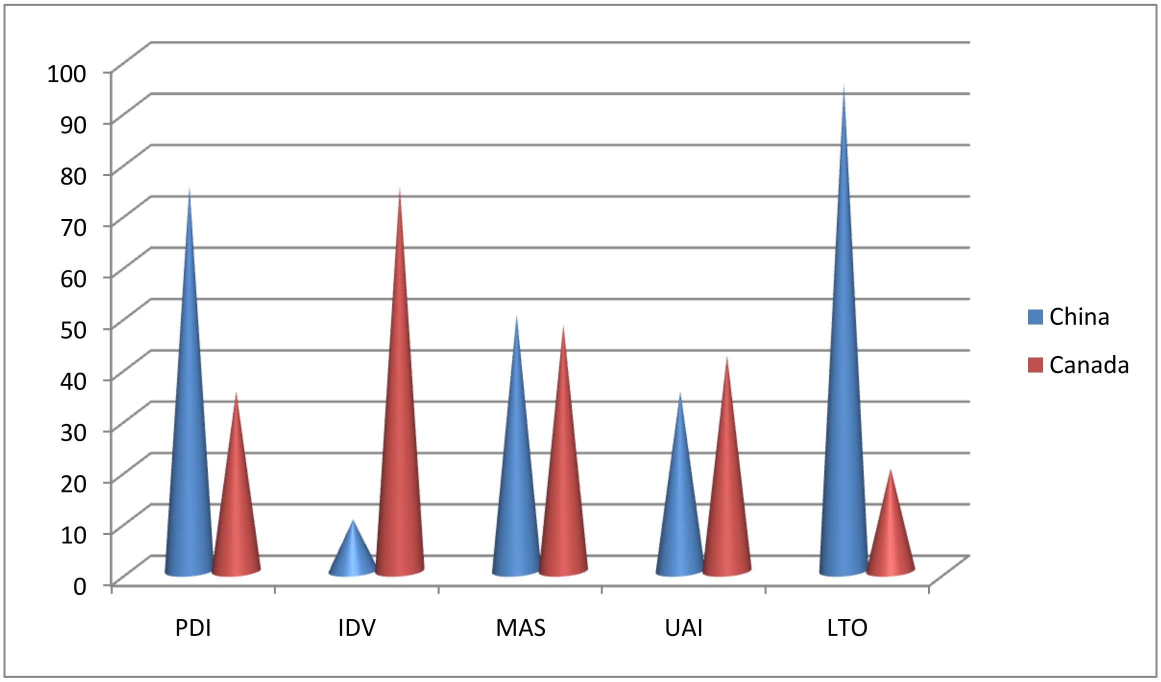
Power distance covers how individuals deal with the fact that members of their society are unequal (Hofstede, 1983). From a marketing perspective, this may relate to the willingness, or perhaps need, to engage in conspicuous consumption. Those who are comfortable in a high power distant context may be more likely to be attracted to marketing communications that appeal to conspicuous consumption contexts. Jap (2010) found that with respect to *power distance* some consumers felt that using global brands could show one's power over inferiors or possibly cause fear in others. In some other cases, respondents felt that they should use lower-ranked brands than their superiors in order to save their superiors' *face* at work or in public.

Uncertainty avoidance involves how society deals with uncertainty because the future is unknown. It indicates the extent that people feel threatened by uncertain or unknown situations (Hofstede 1980, 1983). People high in uncertainty avoidance have a greater need for consensus, are less tolerant of deviant ideas, behavior, or risk and are more concerned with security in life. Understanding where their typical target consumer sits on this dimension is important because marketers need to understand the relative sensitivity of their consumers with respect to their willingness to take risks, adopt new innovations, and/or try new brands and products. Moreover, target consumers' likely responses to product/service attributes that appeal to risk-averse consumers may be analyzed on this dimension. Segments with a high average uncertainty avoidance rating may be assuaged by product warranties, guarantees, return policies, trial packs, and the like.

Masculinity includes the division of roles between the sexes in society (Hofstede, 1983). It stands for a society where gender roles are more clearly distinct: men are supposed to be assertive, achievers, tough, and focused on materialism; women are supposed to be modest, tender, and concerned with quality of life (Hofstede, 2001). Masculine individuals are characterized as aggressive, competitive, and money-oriented. In contrast feminine individuals are humble, nurturing, more people-oriented, and determine achievement in terms of close human relationships and quality of life (Hofstede, 1984). The masculine-feminine dimension is relevant to marketers in such areas as the development of advertising appeal, advertising message content and context, and overall brand message. Regardless of target segment gender, marketing communications strategies can be aligned with the general proclivity of their segment toward masculinity or femininity.

Confucian dynamism measures the extent to which a culture emphasizes long-term values, in contrast to a culture that emphasizes short-term values. This dimension may also be characterized as short term versus long-term orientation. Hofstede and Bond (1988) defined long-term orientation as valuing perseverance, thrift, and future. Short-term orientation is characterized has caring about the virtues of tradition, preservation of *face* and fulfilling social obligations. Segmentation strategies aimed at consumers 'living for today' versus consumers who are willing to 'sacrifice today, for a better tomorrow' would be distinctly different. Moreover, changes in such an orientation would be a trend that marketers would want to watch very carefully.

Figure 3. 2 A Comparison of China and Canada based on Hofstede's Cultural Dimensions Index



Source: Hofstede G. (2010) China, *Geert Hofstede Cultural Dimensions* [Internet]. Available from: <http://www.geert-hofstede.com/hofstede_china.shtml> [Accessed on 4 June 2010].

Figure 3.2 shows that, according to the Hofstede analytical framework, Chinese culture has a very high (index 90+) long-term orientation (LTO), a high (Index 70+) power-distance (PDI) orientation, a medium high (index 50) masculinity orientation (MAS), a low (index 30+) uncertainty-avoidance orientation (UVI), and very low (index 10) individualism orientation (IDV). In contrast, for example, Canadian culture has a lower (index 30+) power-distance orientation, a lower (index 40+) uncertainty avoidance (UAI) orientation, a similar (index 50) masculinity orientation, a higher (index 70+) individualism orientation, and a more (index 20+) short-term orientation.

Significant variations exist between the Chinese culture and the Canadian culture. These differences are played out on such dimensions as power distance, gender relations, attitude towards time and space, status, degree of individualism, expression of emotions, and so on. On this basis, the culture of any given country can be described as affective or neutral, specific or diffuse, and ascriptive or achievement. The concept of time and space in different cultures will also show wide variations (Trompenaars and Hampden-Turner, 1997).

While the Chinese culture is highly affective, the Canadian culture is by contrast neutral. Therefore, while the Chinese tend to not shy away from a spontaneous public display of emotions, their Canadian counterparts tend to hold back. Other than openly displaying their feelings and emotions and reactions, members of affective cultures also tend to employ a mix of intuition and feeling during decision-making, as opposed to those from neutral cultures who tend to be more rational and keep their emotions away from business. Members of neutral cultures also tend to communicate subtly, which may lead to communication problems when affective members fail to read between the lines. Neutral cultures may also misinterpret the emotional outbursts of affective cultures and hinder effective communication (Trompenaars and Hampden-Turner, 1997).

Other differences between these two cultures exist with respect to personal space. The size and position of office buildings also acquires a significant meaning within the Chinese society that is much different from that in Canada. While both cultures value punctuality, their attitude towards time is different. Thus where Chinese have a high long-term orientation, their Canadian counterparts tend to plan more in the short term. The Chinese culture is also more particular, as opposed to the Canadian culture which is universal. While status is ascribed to an individual on the basis of his position or achievements within the Canadian context, in the Chinese context such a status derives from a person's birth, gender, caste, or age (Trompenaars and Hampden-Turner, 1997).

In addition, while Chinese culture is diffuse, Canadian culture tends toward being specific so while Chinese tend to be evasive, vague and tactful in their communication, Canadians tend to be direct, blunt and more forthcoming (Trompenaars and Hampden-Turner, 1997). Because the Chinese base business on trust, they will tend to build relationships and will open up their social and private lives to business associates; on the other hand, members of specific cultures like the Canadians tend to separate their business life from their social life (Hoecklin, 1995).

3.2 Brand symbolism, *Confucian face* and consumer behavior

It seems readily apparent that Chinese purchase many brands, especially foreign brands, for their symbolic attributes. Some researchers attempt to conceptualize consumer demand in China as a desire for western-style materialism. However, materialism alone cannot explain Chinese consumers' desire for luxury brands especially when so many luxury-brand consumers have relatively low-income levels. Such purchasing patterns may be better explained through the cultural dynamic of *Confucian face*.

The term *Confucian face* involves a sense of pride that one feels when impressing others in one way or another. It is a positive feeling that derives from one's perception of the attitude others have owing to one having a thing that others may or may not have, achieving something others may or may not have, or in some other way causing a perceived positive effect on others (Jap, 2010). Li and Su (2007, p. 279) referred to f*ace* as "a claimed sense of favorable social self worth that a person wants others to have of her or him in a relational and network context, such that people's need and concern for *self-face*, as well as for others' *face*, influences their everyday lives". Goffman (1967, p.5) referred to *face* as "the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact". *Face* is a distinctly social phenomenon. Zhou and Belk (2004) among others suggested that the concept of *face* is an important cultural value that influences human behaviors particularly in collectivist cultures. One must engage with one or more others in order to *gain* it. It can be given or gained. To give *face* involves, for example, giving an expensive gift such as a brand name bottle of spirits to another. *Face* may also be gained by, for example, letting others become aware that you have purchased a new bottle of Chanel perfume.

Jap (2010) referred to a *Confucian face* culture in China. In his study on Chinese consumption values he found that *Confucian face* influenced Chinese consumer consumption values in the quest for social prestige. Li and Su (2007, p. 242) defined *face consumption* as "the motivational process by which individuals try to enhance, maintain or save *self-face*, as well as show respect to others' *face* through the consumption of products." They consider *face consumption* as a composite of three unique characteristics: (1) Obligation - the Chinese must, and have to, maintain or save *face* because of its social meaning; (2) Distinctiveness - the products must be either name brands or more expensive than the products Chinese usually consume, and; (3) Other orientation - people also must pay much attention to others' *face*.[22]

Separating out the symbolic effects from the *face* effects within a purchase pattern can sometimes be difficult. Symbolism can be considered a larger concept than *face* where *face* is just one benefit derived from the symbolic attribute construct. Li and Su (2007) discussed this distinction in their research on the influence of *face* on consumption in a comparative study on Chinese and American consumers. They pointed out that, in addition to being given or gained, *face* can also be enhanced, maintained, or 'saved'. Moreover, they distinguished the concept of *face* from a closely related construct, prestige, and examined the influence of *face* on consumer behaviors in the United States and China. They argued that Asian consumers possess strong appetites for luxury products despite their relatively low incomes. To test hypothesized differences in *face consumption* they studied two groups of students: one in China and one in the United States. Their results indicated that *face consumption* has three unique characteristics: conformity, distinctiveness, and other-orientation. Chinese consumers are more likely to be influenced by their reference groups than American consumers. Furthermore, Chinese consumers tend to relate product brand and price to *face* more heavily than do their US counterparts (Li and Su, 2007). Chinese consumers are more likely to consider the prestige of the products than are American consumers during other-oriented *face* consumption, such as gift giving or dinner parties.

Taken together the results of the Li and Su (2007) study provide evidence that Chinese consumers are particularly concerned with *face* and that it does drive their brand decisions. The research points to some useful recommendations to marketers: that prestige pricing, where appropriate is suggested, communications should emphasize word of mouth and the social status of brands, and products should be positioned as products that can give *face*. It remains to be seen whether the results translate to the general population given that the sampling frame was confined to two sets of students as it is unclear whether other demographic groups would be more or less influenced by *face*.

Zhu *et al* (2004) argued that although average Chinese consumers cannot afford many foreign products, they still show envy and yearning for the higher standard of living found in Western countries. This has been termed "imagined cosmopolitanism" (Zhu *et al*, 2004). Foreign brands and products are generally considered to be luxuries in China and particularly those who are well educated and well paid have both the brand preference and income to consume products coming from advanced nations. The postulation is that they desire to emulate the image of Westerners by possessing foreign-branded products (Zhou and Belk, 2004). This phenomenon relates to the collectivist dimension whereby people with an interdependent self-concept emphasize the importance of social roles and public perceptions and the importance of *face*. The Chinese consumer is, therefore, highly motivated to possess luxury products to maintain his/her *face* (Zhu *et al*, 2004).

As Hofstede (1991) pointed out, the basic difference between individualistic and collectivistic cultures is the degree to which people emphasize the individual *vis-vis* the collective. In collectivist cultures like China, one is part of the group rather than an individual entity (Sun, 1991). In other words, in China, one's self exists within the context of his/her relations with others. One also represent the group, company, family, team, to which one belongs and, therefore, *face* in China not only stands for prestige for oneself but also for one's family, relatives, friends and even colleagues (Joy 2001).

3.2.1 Conspicuous consumption and *face*

Thorstein Veblen writing in his *Theory of the Leisure Class* coined the term '*conspicuous consumption'* and although he wrote in the early part of the 1900s, he may have been writing about the modern Chinese consumer. The purely symbolic nature of conspicuous consumption as defined by Veblen (1934) differs from *face consumption*. Veblen conceived conspicuous consumption as money spent on ostentatious displays of wealth for products beyond any functional use. While *face consumption* shares some similarity with conspicuous consumption such as the desire to increase social status by showing off products it also differs in several ways. First, some *face consumption* may occur just to maintain or save *face*. Second, status-seeking consumers are willing to purchase conspicuous or expensive products whereas *face*-saving consumers purchase not because they want to but because they have to. Third, *face* consumption can be other oriented – that is, designed to show respect to others' *face* (Su and Li, 2007).[23]

3.3 Motivation and needs

The forces that drive people to buy and use products are generally straightforward such as when a person purchases a pair of running shoes for everyday wear; however, certain consumers of running shoes, such as hard-core tri-athletes, demonstrate that the consumption of an everyday product like running shoes may also be related to deep-seated experience (i.e. deep commitment to the product) (Solomon *et al*, 2008). Such a consumer's product choices are influenced by the consumer's beliefs about the world.

To understand motivation is to understand "why" consumers do what they do. Understanding consumer's needs is useless unless we can discover what those needs are and why they exist (McShane, 2007). Motivation refers to the processes that cause people to behave as they do. It occurs when a need is aroused. To understand motivation, various needs theories, among other theories, have been proposed. Drive Theory and Expectancy Theory all attempt to explain why people behave the way they do. Expectancy theory focuses on cognitive factors to understand what drives behavior. "Drive" here is used more loosely to refer to both physical and cognitive processes. Needs may be classified as biogenic (needs for elements necessary for survival (innate needs) and psychogenic needs, which are acquired through acculturation (status, power, affiliation) and reflect the priorities of a culture (Langton *et al*, 2008). Alternatively, but similarly, a need may be classified as primarily utilitarian or hedonic (an experiential need, involving emotional responses or fantasies) (Solomon *et al*, 2008). A want is a one manifestation of a need. Expectancy theory argues that the effort and performance expectancies lead to an outcome, which is intrinsically desirable or not and has a degree of likability or dislikability (Langton *et al*, 2008). With positive outcomes, also termed goals, consumers are motivated to approach the goal and seek products that will be critical in achieving the goal. Consumers are motivated to avoid negative outcomes and structure their purchases or consumption activities to reduce the chances of attaining the end result (Langton *et al*, 2008).

The essence of marketing is finding needs and filling them. Maslow's Hierarchy of Needs model (see Figure 3.3) provides a useful framework for understanding how and why local products and brands can be extended beyond home country borders. Maslow hypothesized that people's desires can be arranged into a hierarchy of five needs. As an individual fulfills needs at each level, he or she progresses to higher levels. At the most basic level of human existence, physiological and safety needs must be met. People need food, clothing, and shelter, and a product that meets these basic needs has potential for globalization. Mid-level needs in the hierarchy include self-respect, self-esteem, and the esteem of others. These social needs, which can create a powerful internal motivation driving demand for status-oriented products, cut across the various stages of country development (Green, 2005). [24]

Maslow's conception of needs was that individuals are motivated to the extent that they have unsatisfied higher-order needs. At the lowest level, physiological needs such as the need for food, water, air, shelter and sex serve as major motivators. Once these needs are satisfied then the need for safety and security (protection, order, stability) are pre-eminent motivators. At the third stage, social needs such as the need for affection, friendship, and belonging dominate. Once the first three levels of needs are primarily met then ego needs such as the need for prestige, status, and self esteem supersede other needs. For those individuals able to satisfy the first four stage needs they will then be motivated by the need for self-actualization (self-fulfillment). This classic model of needs has been researched extensively and remains a staple in business education around the world.

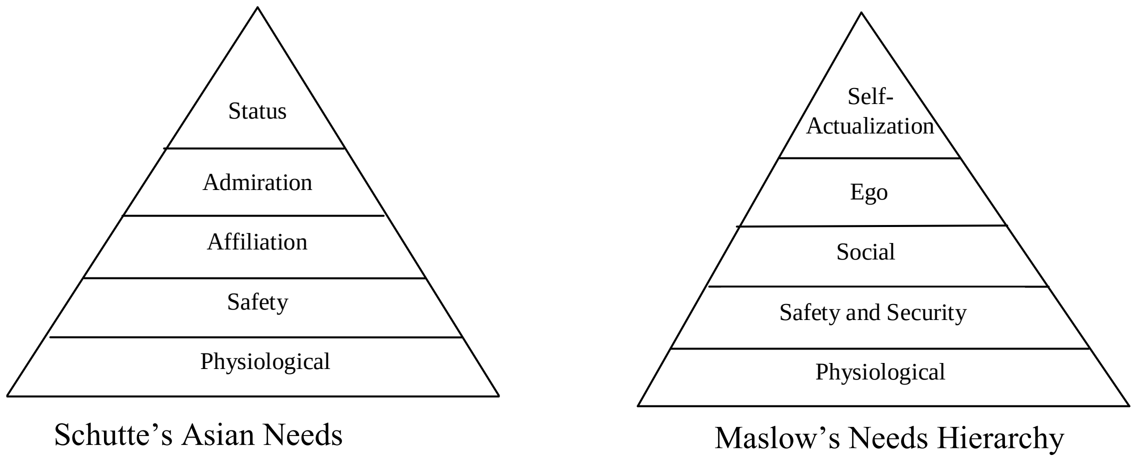
An individual's needs stage is postulated to impact brand choice so that, for example, a consumer at the lower end of the hierarchy might focus on value brands or lower-priced private label brands. In contrast, a consumer with higher-order needs might gravitate to brands with prestige characteristics.

One of the limitations of Maslow's needs theory is that it is primarily a Western construct yet the way in which motivation, as manifest through needs theories, influences consumers may have an added cultural dimension. An adaptation was proposed by Schütte (1998) who hypothesized an Asian hierarchy of needs based on Maslow's Hierarchy of Needs Model (see Figure 3.3). Schütte separated Asian needs into two broad categories: social (lowest affiliation, then admiration, then status) and physical (lowest physiological, then safety). The status need perhaps explains why 50% of Gucci's revenue comes from Asia!

Under Schütte's model, lower-order needs (safety and physiological) are common among Western and Asian individuals. Affiliation needs also correspond to social needs but his theory places more emphasis on affiliation *per se* than on affection. At the fourth stage the Asian hierarchy begins to differ more markedly. To the Western individual, prestige and status is a stage need and is an objective rather than a goal. Under the Asian hierarchy the need for admiration is the motivator and partially relates to the concept of *Confucian face*. The ultimate motivator to the Western individuals is self-actualization – 'to be all that one can be'. This is the built-in conception that we did not get "cheated" out of life and that we 'lived life to the fullest' and is a psychological ideal of self-fulfillment. In contrast, the supreme goal to an Asian individual is desire for status in society and the family.

Confucian face is a conception built in the notion that one can bring honor to one's self, family, clan, community, and descendents. Moreover, in Asian society nominal authority tends to be real authority and having status generally confers power and the belief among others that those with status have power and its accompaniments. In his qualitative research study on Chinese consumers in selected cities, Jap (2010) found that Chinese *guanxi* (relationships) influenced 18 of 20 respondents' consumption behavior when making purchases. In particular, he found that by consuming global luxury brands, it would help consumer's maintain *guanxi* (or relationship) better with their in-groups (Jap, 2010). Jap's research thus confirms the quest for social status needs in the Chinese market. Among the three key Chinese cities studied, Beijing, Tianjin, and Shanghai, consumers from Shanghai ranked first in prestigiousness as a brand characteristic ahead of design, service, and convenience (Jap, 2010).

Figure 3. 3 A Comparison of Schütte's Asian Hierarchy of Needs and Maslow's (Western) Hierarchy of Needs



Sources: Schütte (1998); Langton and Robbins (2007).

3.4 Summary

This chapter began by looking at a variety of definitions of culture. Several conceptions of the components of culture were examined including Craig's and Douglas's three intertwined components of culture. To further analyze culture the cross-cultural perspectives of Hofstede's cultural dimensions were used and some recent research on aspects of Hofstede's dimensions was highlighted. Brand symbolism, *Confucian face*, and conspicuous consumption and their impact on consumer behavior were discussed. Finally, we discussed motivation and needs by juxtaposing Maslow's *Western* hierarchy of needs with that of Schütte's *Eastern* hierarchy of needs to shed additional light on some motivations impacting consumer decision making in China.

4. A Framework of brand choice

4.0 Introduction

This chapter brings together the literature in Chapters 2 and 3 into a framework of brand choice in China. The framework borrows from the Engel-Kollat-Blackwell (EKB) consumer behavior model but focuses on a limited set of moderators within that model. In particular we examine the following moderators of purchasing intentions and behavior: the cultural environment(s), individual characteristics (demographics), involvement, country-of-origin knowledge, and country-of-origin attitude. Research questions and corresponding propositions representing the basis of the empirical work are drawn from the framework.

The major focus in this study is on culture and attitudes and their affect on the brand decision process. The key areas researched and their corresponding general research questions (GRQs) include:

- Examining differences in general purchasing intentions and the general importance of several aspects of purchasing intentions, including conservatism (GRQ 1.0).
- Identifying and comparing specific brand choices and brand repertoires (GRQ 2.0).
- Establishing reasons for brand choice and differences among ethnicities (GRQ 3.0).
- Comparing the frequency of brand purchasing among ethnicities and examining actual with intended brand purchases (GRQ 4.0).
- Understanding the importance of a brand's country of origin to purchasing intentions and examining the level of consumer knowledge of brand origin and country of manufacture. Differences among ethnicities for both are also examined (GRQ 5.0).

4.1 Engel-Kollat-Blackwell (EKB) Model of Consumer Behavior

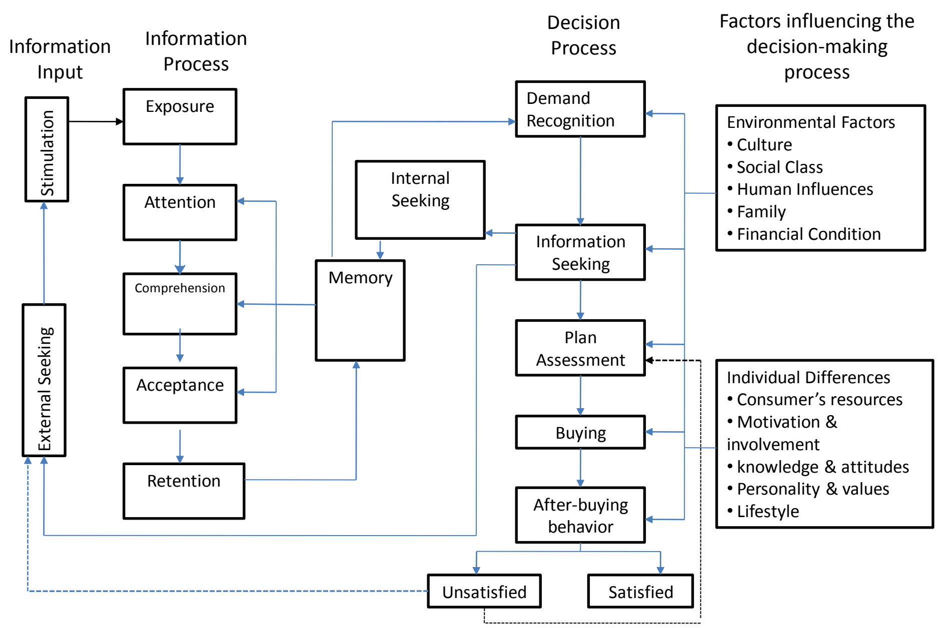
Francesco Nicosia (1966) was one of the earliest theorists to apply principles of sociology to consumer behavior and consumption behavior (Glock and Nicosia, 1964). Early theories focused on consumer behavior as a process. Nicosia considered that marketing stimuli derived from marketing strategies and environmental stimuli derived from marketing environments such as the economic, technological, political and cultural environments both relate to, and impact, the buyer's *black box*. The *black box* was conceived as an assemblage of decision processes moderated by individual buyer characteristics such as personality and lifestyle. In turn, the outcome of the *black box* was a buyer's response for a given consumption situation. Typical responses may include a product, brand, and dealer choice along with the amount purchased (Kotler, 2006).

Another process model was initially put forth by Howard and Sheth (1969) who focused on the consumer learning process prior to purchasing. Information related to the brand included awareness and experience. Both information and brand recognition in turn related to consumer confidence and attitude with respect to the brand. The result of the complex of confidence and attitude was brand intention followed by purchase.

Later theories of consumer behavior then fleshed out some of the process features and/or added additional factors. Howard (1989) for example, discussed motives for product or brand choice in a consumption values theory. The theory categorizes five consumption values: functional value, social value, emotional value, epistemic value (provides knowledge that consumers want to know), and conditional value (when a product is more useful under certain conditions, e.g. snow tires). Such values then in effect served as moderators of brand choice. Using another approach to understand consumer behavior, Leo *et al* (2005) compared decision making *styles* in a cross-cultural context with the aim of demonstrating that product decision-making styles differ according to consumers' cultural orientation and that behavior can be predicted from an understanding of the cultural personality of consumers.[25]

A comprehensive model derived to examine influences on consumer decision choice was developed by Engel, Kollat, and Blackwell (1968) and was later revised and updated (Engel and Blackwell, 1982; Engel, Blackwell, and Miniard, 1993). The model shows behavior as a continuous process with brand choice the result of a confluence among four dynamic interactions: information input, information processing, decision process, and variables that influence the decision process (see Figure 4.1). These steps integrate concepts from earlier cognitive models of consumer psychology developed by Howard (1963) and Nicosia (1966). These dynamic processes are described next.

Figure 4. 1 Engel-Kollat-Blackwell Model of Consumer Behavior



Source: Engel, Kollat & Blackwell, 1968, p.40.

The first dynamic, information input, suggests that information is conveyed to consumers via mass media such as television, radio or internet advertisements, as well as by interpersonal communications such as word of mouth or text messaging or blogging. When information is received the consumer then processes that information. To varying degrees consumers will allow themselves to be exposed to various forms of information and process it.

Processing is affected by the attention, comprehension, acceptance, and retention of the information received. At this stage marketers have some control over these elements such as developing easily remembered messages. The resulting outcome of this process is to save information in his/her memory.

The EKB model views decision behavior as a five-stage process which describes the decision process behavior from problem recognition and information search to evaluating choice alternatives and making a choice. The stages of demand recognition, information seeking, plan assessment, buying, and after-buying behavior describe the psychological flow taking place within a consumer's psyche when facing a buying decision and represent the core of the EKB model.[26]

Within the decision process dynamic, the five stages of the decision process are executed sometimes in a stepwise progression or possibly in a simultaneous progression. Marketers are able to impact the consumer's decision at various stages within this process so that, for example, reminder messages are sent out to consumers to re-purchase.

Making up the fourth dynamic are factors that influence the decision-making process composed of both the consumer's environment and individual consumer characteristics.[27] Lifestyle has been defined as a "pattern of enduring traits, activities, interests, and opinions that determine general behavior and thereby make one individual distinctive in comparison with another" (Engel *et al*, 1978, p. 558). Lifestyle conveys the notion of a single concept to capture the wholeness of the individual and his/her pattern of behavior. Engel *et al* describe it as the result of personality differences in the way individuals internalize environmental influences (economic and demographic effects, cultural norms and values, social class, reference group and family influences) over time.[28]

The stages in the EKB model can be linked to attitudinal behavior. The model assumes that once consumers have accumulated information about consumption choices via the search process, they formulate beliefs and perceptions about these choices. Perceptions reflect an individual's subjective mental construct, which is dynamic in nature and can change significantly over time. Depending on an individual's needs, motives or goals, and experiences, criteria for evaluating choice alternatives are established. An individual's cognitive process converts perception into attitude via evaluative criteria, and the consumer ultimately makes a choice among available alternatives.

While other models identify the basic factors influencing consumer preference and behavior, the EKB model describes, more comprehensively, the decision process of consumers when choosing between discrete alternatives. The model, thus, seeks to explain how a decision is reached, not just simply what the decision is.

Fundamental principles for marketing strategies and product development can be logically deduced from the EKB model. First, because a person's motives cannot readily be influenced or changed, and these determine the evaluative criteria for choosing among alternatives, a consumer's motives and evaluative criteria should be the starting point for developing effective marketing programs. Specifically, a successful product design should possess features that closely match the consumer's evaluative criteria, and marketing messages should feature true benefits with respect to the drive(s) motivating a desire for change (Engel *et al*, 1978).

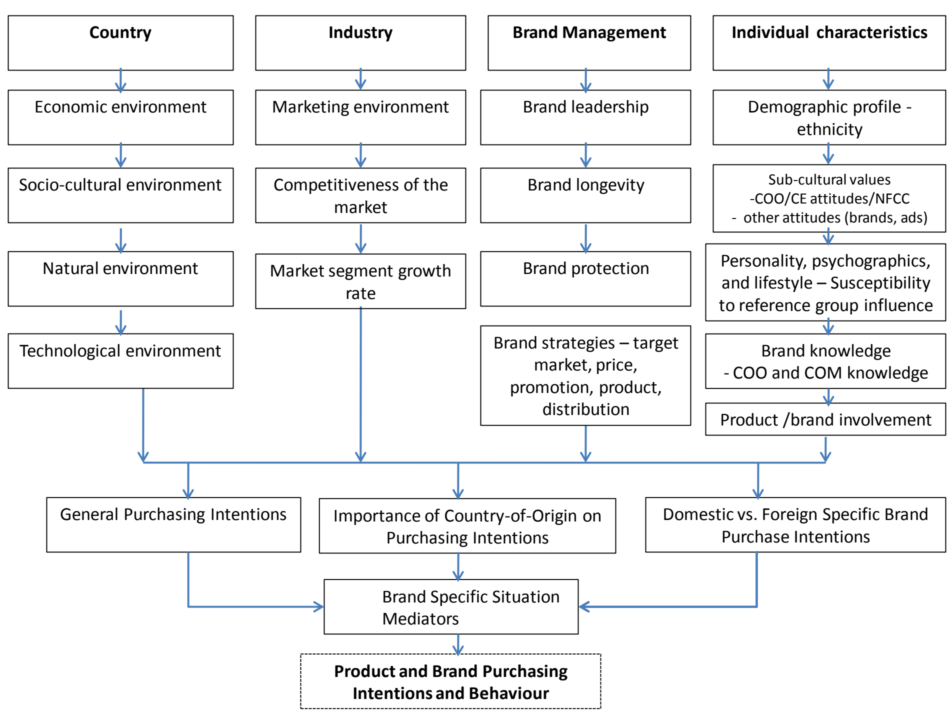
The EKB model's breadth goes beyond the intended scope of this study, however, as it considers how consumer's process information, formulate decisions, examines the impact of learning and memory on decision making, and analyzes the role of marketing stimulation, among other factors. The current study focuses on influences emanating from the cultural environment especially sub-cultural environments, consumer's resources especially income, involvement, knowledge, and attitude components of the model. Our objectives here are primarily to gain a sense of whether or not there are differences in general purchasing intentions, specific intentions with respect to purchase of domestic versus international brands, and to understand the effects of country of origin on brand choice. We are less interested here in examining Chinese consumer behavioral *processes*. Thus, while the EKB model provides the main theoretical foundation for this study we turn our attention to the model used in our study.[29]

4.2 Saurazas' Model of Brand Choice

Saurazas (2000) identified moderators of purchase intention and behavior based on research in a developing country. These moderators relate to the EKB model. The study classified moderators into four categories: country (economic and socio-cultural environments); industry (marketing environment, competiveness of the market, market segment growth rate, and target market); brand management (leadership, longevity, protection, marketing support), and; consumer background characteristics (demographic profile, culture and values, personality, psychographics, and lifestyle). While the model ignores some aspects of the general business environment that may currently impact consumer behavior (technology and natural environments, for example) it captures the major moderators. The model adds to the EKB model by explicitly noting the importance that *brand management* has on purchasing intentions. Like the EKB model it considers marketing strategy as external stimulation.

A weakness of the EKB model when applied to the developing country context is that it does not explicitly include country-of-origin effects but rather seems to assume them within the context of cultural values. Moreover, the EKB model excludes brand knowledge as one of the consumer background characteristics. In our context, possible differences in brand knowledge across ethnic groups might be expected to relate to purchasing intentions.

Figure 4. 2 A Framework of Brand Choice in China: Moderators of Purchasing intentions and Behavior



Source: Adapted from Saurazas (2000)

This framework contains elements key to influencing purchasing intentions and behavior. The model was developed to assist in determining consumer behavioral differences in the context of a developing country (i.e. the U.A.E.). To this extent it serves its purpose; however, more clarity can be brought to bear on several aspects of the model. Under country moderators, the relevant environments - technological and natural could be included to add additional depth to the discussion since these two factors now impact virtually every country, poor or rich. More correctly the target market moderator is more logically applied as a brand management sub-moderator. Under the category of brand management, leadership, longevity, and protection are results of marketing support decisions. With respect to culture and values this sub-moderator classification may more rightly be classified under country influences. At an individual level, subcultures may be separated from a broader classification of "national" culture, which is a more pervasive influence. In this case the cultural values that may influence behavior can also be separated at a national and sub-cultural level. It is the sub-cultural level, focusing here on ethnic subcultures, that is presupposed to influence behavior.

The Saurazas model contains psychographics and lifestyle as sub-moderators of behavior.[30] The model used in the study makes a more explicit categorization of the country-of-origin attitude because of its deemed impact on choice among consumers in developing countries.

One of the limitations of the Saurazas model is that it does not explicitly account for consumer's motivation which likely has a significant impact on need recognition and brand choice. Instead, the model seems to group motivation as a sub-moderator under the culture moderator. Ideally, we envision a model robust enough that it could be modified depending on the target segment(s) being studied. In the absence of the perfect model this study borrows elements of the EKB and Saurazas frameworks.

The next sections briefly discuss the moderators influencing brand choice used in the model.

4.2.1 Country

There are many country influences on purchasing intentions and choice. At a macro level the two major influences we might expect are economic and socio-cultural. To a lesser extent other environments such as the natural (green) and technological environments play a role in influencing consumer purchase decisions. Other market environmental considerations often cited in a market situational analysis include political, legal, and regulatory environments but these are assumed here to be less impactful on purchasing intentions. Demographic environmental factors, also part of market environment analysis, are considered in this model under individual characteristics.

Conditions of the economic environment either cause or sway consumer choices due to extant purchasing power available. We anticipate that income levels, foreign exchange rate levels, tax levels and the like affect the quality and/or quantity of products purchased.

The socio-cultural environmental influences affect the values that consumers have and these values subsequently affect behavior. Culture as a moderator refers here to national culture which can be defined as a system of shared values by members of the society. When we looked at Hofstede's cultural values, discussed in Chapter 2, we can, for example, argue that Chinese score high on uncertainty avoidance and collectivism relative to most advanced countries. A predisposition to risk avoidance may translate into an inhibition to purchasing new, untried products, for example. A collectivist mindset may correlate to purchase decisions that factor in less of the individual self and more of the family unit.

Consumers' sensitivity to the natural (green) environment in China is starting to grow and this growing realization is beginning to impact consumer choice.

The present availability and accessibility of mobile technology, broadcast media, and Internet technology in China has also had a major impact on the expansion of product knowledge and choice in China.

4.2.2 Industry

The particular state of an industry producing a product (good or service) affects the overall selection of available products, the level of importation of brands in the product class, and price levels within an industry. A growing industry with many prospects may be increasing in competitiveness with an expanding group of market segments sharing growing sales volumes. Significant industry potential may also allow companies to expend large amounts on advertising and promotions and other marketing activities. The industry therefore impacts decision behavior to the extent that it affects product availability and selection, price structures, introduction of new products to serve additional market segments, as well as the type and style of the physical purchasing environment, among other factors.

In China, many product markets have matured significantly since the re-launch of the open-door policy in the early 1990s. Increasing imports coupled with joint -venture produced products have flooded market channels to the point that now significant competition exists in almost all product areas.

Large cities in China are displacing Hong Kong as a shopper's paradise and offer selection not available in many advanced countries, particularly in product areas requiring low or medium technology to produce. The rise of the "little emperors" class (those born post-1979) and high levels of education experienced by urbanites over the past 20 years, have created a discriminating class of consumers well-versed with the leading brands in many consumer categories.

At the same time, the marketing environment is growing to ever greater levels of sophistication. Satellite, cable, Internet, mobile phone, billboards, and other forms of advertising are pervasive. A national highway system, comprehensive railway and airline system, modern airports in all key cities all contribute to a marketing infrastructure that allows products to be delivered to consumers in even the most remote parts of China. In addition, marketing support agencies are pervasive, competitive, and able to work alongside international leaders in their respective industries including communications, advertising, promotions, marketing research, market development consultants, packaging experts, printing experts, and other agencies that involve themselves in the area of marketing in China.

To some extent government restrictions still persist and regulatory red tape inhibits new competitors from entering markets in China but the challenges are no longer as prohibitive as they once were. The result is that information availability is greater, product choice is greater, and product availability is greater.

4.2.3 Brand Management

Brand management moderators impact behavior to the extent that a company commits resources into the task of building their brand. The integrated brand marketing strategy's success can be measured on a continuum. Those at the higher end of the spectrum have greater brand leadership (brand share), long term brand success (brand longevity), and contribute enough to company profitability to enable and motivate company management to enforce trademarks, patents, and other intellectual property, as well as to protect brand reputation (brand protection) (Saurazas, 2000). Vassater and de Chernatony (2006) discussed the importance of aligning corporate structures to support internal brand building capability suggesting that successful leaders act as "integrating forces" on two levels: integrating the elements of corporate identity structures, and mediating between the corporate branding structures and the individual. Where there is not a successful alignment, the hoped for results of brand management initiatives may be impacted. In a study on branding in the financial services industry, de Chernatony and Cottam (2006) echoed a similar theme. They found that organizations with more successful brands were characterized by the following factors: a holistic, consistent and integrated approach to branding, a focus on excellent and personalized customer service, an ethos which challenges the norm, a responsiveness to change, a high degree of brand literacy, and a synergy between the brand and organizational culture (see de Chernatony and Cottam, 2005).

In the context of this study, brand management strategies were discussed generally based on interviews with marketing experts. The impact of brand management moderators was not therefore examined directly in this study.

4.2.4 Individual characteristics

According to our model the key influencing moderators are consumer demographics, sub-cultural values and attitudes, brand involvement, and personal variables - personality, psychographics, and lifestyle. Demographic variables include income, education, age, household size, family life cycle, religion or ethnic origin, occupations, and generation (Kotler *et al*, 2005). Of these, our main interest was examining the effect that ethnicity has on specific aspects of consumer behavior. In our context, ethnicity refers to geographical distinctions. Demographic variables such as income, nearly always part of the sufficiency condition in behavior, were examined to the extent they may have differing levels of impact by region in China. Other sub-moderators were not studied in depth. The typical nuclear family in China consists of two parents and one child, the extended family in China now typically includes, two parents, one child, and one set of grandparents. Family influence on decision making for traditional product categories such as groceries comes mainly from the grandparents even in the case where grandparents do not share residence.

Previous research in China (Paproski , 1990) found that for purchases such as appliances, high technology, and other durables, influences can be expected to come from the husband and in some cases teen-aged children. In large urban cities in China major purchases are often made in concert and with joint financing between grandparents and parents. Houses and vehicles are often purchased with parent's financial support. Because of the rapid change that has occurred in China since 1989, people retiring prior to 2000 were left with small retirement pensions which created an onus on their children who were the recipients of the positive economic change. In exchange for care-giving and financial support the retired "grandparents" in turn provide care for adolescents and youth in China, and often serve as gatekeepers to the family finances reminding the younger generation of the need for thrift. The result of this dynamic is that while retired they still retain significant influence on family purchase decisions.

Sub-cultural values and attitudes reflect the common condition experienced by consumers within that subculture. Stereotypes suggest that Guangdong consumers are very frugal, thrifty and make few conspicuous-consumption-type purchases. Consumers from Beijing are said to be the most ethnocentric perhaps due to the historical machinations experienced in that part of China. You might expect that Beijing consumers rate high on an ethnocentricity scale and therefore are more affected by country-of-origin considerations than, for example, consumers in Sichuan. Shanghai consumer position themselves as the fashion leaders of China possessing the cultural sophistication that comes from being the "Paris of the East" during the first few decades of the last century. Sophisticated and fashion-conscious Shanghai consumers would be expected to score higher on measures of brand involvement.

A consumer's personality is understood to be a major influence on purchase behavior. Personality can be defined as "the relatively stable pattern of behaviors and consistent internal states that explain a person's behavioral tendencies" (McShane, 2008). Personality has both internal and external elements. External elements are observable and may manifest themselves in product purchases that "define" the consumer as a person. Internal elements are not readily observable and reflect the thoughts, values, and genetic characteristics that we infer from the observable behaviors (McShane, 2008). Psychographics refers to the analysis of a person's day-to-day pattern of living as expressed in that person's activities, interests, opinions (AIOs) (Quester *et al*, 2001). Marketers try to identify these internal elements through a variety of research techniques. Psychographics and lifestyle analyses are designed to understand how the internal elements play out through observable behavior by looking at the particular interests, opinions, attitudes of consumer segment.

Behavior is also assumed to be influenced by personality.[31] Borrowing from organizational behavior theory we can identify five personality dimensions, the "Big Five" that affect behavior: conscientiousness, agreeableness, neuroticism, openness to experience, and extroversion

(Langton, 2005; Langton *et al*, 2008). Although analyzed to understand work-related behavior and performance they can be applied to a consumer behavior context. For example, those who are neurotic (anxious, hostile, depressed) may respond to particularly aggressive appeals while those open to experience (outgoing, social, assertive) are more likely to respond to appeals that focus on fun or be attracted to new product promotions.

4.3 Discussion of the General Research Questions

This section discusses the general research questions (GRQs) along with their accompanying research objectives and propositions. GRQs were assessed by analyzing data obtained from a quantitative survey delivered to consumers from each of the key cities. The specific research questions accompanying each proposition are stated in detail. The focus was on the individual characteristics associated with ethnicity. In particular, ethnicity was investigated, as a sub-moderator, to determine its relationship to general purchasing intentions, intentions with respect to purchasing domestic and international brands, purchase frequencies, specific brand choice, and brand origin effects.

Specific research propositions were examined and tested in an iterative manner. These are outlined in detail below. To perform statistical tests, corresponding hypotheses were developed and tested and are shown in the data analysis tables (see Chapter 6).

GRQ 1.0: General Purchasing Intentions

China is a vast country with a long history. Although the country was unified by the Qin emperor in about 220 BC the country persisted to be divided up into various states. In some cases geography made travel and communication difficult and through millennia there was limited movement of people's from their original birth places. Up to the early decades of the last century Chinese civilization had changed little over two thousand years. With the fall of the monarchy in 1911, feudalism gave way to a pseudo-democratic government which ruled in concert with regional warlords and powerbrokers. And still there was little mobility among the citizenry. Up until the end of the Second World War the pattern of civilization in China continued to be one of regional ethnic communities. In many cases, just a few miles served as a wide gulf in language, habits, and customs. The result was that an ethnic quilt prevailed throughout China. Few people spoke Mandarin, judged to be the language of government and the language spoken mainly in areas in the North. Regions like Guangdong, East Jiangsu (Shanghai), Sichuan, and many others were distinct in many ways. The historical circumstances of each region were also different. Beijing and Shanghai, for example, were areas recently invaded by Japan. Chongqing, protected by the remoteness of Sichuan, was less influenced by outside forces.

Following the communist takeover in 1949 the national language was emphasized but the market system ground to a halt. Not until after 1979, and especially after 1989, were Chinese able to engage the outside world. *Ceteris paribus*, one would expect that external influences would shape more or less evenly the consumer behavior of all people in the nation. However, the combination of differences in transportation, communication, language, levels of development, historical background, and the like served to allow differences in consumer behavior to remain. Yet, with the very rapid change in China (refer to Appendix I: A1.1.3) during the period 1992-2009 are these differences substantial? The central aim of this study was to answer this question.

This research question was analyzed in two parts: the first part investigates similarity in purchasing intentions which covers areas such as preference to buy domestic brands, willingness to purchase new brands, preference for purchasing familiar brands, and shopping intent; the second part examines similarities in aspects of general behavior including the breadth of stores shopped and influence that friends have on purchase decisions. Areas discussed in the first part may be broadly classified as measures of "conservatism" with respect to *purchasing intentions*. In the second part they may be classified as measures of "conservatism" with respect to *consumer behavior*. For example, we might say that a consumer from Guangzhou, who is a conservative consumer, prefers to buy domestic, is less likely to try new products, prefers to purchase familiar products, is influenced by friends' opinions, and prefers to shop in a handful of familiar stores.

Questions below are aggregated into logical groupings. Conservatism is measured by ethnocentrism tendencies, interest in new products, the extent of being influenced by others, and the extent of being store and brand loyal. These aspects are assessed in the specific research questions (SRQs) 1.1.1 to 1.1.5. Differences with respect to some aspects of consumer behavior are examined in SRQs 1.2 to 1.6 while SRQ 1.7 examines the relationship of income differences to purchasing intentions.

GRQ 1.0 Differences in purchasing intentions
RO1.0: To determine whether purchasing intentions are different among ethnic consumers in the four key cities studied.
GRQ 1.0. Are there differences in purchasing intentions among ethnic consumers in key cities in China?
GRP 1.0. Purchasing intentions are the same among ethnic consumers in the four key cities studied.

To assess this research objective we analyzed several aspects of purchasing intentions and behavior including levels of conservatism, the impact of situational influences on choice, the extent consumers find price differences, the extent consumers have *a priori* purchase intent, the extent consumers are willing to pay more for service, product category purchase frequency, and the relationship between consumers' household income and purchasing intentions.

The first of these relates to conservatism. We operationalized a composite measure of conservatism to include measures of ethnocentrism, brand trial, store loyalty, brand loyalty, and the impact of friends' influence. Five specific research objectives and accompanying specific research propositions were formulated.

SRQ 1.1: Conservatism

This study operationalizes conservatism as a construct by assessing ethnocentrism tendencies, trial, store loyalty, brand loyalty, and followership. It is hypothesized that a conservative consumer would prefer local brands, be less likely to try new products and brands, shop in a narrower selection of stores, be more likely to buy his/her usual preferred brand, and be more likely to be influenced by the purchase decisions of friends. Li and Su (2007) argued that when new products come into a market the typical Chinese consumer is hesitant to try yet there is often discomfort of being the last one to try something. Horn (2009) argued that the Chinese consumer market is as heterogeneous as any other market in the world. It is highly diverse both in terms of socioeconomics and geography. Horn felt that both variables are important in the diffusion of innovation and the attitude towards adoption/innovation directly impacts the diffusion rate of leading-edge technology products in China.

To many Chinese the dividing line between North and South is the Chang Jiang (Yangtze) River. Ironically Both Shanghai and Chongqing lie on different points of the river: Chongqing on the West and Shanghai on the East. For our purposes we consider Shanghai part of the East and Chongqing part of the South. Stereotypes in China point toward a general conservatism by people in the South and Southwest. This is due in part to the historical economic struggles people in these areas experienced. Although now Guangzhou is a major beneficiary of the economic and social development of China and to a lesser extent Chongqing, people from these two areas of China are thought to be highly frugal and judicious in their purchase decisions. Shanghai and Beijing, on the other hand, are considered to be the top beneficiaries of the development of China. Shanghai, the commercial capital benefits from being a major port city close to Korea, Japan, and Taiwan while Beijing, as the political capital, enjoys the benefits that federal budgeting confers upon it. Consumers from these two areas are thought to be richer, more worldly, and therefore less conservative in their purchasing behavior. Do these historic stereotypes hold today in China? This general research question aims to answer this.

RO 1.1: To determine if consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions.
RP 1.1 Consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions

1.1.1 Ethnocentrism - specific Intentions with respect to the purchase of local and international brands

Ethnocentrism as a construct was examined by asking two questions: one regarding preference to purchase local brands and one regarding preference to purchase international brands.

RP 1.1.1: Chinese consumers are ethnocentric in their brand choices.
SRQ 1.1.1.1: Do consumers from the key cities intend to buy Chinese brands whenever possible?
SRQ 1.1.1.2: Do consumers from the key cities intend to buy foreign brands whenever possible?

RP 1.1.1a: Ethnocentrism influence is the same among ethnic consumers from four key cities.

SRQ 1.1.1a.1: Is the intention to purchase a *local* brand influenced by ethnicity among consumers from the key cities in China?
SRQ 1.1.1a.2: Is the intention to purchase an *international* brand influenced by ethnicity among consumers from key cities in China?

1.1.2 Trial

This aspect of conservatism assesses whether consumers have a general interest in, and proclivity for, trying some different. This question aims also to test if there are differences in willingness to try new products and brands among ethnicities.

RP 1.1.2: Consumers from the four key cities like to try new brands.
SRQ 1.1.2.1: Do consumers from the four key cities intend to try new brands?
SRQ 1.1.2.2: Do consumers from the four key cities intend to try new products or variants when they come onto the market?
SRQ 1.1.2.3: Do consumers from the four key cities intend to wait to try a new brand of an existing product until a friend recommends it?

RP 1.1.2a Willingness to purchase new products is the same among ethnic consumers from four key cities.
SRQ 1.1.2a.1: Are consumers from the four key cities consumers similar in their intention to try new brands? (PB2)
SRQ 1.1.2a.2: Are consumers from the four key cities similar in their intended willingness to try new brands or new brand variants? (PB18)
SRQ 1.1.2a.3: Are consumers from the four key cities similar in their desire to wait for a recommendation before buying a new brand? (PB19)

1.1.3 Store Loyalty

RP 1.1.3: Consumers from the four key cities are loyal to specific stores.
SRQ1.1.3.1: Do consumers from the four key cities usually prefer to shop for groceries in just one store? (PB10)
SRQ1.1.3.2: Do consumers from the four key cities shop for groceries in more than three stores in a month? (PB3)
SRQ1.1.3.3: Do consumers from the four key cities prefer to shop in only one department store? PB8)

RP 1.1.3a: The extent of store loyalty is the same among ethnic consumers from four key cities.
SRQ 1.1.3a.1: Are consumers from the four key cities similar in their intention to shop for groceries in one store? (PB10)
SRQ 1.1.3a.2: Are consumers from the four key cities similar in their intention to shop for groceries in more than three stores? (PB3)
SRQ 1.1.3a.3: Are consumers from the four key cities similar in their intention to shop in one department store? (PB8)

1.1.4 Brand Loyalty

RP 1.1.4: Consumers from the four key cities intend to be brand loyal.
SRQ 1.1.4.1: Will consumers from the four key cities only purchase a familiar substitute brand, if their usual brand is not available?
SRQ 1.1.4.2: Do consumers from the four key cities generally like to buy certain favorite brands?
SRQ 1.1.4.3: Are consumers from the four key cities willing to purchase an unfamiliar substitute brand, if their usual brand is not available?
SRQ 1.1.4.4: Will consumers from the four key cities purchase their favorite brand regardless of the price?
SRQ 1.1.4.5: Will consumers from the four key cities pay an above-average price for a known brand rather than a cheaper price for an unknown brand?
SRQ 1.1.4.6: Do consumers from the four key cities purchase the brand they most prefer if the product is not too expensive?

RP 1.1.4a: The extent of brand loyalty is the same among ethnic consumers from four key cities.
SRQ 1.1.4a.1: Are consumers from the four key cities similar in their intention to purchase a substitute brand that is familiar? (PB4)
SRQ 1.1.4a.2: Are consumers from the four key cities similar in their intention to purchase certain favorite brands? (PB6)
SRQ 1.1.4a.3: Are consumers from the four key cities similar in their intention to purchase a substitute brand that is unfamiliar? (PB7)
SRQ 1.1.4a.4: Are consumers from the four key cities similar in their intention to purchase a favorite brand regardless of the price of the brand? (PB9)
SRQ 1.1.4a.5: Are consumers from the four key cities similar in their intended willingness to pay more for known brands? (PB12)
SRQ 1.1.4a.6: Are consumers from the four key cities consumers similar in their intention toward brand loyalty if the product is not too expensive? (PB21)

1.1.5 Friends' Influence

A generally accepted Chinese cultural peculiarity is *face* (refer to Chapter 3, Section 3.2). We operationalize conformity *face consumption* as a person's susceptibility to group members' opinions during a purchase decision. It is hypothesized that with respect to purchasing products and brands that Chinese value the opinions of others. This is considered to be especially impactful on purchases that can be seen by others. Thus, it is proposed that in purchasing a mobile phone, for example, consideration of how others will look at your brand choice is more important than, for example, your brand choice for cooking oil. This question was studied in two parts in the survey: the first gauging the overall importance of "friends' opinions" in a general way, and second, in the section on reasons for purchase of specific brand choices.

To some extent it is difficult to directly measure the impact that *face* has on purchasing intentions so as a proxy we asked questions indirectly by referring to "friends'" behavior. The propositions below aim, in part, to test the above presumption.

RP 1.1.5: Chinese consumers' purchase decisions from the four key cities are influenced by their friends.
SRQ 1.1.5.1: Among consumers in the four key cities, do others often buy a product only after seeing you purchase it? (PB13)
SRQ 1.1.5.2: Do Chinese from the four key cities often feel pressured to buy a brand after their friends have? (PB14)

RP 1.1.5a: The extent of others' purchase influence is the same among ethnic consumers from four key cities.
SRQ1.1.5a.1: Are consumers from the four key cities similar in often purchasing products because their friends have?
SRQ1.1.5a.2: Are consumers from the four key cities similarly pressured into buying a product brand because their friends have recently bought it?

SRQ 1.2: Situational influences with respect to the Purchase of Specific Brands
In addition to measures of conservatism, differences in the impact of two situational influencers, store loyalty programs and a credit payment option were assessed to determine if ethnic differences existed. Situational influencers can impact purchasing intentions. Situational influencers can be classified under antecedent states, purchase environment, or post-purchase processes. Antecedent states consider personal situational factors, usage contexts, time pressure, mood state, and general orientation to shopping (see Chapter 2). Purchase environment as a moderator includes the influence of the actual shopping experience, point-of-purchase stimuli, and sales interactions. Post-purchase processes that influence (subsequent) purchasing intentions include consumer satisfaction from brand product trial and experience in product disposal (Solomon, 2008).

Situational influencers can interrupt a consumer's original purchase intention with respect to both product category and specific brand choice. For example, a good salesperson may convince a consumer of the merits of purchasing an electric bicycle as a commuter vehicle rather than a second family car. A shopper, under the duress of time pressure, may rely on a simple decision heuristics to make a quick decision or be especially affected by a point-of-purchase offer because it quickens the purchasing process.

Examination of the impact of different situational influencers is not explicitly considered here but several questions were added to the survey to gain some sense of the importance of the following: in-store service, ability to pay with credit cards, and offering store membership benefits or store discount cards.

1.2.1 Credit/Member Card Influences
RO 1.2.1: To determine whether situational influencers such as allowing payment by credit card are important in choosing a shopping venue.

There are three types of credit cards offered in China today. The first is essentially a pre-loaded credit card which allows users to spend up to the amount pre-loaded onto the card. The second works like a traditional credit card which allows users to spend up to a preset limit, which is based on an individual user's financial condition. The third is a credit card with a guaranteed bank account deposit. This type of card allows the user to spend up to the amount of funds deposited in a separate bank account which is held as a guarantee on the funds available on the credit card. For this type of credit card the card holder must make payments for the amount spent each month. This type of account can be opened with little or no credit or other financial check. In China, the use of credit cards is still relatively new, beginning in the early 1990s. When credit cards were initially issued most credit cards were essentially pre-loaded debit cards which had to be topped up every month. Today, other than for certain qualified applicants, many banks continue to require pre-deposits in order to obtain a credit card. Such an approach has been necessary partly due to a lack of credit investigation capability in China. In contrast, developed countries have had sophisticated credit bureau checking capabilities for many years. More recently, some Chinese banks have begun to offer traditional credit card services based on an investigation of an applicant's personal financial history.

This question attempts to determine if being able to pay with a credit card is important when choosing a shopping venue.

RP 1.2.1: Being able to pay with a credit card is important to urban Chinese consumers in choosing a shopping venue.
SRQ 1.2.1: Is being able to pay with a credit card important in choice among consumers in the four key cities? (PB20)

RP 1.2.2: Consumers in the four key cities feel being able to pay with a credit card is of similar importance in choosing a shopping venue.
SRQ 1.2.2: Is being able to pay with a credit card important in selecting a shopping venue similar among consumers from key cities?

1.2.3/1.2.4/1.2.5 Store membership/discount cards
Marketing experts interviewed tended to feel that store membership programs including loyalty rewards and membership discounts were only moderately important in shopping venue selection. The consensus of opinion was that straight off-price discounts were most effective, while points programs were less effective. Cateora *et al* (2009) argued that Walmart, which now operates about 200 stores in China, has been able to effect the Chinese sense of social status by offering membership cards that confer not only eligibility for special discounts but social status as well. This study did not examine differing types of loyalty programs but rather asked a general question as to whether consumers feel such programs actually impacts their venue choice.

RP 1.2.3: Store loyalty programs are important to consumers from the four key cities in choosing a shopping venue.
SRQ 1.2.3: Is a store loyalty program important to consumers from the four key cities in choosing a shopping venue? (PB17, PB22)

RP 1.2.4: The importance of store loyalty programs in selecting a shopping venue is similar among consumers from the four key cities.
SRQ 1.2.4: Is the importance of store loyalty programs in selecting a shopping venue similar among consumers from the four key cities? (PB17)

RP 1.2.5: Consumers from the key cities are similar in often using a store discount or membership card when shopping.
SRQ 1.2.5: Are consumers from the key cities similar in often using a store discount or membership card when shopping? (PB22)

SRQ 1.3: Price Differences
RO 1.3: To determine if consumers from key cities find price differences among brands.

This question serves as one measure of establishing differences in consumer behavior. Some experts argue for example that Shanghai and Guangzhou consumers are very price conscious and that this trait leads to the behavior of price shopping. The aim of this question is to shed light on this assumption.

RP 1.3.1: Consumers from the four key cities frequently find price differences on the same brands in different stores.
SRQ 1.3.1 Do consumers from the four key cities frequently find price differences on the same brands in different stores? (PB16)

RO 1.3.2: The extent that consumers from the four key cities find prices differences is similar.
SRQ 1.3.2: Are consumers from the four key cities similar in frequently finding price differences on the same brands in different stores?

SRQ 1.4: a priori purchase intent
RO 1.4: To determine if consumers have similar *a priori* brand purchase intent.

This question serves as an additional measure of establishing differences in consumer behavior. It concerns the proclivity of shoppers making a planned purchase versus shopping in an *ad hoc* or unplanned manner. The aim is to gain a sense of how much mental pre-planning goes into a shopping decision.

RP 1.4.1: Consumers from the four key cities have a specific brand in mind when going shopping.
SRQ 1.4.1: Do consumers from the four key cities have a specific brand in mind when going shopping? (PB15)

RP 1.4.2: The extent that consumers from the four key cities have *a priori* brand intention is similar.
SRQ 1.4.2: Do consumers from the four key cities have a similar level of *a priori* brand intention?

SRQ 1.5: Willingness to pay more for service
RO1.5: To determine whether urban Chinese consumers are willing to pay more for better service.

Service as a part of the overall product offering covers a wide range of additional product benefits. Service benefits may be offered at the product level and include, for example, installation or assembly included, or manufacturer's warranty and free repair included. Service benefits may be provided at the store level and include efficient customer service, friendly service, or product advice and consultation. Atsmon *et al* (2010) found that Chinese consumers are willing to pay for better value and quality to the extent that their focus on value has resulted in brand loyalty being of secondary importance.

This question refers to the generic meaning of service. The meaning attached to service depends on the respondents' own interpretation. The meaning may refer to added product benefits, in-store customer service benefits, or other interpretations. However, it was assumed that service benefits were delivered at the retail level. The aim of the question is to gain insight as to whether or not urban Chinese consumers are willing to pay more for service-related benefits.

RP 1.5.1: Chinese consumers from the four key cities are willing to pay more for products at stores that provide above-average service.
SRQ 1.5.1: Are Chinese consumers from the four key cities willing to pay more for products at stores that provide above-average service? (PB11)

RP 1.5.2: Chinese consumers from key cities are similar in the extent they are willing to pay more for better service.
SRQ 1.5.2: Is willingness to pay more for service similar among consumers from the four key cities?

SRQ 1.6: Product category purchase frequency
RO 1.6: To determine if product category purchase frequency is influenced by ethnicity of consumers in key cities.

This question also provides insight into purchase behavior. Chinese consumers historically have shopped about five times a week more often than consumers in the United States (Atsmon *et al*, 2010) but their average purchase size has been much smaller than the US equivalent. Atsmon *et al* (2010) observed that more recently Chinese consumers are shopping less frequently and postulate that this trend is due to being attracted to modern retail formats such as hypermarkets where they are purchasing in bigger volumes than they have in the past.

Although massive in terms of geographic size, Chongqing and Beijing have less concentrated shopping areas than do Guangzhou and Shanghai. Chongqing, particularly suffers from a dearth of shopping districts and large-scale retailers, which makes shopping a somewhat more inconvenient activity. Beijing's vast geographic layout causes distances between any two venues to be relatively large, again making shopping somewhat more physically challenging.

This begs the question of whether or not consumers in these two cities shop less frequently than consumers in Guangzhou and Shanghai where there exists a plethora of easily accessible stores and markets. Moreover, it has been a custom in China since ancient times for women, primarily the mother and grandmother, to make daily visits to a "wet" market to purchase daily necessities. The advent of new technology, such as refrigeration, and larger living spaces in urban areas, allows for better storage of products at home. This research questions aims to determine if there are sufficiently significant differences in shopping frequency between the urban areas under study.

RP 1.6: To determine if product category purchase frequency is influenced by ethnicity of consumers in key cities.
SRQ 1.6: Product category purchase frequency is influenced by ethnicity of consumers in key cities.

SRQ 1.7: Differences due to income
RO 1.7: To determine if differences in purchasing intentions among Chinese consumers from key cities, if any, can be explained by income differences.

Marketing experts in China frequently cited income differences as the key reason for differences in purchasing intentions and behavior among Chinese urban ethnic consumers. Many argued that ethnic differences impacted brand choice in terms of style and taste but that differences in brand choice were more related to variables that relate to income factors (price and quality). The main aim of this research was to determine *if* differences existed at an ethnic regional level but did not exhaustively study *why* differences exist. Initially, the questionnaire did not factor income as one of the demographic variables because this was not expected to provide insight germane to the study. However, following interviews that continued to point to income differences as the key determinant of differences (should there in fact be differences), an additional question asking for monthly household income was added to the original questionnaire.

As a corollary question this objective attempts to provide basic insight into a key reason for differences in behavior.

RP 1.7: Differences in purchasing intentions are related to income differences.
SRQ 1.7: Are differences in purchasing intentions related to income differences?

RP 1.7.1: Purchasing intentions to buy foreign whenever possible are related to income differences.
SRQ 1.7.1: Are differences in purchasing intentions to buy foreign whenever possible related to income differences?

RP 1.7.2: Purchasing intentions to try new brands are related to income differences.
SRQ 1.7.2: Are differences in purchasing intentions to try new brands related to income differences?

RP 1.7.3: Purchasing intentions to pay more for better service are related to income differences.
SRQ 1.7.3: Are differences in purchasing intentions to pay more for better service related to income differences?

RP 1.7.4: Purchasing intentions to pay more for known brands are related to income differences.
SRQ 1.7.4: Are differences in purchasing intentions to pay more for known brands related to income differences?

RP 1.7.5: Intentions to use loyalty program cards are related to income differences.
SRQ 1.7.5: Are differences in intentions to use loyalty program cards related to income differences?

GRQ 2.0: Differences in brand purchasing intentions when shopping
GRQ#2.0: Are particular brand choice related to ethnicity among consumers in key cities in China?

Interviews with marketing experts produced a mixed response to this question. Generally, most experts felt that male consumers more so than female consumers tend to have specific brand choices in mind when going out to buy a brand within a product category. Further, marketing experts who are involved in regional or national product development were unable to render an educated guess as to whether the tendency of consumers to make *a priori* brand choices was the same between the key cities examined. This question aims to determine if in fact there are differences among consumers in general.

RP 2.0: Specific brand intentions are influenced by ethnicity in key Chinese cities.
SRQ 2.0: Are particular brand choices related to ethnicity among consumers in key cities in China?

SRQ 2.1: Differences in brand repertoire
RO 2.1: To determine if the composition of brand repertoire is similar among ethnic consumers in key Chinese cities.

The make-up of a consumer's brand repertoire is dependent upon brand availability, levels of brand awareness, recall, learning, and other aspects of the EKB model. The size and composition of brand repertoires are important to marketers in designing their marketing communications strategies. Brand loyalty relates to the size of the repertoire as well. Exclusive brand loyalty is very difficult for a marketing team to achieve and, more likely, a brand manager is able to just add his brand to the purchase selection of his intended target market. Thus, one of a marketer's objectives is to try to add the company brand to its target segment's repertoire.

In our study we investigated the brand repertoire in twelve product categories and tried to determine if the size and composition differs among ethnic urban consumers.

RP 2.1: The composition of brand repertoires is different among ethnic consumers in key Chinese cities within the 12 product categories studied.
SRQ 2.1: Is the composition of brand repertoire over a two-year periodthe same among consumers in the four key cities within the following product categories: bottled water, cooking oil, toothpaste, perfume, appliances, mobile phones, ice cream tubs, specialty chocolates, department stores, banks, floor cleaner, and potato chips?

SRQ 2.2: Difference in specific brand choices
RO 2.2: To identify whether specific brand choices are influenced by ethnicity in China.

Quite clearly, whether explicitly or implicitly analyzed, marketers respond to product preferences and pay particular attention to how preferences relate to ethnicity. That is to say, that for example, in Chongqing which is considered to be the "hot spice" center of China, brands of chili sauce that have a "hotter" flavour would be top sellers. Marketers would be expected to have higher inventory levels of the "hotter" brands in Chongqing than say, Shanghai, which is known for its preference of sweet flavors. Aside from these obvious differences, however, are brand choices in other categories influenced by the ethnic background of target consumers. Marketing experts interviewed largely felt that there are differences in brand choice but many were unclear if differences, if any, were due to differing income levels or ethnicity or other factors.

RP 2.2: Specific brand choices among the 12 product categories studied are different among ethnic consumers from the key Chinese cities studied.
SRQ 2.2: Are specific brand choices among the 12 product categories (bottled water, cooking oil, toothpaste, perfume, appliances, mobile phones, ice cream tubs, specialty chocolates, department stores, banks, floor cleaner, and potato chips) similar among ethnic consumers in the key Chinese cities studied?

GRQ 3.0: Reasons for purchase of favorite brands
GRQ 3.0: Are the reasons given for the purchase of favorite brands influenced by ethnicity?

For consumers the main reason for purchasing a brand may not be altogether clear. When asked, a common reaction is to ascribe rational justification (quality, value, convenience) to brand selection. The actual reasons for brand choice that may "cause" the behavior, however, may lie at a consumer's sub-conscious level. Reasons such as "family members like it", "it makes me feel good", or "my friend's also buy it" may appear to be less rational and perhaps some respondents might be more reticent to offer these less concrete reasons for a purchase choice.

Whether product benefits are largely functional versus emotional may also relate to the reason for purchase. We expect that perfume, for example, is a typical purchase whose benefits are largely emotional ("it makes me feel good"). Reasons for appliances purchases, on the other hand, are expected to be largely functional and value-related.

Notwithstanding a natural tendency to provide a more rational justification, the reasons given may be different depending on the ethnicity of consumers. We hypothesize that reasons for purchase correlate to the specific subculture (ethnic group) from which the consumer belongs. This was the near consensus view that marketing experts interviewed held. Thus, the stereotype that Guangzhou consumers are extremely discerning in their purchase behavior, for example, needs to be investigated. Beijing consumers were held to be ostentatious and quite satisfied to be seen as wasteful in purchase decisions because being able to "waste" money is seen as a way to gain *face*.

The above discussion leads to the following research objective and propositions:

RP 3.0: The main reason for purchasing favorite brands is the same among Chinese consumers from the four key cities.
SRQ 3.0: Do Chinese consumers from four key cities purchase favorite brands for similar reasons?

RP 3.1: Chinese consumers from the four key cities purchase favorite brands on the basis of quality to a similar extent.
SRQ 3.1: Do Chinese consumers from the four key cities purchase favorite brands on the basis of quality to a similar extent?

GRQ 4.0: Actual purchase frequency
GRQ 4.0: Is actual purchase frequency of favorite brands influenced by ethnicity among consumer in key cities in China?

Following along a similar vein to that of GRQ 3.0 this question examines whether differences in living habits, customs, purchase environment, availability of shopping, stock outs, and the like inhibit the correlation between intended and actual purchase. We again hypothesize that consumers in Guangzhou and Shanghai actually purchase their favorite brands more often than consumers in Beijing and Chongqing.

RO 4.0: To determine if actual purchase frequency of their favorite brands is influenced by ethnicity

RP 4.0: The frequency of making purchases in influenced by ethnicity in China.
SRQ: 4.0 Is actual purchase frequency of favorite brand influenced by ethnicity among consumers in key cities in China?
RP 4.1: Consumers in Guangzhou and Shanghai purchase their favorite brands more frequently than Chongqing consumers.

SRQ 4.1: Do consumers in Guangzhou and Shanghai purchase their favorite brands more frequently than Chongqing consumers?
RP 4.2: Consumers in Guangzhou and Shanghai purchase their favorite brands more frequently than Beijing consumers.
SRQ 4.2: Do consumers in Guangzhou and Shanghai purchase their favorite brands more frequently than Beijing consumers?

GRQ 5.0: Important of Country-of-Origin on Purchasing Intentions
GRQ 5.0 What influences, if any, does a brand's COO have on purchasing intentions among consumers in key Chinese cities.

RO 5.0: To determine the extent that COO influences purchasing intentions among consumers from four key cities in China.

Many studies focus on the heuristic effect of COO as a moderator (discussed in Chapter 2). In developing countries particularly there has long been an assumption that consumers are swayed by the COO of a product brand. The underlying assumption is that since a developing country's infrastructure is poor and its economic development level low, then its manufacturing quality is likely low and, therefore, products from developed countries should be better. While this sequence of assumptions may not necessarily hold, developing countries' consumers are hypothesized to put value on a brand's country of origin. Again, the purpose of this study is to identify regional differences in purchase intention and behavior rather than on assessing deterministic moderators of behavior. The focus here is to understand if consumers in key cities are knowledgeable with respect to brands' COO. Such insight is particularly useful to marketers because if in fact COO is a key heuristic in brand choice then it may be in the company's strategic interest to emphasize, or de-emphasize as the case may be, brand origin.

In addition, a recent study found that more knowledgeable consumers are more sensitive to a brand's country-of-origin effects (COE) (Gurhan-Canli and Maheswaran, 2000). Measuring COO knowledge of brands may therefore be important in examining the importance of the COE.

RP 5.0: COO is an important factor in the purchasing decisions of ethnic consumers.
SRQ 5.0: Is COO an important influence in the purchase decision among consumers in the four Chinese cities?

SRQ 5.1: Country-of-origin and product category
Limited studies on the knowledge of brands' COO have been conducted on a product category basis. Before we test if COO is important to the buying decision it is useful to test if it is considered important in the first place. This research question aims to expand the numbers and types of product categories tested to help determine if the importance of brand origin is related to product category.

RP 5.1: The importance of COO to purchasing intentions is influenced by product category.

SRQ 5.1: Is the importance of COO more important to the purchasing intentions of products in high functionality/high representationality and low functionality/high representationality than those in high functionality/low representationality and low functionality/low representationality categories?

SRQ 5.2: Country-of-origin influences

In addition we wish to test cultural stereotypes that COO is more important for those from northern and eastern areas of China than southern or western areas.

RP 5.2: Country-of-origin influences are the same among consumers from the key cities.
SRQ 5.2: Are country-of-origin influences the same among consumers from the key cities.

SRQ 5.3: Knowledge of country-of-origin

In addition to testing the importance of country-of-origin to the buying decision it is also useful to establish knowledge levels and to determine if they are similar among consumers from the various cities.

RP 5.3: Chinese consumers are knowledgeable about the COO for brands in a variety of product classes.
SRQ 5.3: Are Chinese consumers from the four key cities knowledgeable about the COO for brands in a variety of product classes?

RP 5.3.1: Consumers are similar in their knowledge of their favorite brands' COO.
SRQ 5.3.1: Are Chinese consumers from the four key cities similar in their knowledge of their favorite brands' COO.

SRQ 5.4: Knowledge of country-of-manufacture

The pre-test indicated that there was significant misconception as to both the country of origin and country of manufacture (COM). In some cases the COO was mistakenly identified and in some cases the COM was incorrectly identified. The major error seemed to be in the assumption that products identified with a foreign COO were assumed to be manufactured and imported from that country. In nearly every case in the pre-test respondents did not recognize the distinction between COO and COM. Another interesting preliminary finding was that in cases where consumers correctly determined that a brand was of foreign origin, but manufactured domestically, they seemed to ascribe the same "heuristics package" to that brand. In other words, they seemed to feel that issues around quality control, materials sourcing, and overall production quality were not compromised by being locally produced. Thus, to the extent that COO served as a decision heuristic, the strength of the heuristic did not seem to be reduced even when the brand was known to be manufactured domestically. This current study did not explicitly investigate this preliminary finding. As a starting point, this research adds to country-of-origin studies by examining the extent of awareness of brand origin and manufacturing location.

RP 5.4.0: Chinese consumers are not able to determine the COM of their favorite brands.
SRQ 5.4.0: Are Chinese consumers from the key cities knowledgeable about the COM of their favorite brands?

RP 5.4.1: Consumers are similar in their knowledge of their favorite brands' COM.
SRQ 5.4.1: Are consumers from the key cities similar in being able to determine the COM of their favorite brands?

RP 5.4.2: Consumers are more knowledgeable of the COM than COO.
SRQ 5.4.2: Are consumers more knowledgeable of COM than COO?

4.6 Gaps in existing literature

This research serves to expand understanding of consumer behavior in China and add to the current scarcity of work involving China.[32] There are a number of questions that still need to be researched. In the context of developing countries, and China in particular, what patterns of brand choice are there? How loyal are consumers to their brands, and do they exhibit split-loyalty as is commonly observed for frequently bought items in developed, competitive markets (Ehrenberg and Uncles 1999)? Does a level of patriotism exist toward local brands, which in many cases are cheaper than international brands, or are consumers willing to pay more for well-known and well-regarded international brands? Is patriotism reflected in the levels of product involvement? Is there a difference in the purchasing intentions and frequency among consumers from different geographical locations?

Consumers in China may be faced with many unfamiliar brands, across a range of quality levels, as well as being subjected to inconsistencies in the availability of brands. International brands are also being produced more frequently in China. This heightens the importance of COM as an issue and may increase the consumer's perceived purchase risk (Hampton 1977). The distinction between COO and COM and their respective impacts on brand decision is another significant gap to be researched. Further, in China, COO cannot justifiably be studied simply by distinguishing brands by the original COO. We need to study whether there is a perceptual difference between COM and COO. To the Chinese consumer is there a distinction between a Ford manufactured in China and a Ford manufactured in the USA? These factors, which provide "purchasing challenges" for consumers, can result in differences between purchasing intentions and actual purchases. This study contributes to this discussion.

The relationship between the level of involvement and the reason for the selection of specific brands is also a subject that needs to be investigated. For example, is the motivation for the Chinese purchaser of a brand within a high involvement product category based on functional or emotional criteria? The importance of such studies becomes evident when considering that newly developed and developing countries represent the growth markets of the future as national markets reach maturity and become saturated.

4.7 Summary

This chapter began with a discussion of several models of consumer behavior including the Nicosia and EKB models. This was followed by a detailed discussion of the Saurazas model, which is the model used in this study. A brief but comprehensive discussion of the model's moderators was provided. With the model used as a basis for the study a discussion of the research questions, objectives, and propositions to be tested was presented. Rationale is provided for each general research question with the focus on determining differences in purchasing intentions and behavior among urban consumers in China. The discussion ties the literature from earlier chapters to the research questions. This chapter concluded with a brief discussion of gaps in the literature.

5. Research Methodology

5.0 Introduction

This chapter discusses the primary objectives of the research and the research design and methodology used to achieve them. The method and process of data collection are examined. Next, the pre-test methodology and results are summarized and their implications for the main survey are analyzed. The organization of the main consumer survey is then outlined and a summary profile of the main survey respondents is provided. This chapter concludes with a brief outline of the expert interview process and includes an outline of the implications for the depth interview surveys.

5.1 Objectives of the research

The purpose of this chapter is to discuss the research design and methodology which will assist the reader in understanding the relationship between the research objectives and the research instruments used. This research has two principal objectives. The first objective is to identify peculiarities in purchasing intentions and behavior among Chinese consumers in key cities, including ethnocentrism and country-of-origin effects. The second objective is to compare actual brand purchases, reasons for purchases, and levels of brand knowledge among consumers from key cities.

To investigate these objectives, in addition to examining secondary documentation, empirical work was carried out in the People's Republic of China between June 2008 and May 2009. The research comprised observations of in-store brands in four large cities, an internet survey to investigate awareness of brands among residents in each city studied, a main survey designed to answer research propositions, and depth interviews with marketing professionals from each of the cities to provide insight into research results.

5.2 Research Design and methodology

To investigate the research questions, empirical work was undertaken in China. Research consisted of a literature review and examination of existing related studies, industry interviews, on-site store observations, a preliminary online survey, a pre-test, and a consumer field survey. An overall framework of the research methodology and approach is given in Figure 5.1.

The research methodology included both qualitative and quantitative approaches. Both methods are required for this study because *a priori* information was required to identify the appropriate brands to include in the general survey questionnaire and this could best be done only through actual observation of available brands in stores in the cities where the interviews were to be conducted. Further, a summary review of the literature provided no definitive insight into possible explanations for findings in the general survey which is why industry interviews with marketing experts in each key city were conducted. Field surveys provided quantitative data used in testing research hypotheses.

Door-to-door, central-location, and mall-intercept formats were all considered for the main survey. Door-to-door, while possible, generally would require gaining unauthorized access to residential buildings because virtually every residential complex in throughout China is walled with security.[33] Central-location interviews were possible but after discussion with several potential location owners and/or managers the costs were felt to be too high. None of them was willing to provide unpaid access to their locations. Nor could any measurable improvement in the quality of interviews be expected from a central location. The major reason for this is because residential and commercial venues do not allow surveys to take place. Mall-intercept interviews were deemed an ideal choice because of several peculiar characteristics of Chinese consumers: first, people regularly mass at large shopping venues up to an hour before the venue opens and with nothing else to do they are relatively willing to be interviewed, and; second, a broad range of shoppers frequent most shopping locations in China.

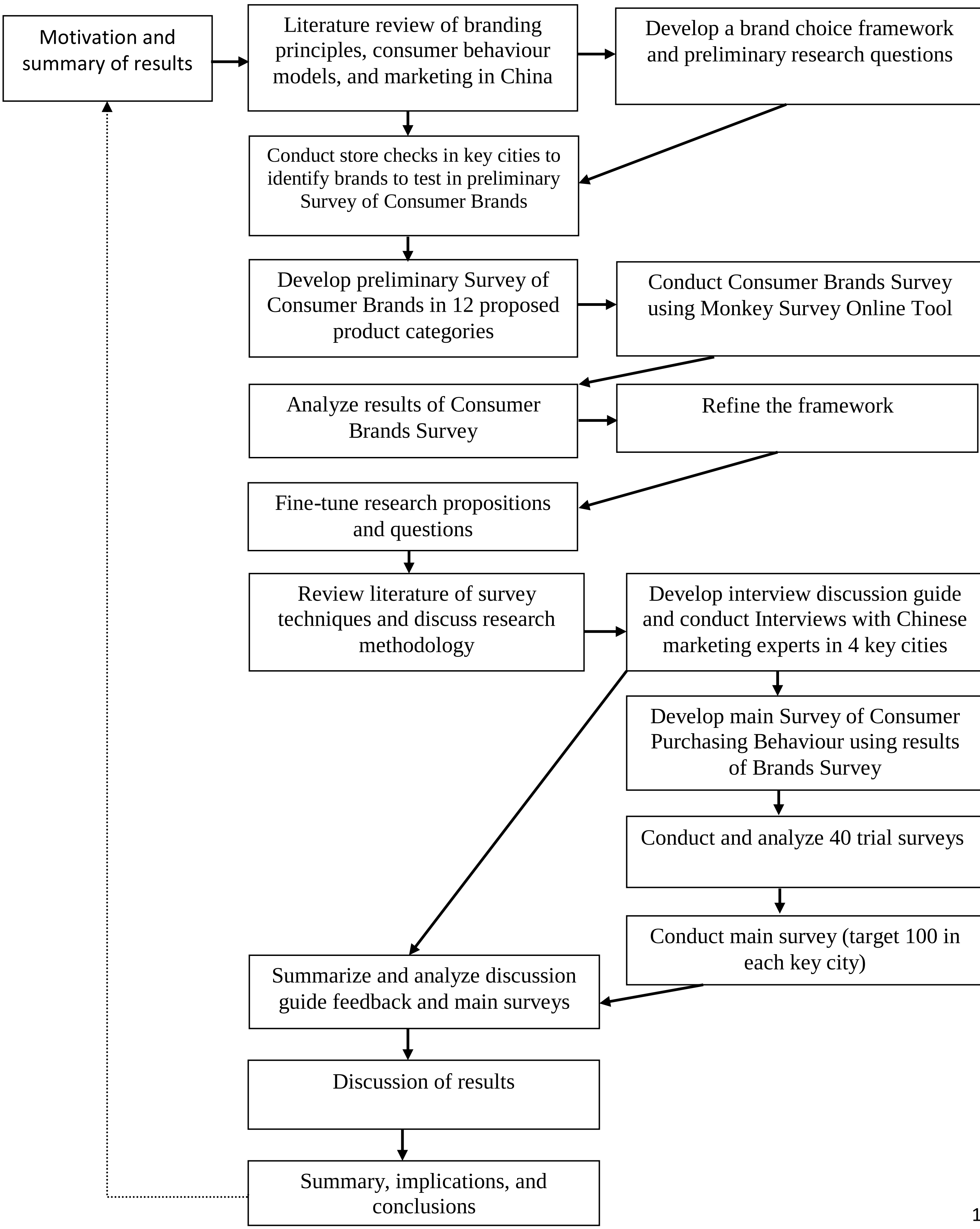
Research venue selection city-by-city was done by dividing up the city into established districts. For example, in Beijing there are ten districts including Haidian and Chaoyang, among others. Districts were randomly selected by lot. Within districts, interview locations were suggested by an established professional marketing research company. Their advice was to select shopping locations as that could ensure a reasonable cross-section of respondents. Potential respondents were also considered to be more willing to take part in such a survey particularly with a survey requiring twenty five minutes of their time.

The selection of shopping locations was based on a breakdown of premium versus non-premium shopping venues. The distinction was based on experience of each local market research agency. SOGO, a Japanese-owned shopping center, for example, was considered to be a premium venue. Chenxiang (Beijing Urban Rural Shopping Center in West Beijing) an older shopping venue, was selected as representative of a non-premium venue. The purpose in selecting two broad types of venues was to ensure that a sufficiently broad representation of respondents would be selected. Choosing just one or the other might reduce the opportunity for selecting a fair representative random sample.

In addition, in order to obtain a proper random sample after breaking down venues into the two categories, two of each venue was selected randomly from the random selection of the ten districts. The districts themselves were selected via a random numbering process with each district assigned a code. Codes were selected based on a random number table. Other sampling methods such as convenience sampling or judgment sampling were not considered because they are non-probability techniques and would not have been suited to analyzing statistical distinctions between consumers of the key cities.

In each city, interviewers were trained and a practice interview was conducted as part of their training. In each of the four survey locations a sample pre-test was conducted primarily to ensure interviewers obtained adequate detail and appropriate information as well as to ensure a reasonable consistency in quality among the interviewers.

Figure 5. 1 Research Methodology Summary Flowchart



NB: Above flowchart adapted from Saurazas, 2000.

5.3 Data Collection and sampling

Information generation consisted of examining existing consumer behavior studies using a Chinese context as well as two sets of primary studies: one constituting depth interviews of industry experts (advertising experts, marketing research managers, brand and product managers, marketing managers, and sales managers) and the second consisting of a market research survey.

5.3.1 Secondary research

Academic and industry literature was further reviewed to shed light on the research questions, to aid in identifying the most appropriate consumer behavior moderators, and to help in adapting an appropriate consumer behavior model for use in a Chinese context. Secondary data was collected mainly from English language materials but also included Chinese-language academic, government, and industry publications.

5.3.2 In-depth expert interviews

Face-to-face depth interviews were held with brand managers, marketing managers, consumer product distributors, and other marketing-related experts in China. Participants came from a variety of industries in order to obtain the broadest possible range of insight. In total, forty managers were interviewed with a minimum of eight managers per key city studied. The target of forty managers was chosen for several reasons: first, because this dissertation follows similar research conducted in the United Arab Emirates (see Saurazas, 2000) which also contained interviews from a similar-sized group of managers; second, interviewing approximately forty managers was expected to provide sufficient qualitative insight into many of the findings in the general survey; third, the information obtained from the managers was intended to buttress findings from the quantitative component of the study and were not expected to be extrapolated to the general population of managers, and; finally, there was significant cost involved in arranging interviews with suitably qualified managers.

Expert interviews were open-ended and followed a prepared interview guide (see Appendix IX). Findings obtained from the interviews also provided further insight toward the final development of the main survey and toward the research objectives. All proper academic primary research guidelines were followed.

5.3.3 Observation research

Initial research in the form of on-site store checks was conducted in each key city to obtain a base list of brands available to use in the surveys, which was subsequently pared down for the main survey.

5.3.4 Online survey

Additional initial research in the form of a preliminary online survey was used to gather basic data on brands purchased, consumer awareness of brands identified via on-site store checks, and motivations influencing purchases. The preliminary online survey was sent to a convenience sample of consumers in the four target cities. The sampling frame was partially supplied from domestic research companies and also consisted of Chinese marketing experts familiar to the author. As this part of the research was primarily intended to identify brands that consumers were aware of in each of the respective key cities this could be accomplished with a sample size of between fifty and seventy respondents in addition to actual in-store observations in each of the key cities under review. Good research practice justifies convenience samples best utilized for exploratory research when additional research will subsequently be conducted with a probability sample (Malhotra, 2004). The survey was placed on the internet for four weeks.

5.3.5 Main Field Survey

The main empirical work consisted of a field study in the form of an interviewer-administered questionnaire administered in each of the four key cities. The questionnaire was piloted on a convenience sample of forty consumers, ten in each city. The objective was to check that the questions were clear, comprehensible, and that an adequate number of answer categories was provided. The main survey was administered to respondents from randomly selected stratified samples of shopping locations in each key city. The four key cities included in the study were Beijing, Shanghai, Guangzhou, and Chongqing. Quotas of a minimum of one hundred per city were established with further quotas within cities applied based on age and gender of respondents. The purpose of quota sampling was to ensure that the various subgroups in the population were represented on pertinent sample characteristics to a minimum extent.

The scale and scope of the survey were based on the following rationale: first, this study was modeled after a similar study conducted in the U.A.E. which targeted 400 respondents with a similar breakdown of respondents by related categories; second, results of the sample would enable extrapolation within reasonable levels of statistical significance (i.e. 5%) as was found in the U.A.E. study; third, there were a minimum number of sub-categories of respondents which still enabled a sufficient sub-sample to make statistical conclusions with a reasonable level of significance, and; finally, the costs of conducting the field survey were quite high and while a commercial survey would likely have been significantly larger, the sample size is appropriate as a starting point for understanding consumer behavior in China.

To measure theoretical constructs cross-nationally, translation equivalence must be considered (Mullen 1995). All questionnaires/guides were originally written and designed in English then were translated into Chinese by both a bilingual native speaker and the author. To ensure that the translations were correct a method of backward translation was used and the resulting questionnaires were then compared again in English. Discrepancies in the translation were carefully inspected and corrected to ensure the translation equivalence of the questionnaire.

5.3.6 Problems in respondent selection

In selection of interview respondents it was difficult to distinguish between a "real" Beijinger and those who were simply Beijing residents, for example, because of the displacement of people during the cultural revolution and due to other migrant population movements over the past twenty years. Many legal residents of Beijing and their offspring while resident in Beijing do not considered themselves to be Beijingers. A large floating population with no residential permit also inhabits Beijing and such inhabitants are not considered by ethnic Beijing people to be *real* Beijingers, even though they may have lived in the city for many years. In drawing conclusions about people from specific areas of China, therefore, we need to clarify distinctly what is meant if, for example, we refer to Beijingers. Indeed, many people born and raised in Beijing do not consider themselves to be Beijingers and feel that their customs, habits, values, and possibly purchasing preferences are different from Beijingers. The same can be said for people from other major centers in China including Shanghai, Guangzhou, and Chongqing. Nonetheless, notwithstanding this peculiar feature of Chinese society, our questionnaire respondents were selected on the basis of having a legal residence in each respective city researched. We made no explicit attempt to distinguish between what Chinese would consider a *real* Beijinger and a *transplanted* Beijinger.

5.4 The Pre-test: Survey on Consumer Brands

5.4.1 Motivation for the Pre-test and In-store Observations

In order to successfully complete the main survey it was necessary to conduct a pre-test survey. The pre-test survey served several purposes in this study: first, to confirm whether the selected product categories were suitable; second, to determine which brands to include in the main survey so that we could ensure consumers in each of the areas studied had an adequate awareness of enough brands in order to further delve into their brand behavior; third, to determine if the questions asked made sense to potential respondents, and; fourth, to assist in identifying which interviewing style would be most suited to the study.

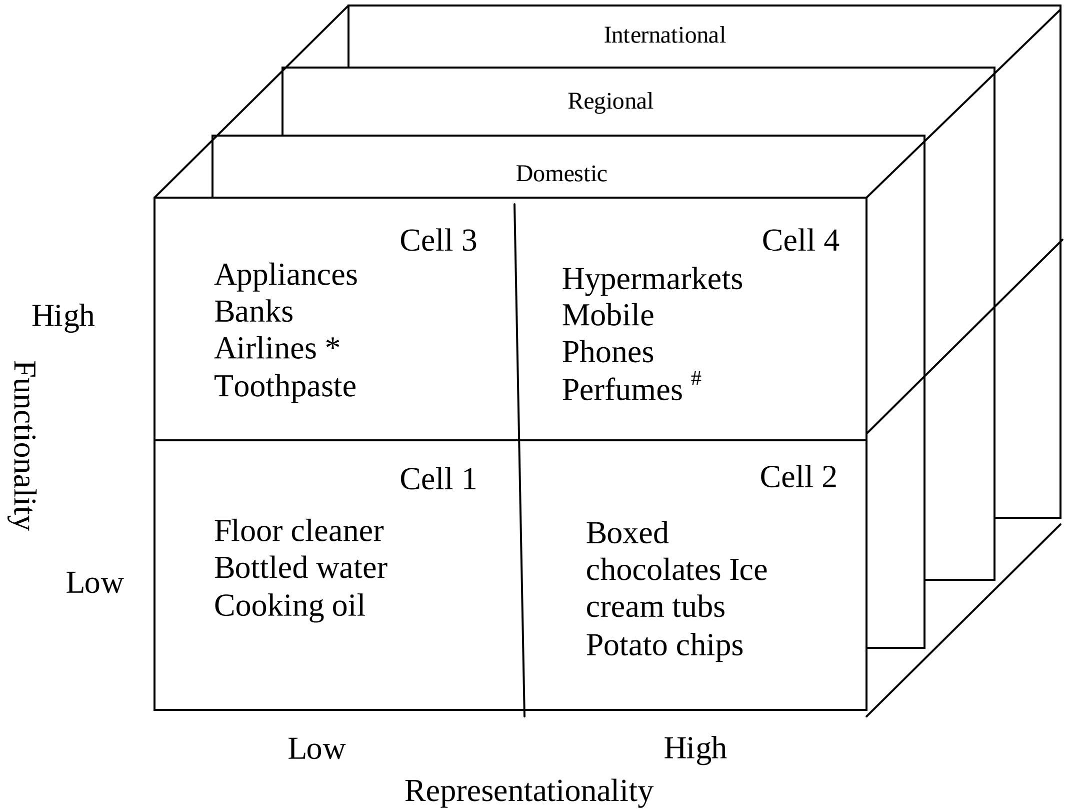
5.4.2 Pre-test Methodology

Prior to developing the pre-test, physical inspections were conducted at a minimum of three hypermarkets/department stores in each of the four key cities studied. This enabled a preliminary list of brands to be selected in each of the proposed product categories to be studied. A list of domestic, regional, and other foreign brands available in each store was listed and brands sold in all of the stores research were included in the pre-test questionnaire. The objective was to ultimately pare down the list to those top domestic, regional, and foreign brands which had the highest brand awareness in all cities studied. Care was taken to include brands with sufficient awareness in each one of the markets.

Due to a proliferation of brands in many product categories in China a key task was to identify a sufficient number of product categories each having a sufficiently large number of both local and foreign brands possessing sufficient brand awareness among all city populations. It was hoped that such a selection would allow respondents to be able to knowledgeably answer questions about them. To aid in this task, the methodology used by Saurazas (2000) was adopted, with minor modifications.

Domestic brands were defined as those brands originating in China while regional brands included those originating in Hong Kong, Taiwan, Korea, Japan, and Southeast Asia. International brands were considered to be those from Europe, North America, and other non-East Asian countries.

Figure 5. 2 Product Categories for the Pre-Test



*Omitted from main survey.
#Added to main survey.

Source: Adapted from Saurazas, 2000.

Table 5.1 shows the area of origin of the pre-tested brands. The pre-test included 76 domestic brands, 25 regional brands, and 49 international brands. From an initial investigation of the brands available within the product categories being studied, it became obvious that it would not be possible to include an even number of domestic, regional, and international brands in either the pre-test or the final consumer survey. To the extent possible, however, care was taken to include brands originating from each.

Table 5. 1 Pre-tested brands by area of origin

Product Categories	Domestic brand	Regional brand	International brands
Floor cleaners	5	0	5
Bottled waters	7	1	5
Cooking oils	10	0	3
Ice cream tubs	6	1	3
Boxed chocolates	2	1	7
Potato chips	7	3	3
Toothpaste	9	3	3
White appliances	7	5	3
Banks (ATMs)	10	0	3
Hypermarkets	4	5	4
Mobile phones	6	3	4
Airlines	3	3	6

Once the Consumer Brands Survey pre-test instrument was developed, an initial trial of ten questionnaires were given to Chinese university students in China to determine if there was sufficient clarity in the questions and to determine a proper fluidity and flow to the question format. This also served as a further check on the translation of the document from English to Chinese.

The next step was to utilize the best method to survey respondents in four geographic areas of China. Initially, a telephone survey was considered but thought to be too complicated and lengthy to be conducted over the phone. Time and cost considerations precluded a field test. To minimize cost, speed processing time, and to be able to contact respondents from each of the four cities covered it was decided that an internet survey be conducted using *MonkeySurvey*, a popular online research tool.

Once the online research instrument was developed and tested, an online survey link was sent out to potential respondents via a convenience sample to Chinese internet users. The sampling frame was developed by asking university students in China for email addresses of acquaintances from cities included in the study. This method of sampling is justified in that the purpose of the survey was not to develop inductive conclusions but to assist in confirming common awareness of brands in stores in the city in which they live. Further, the nature of the survey was somewhat tedious with over 550 questions covering 13 product categories and it was felt that respondents would be more willing to complete the survey in order to "help an acquaintance".

The internet survey (see Appendix XVI) included a covering page with instructions on how to complete the survey and asked for basic demographic information.

5.4.3 Results of the Pre-test of Consumer Brands Survey

The survey link was sent out via email to 97 Chinese internet users with a brief explanation in Chinese and English explaining that they were selected via a friend's recommendation. Three follow-up emails, where applicable, were sent to the recipient list with a reminder to complete the survey by a specified deadline. No attempt was made to stratify recipients of the email other than to ensure that they were adults (over 20 years of age) and a resident of one of the cities being investigated.

The method of identifying respondents produced a very high response rate of 80% (71/89) with 44 of 71 (62%) qualified respondents fully completing the survey. Nine of 71 respondents were found to consider themselves residents of areas outside our target cities so their responses were omitted from the analysis. The levels of response and completion were quite good considering the length of the survey instrument (557 questions) and the results were adequate to yield the results needed for the main survey.

Specific response rates were as follows: Beijing (68%), Shanghai (69%), Chongqing (80%), and Guangzhou (71%). Completion rates were as follows: Beijing (100%), Shanghai (91%), Chongqing (75%), and Guangzhou (69%). Taken together the results ensured that a minimally sufficient level of participation from each of the cities under analysis allowed us to be confident that brands to be investigated had sufficient awareness levels from each of the areas studied.

Table 5. 2 Internet Response Rates Summary

City	No. Emailed	% of total emailed	No. Responded	% of total responded	Response Rate (% Responded / % emailed)	No. Completed	Completion Rate (#completed/ #Responded)
Beijing	19	20	13	18	68	13	100
Shanghai	16	16	11	15	69	10	91
Chongqing	15	13	12	17	80	9	75
Guangzhou	41	42	29	41	71	20	69
Other	6*	9	6	8	n.a.	*	*
Totals	97	100%	71	100%	80%	44	

*Some email recipients, who were thought to be resident in one of the cities to be studied, considered themselves residents of cities not under consideration. Several of these respondents were found to be from Chongqing, which subsequently was chose as the city to represent West China so results from these respondents were included in the study.
Totals may not add to 100% due to rounding

To identify the leading brands in each category, frequency analyses of all responses and cross-tabulations by city were conducted using *Microsoft Excel*. A brief summary of the results of the analyses is provided below. Although detailed tables of the result were developed only a partial summary is provided below, which is sufficient because these results are not the focal point of the primary research. Detailed frequency data can be seen in Appendix V.

Table 5. 3 Leading brands by category based on awareness frequency

Low Functionality/ Low Representationality (Cell 1)	Low Functionality/ High Representationality (Cell 2)	High Functionality/ Low Representationality (Cell 3)	High Functionality/ High Representationality (Cell 4)
Household Cleaners	***Boxed Chocolates***	***Appliances***	***Hypermarkets/ Department Stores***
Cellit	Cadbury	**TCL**	**Park N Shop**
Mr. Muscle	**Meiji**	**Haier**	**Hualian**
Walex	Ferrero Rocher	Whirlpool	Carrefour
Kiwi	Dove	**Sanyo**	Parksons
Dettol	Leconte	**Samsung**	**Trustmart**
Pledge	Hershey’s	**Midea**	Walmart
Bottled Water	***Ice Cream***	***Banks***	***Mobile Phones***
Nongfu	**Meiji**	**Agricultural Bank**	**TCL**
Watson's	Appolo	HSBC	Sony Ericsson
Evian	Nestle	**ICBC**	Motorola
Wahaha	**Mengniu**	Citibank	**Anycall Samsung**
Nestle	**Yili**	**Bank of China**	**Lenovo**
Kangshifu	Walls	**Bank of Communications**	Nokia
Cooking Oil	***Potato Chips***	***Toothpaste***	***Perfume#***
Eagle	**Wangzai**	**Lion Zact**	Lancome
Arawana	Pringles	**Zhonghua**	Chanel
Knife	**Oishi**	Colgate Total	Gucci
Luhua	**Maixiangli**	**Heimei**	**Kenzo**
Fulan	**Wang Wang**	Crest	Christian Dior
Olivoila	Lay's	**Tian Qi**	Estee Lauder
		Airlines*	
		Singapore Airlines	

Low Functionality/ Low Representationality (Cell 1)	Low Functionality/ High Representationality (Cell 2)	High Functionality/ Low Representationality (Cell 3)	High Functionality/ High Representationality (Cell 4)
		China Eastern	
		China Southern	
		Japan Airlines	
		British Airways	
		Malaysia Airlines	

NB: Brands in bold indicates local/regional brands.
*The Airlines category was excluded from the main survey.
Perfume was not included in the online Consumer Brands Survey but was added to the main survey.

Local brands were the most frequently purchased brands in four categories - bottled water, cooking oil, banks, and airlines. Regional brands were most frequently purchased in just one category, appliances, while international brands were preferred in seven categories, household cleaners, ice cream tubs, boxed chocolates, potato chips, toothpaste, hypermarkets/department stores, and mobile phones.

Respondents demonstrated broad overall awareness of both domestic and non-domestic brands. With household cleaners, bottled water, ice cream, potato chips, toothpaste, appliances, banks, mobile phones, and airlines, the minimum awareness level of any brand surveyed was about 30%. Particularly high levels of awareness of all brands in the category existed among bottled water, toothpaste, appliance, banks, mobile phones, and airlines. The lowest awareness levels measured were for cooking oil, particularly non-domestic brands.

From Table 5.4 we can see that there was a strong general relationship between brand familiarity and purchase.

Table 5. 4 Correlation between awareness and most frequently purchased

Product Category	Correlation
Cell 1	
Household Cleaner	91%
Bottled Water	90%
Cooking Oil	88%
Cell 2	
Ice Cream Tubs	94%
Boxed Chocolates	89%
Potato Chips	82%
Cell 3	
Toothpaste	74%
Appliances	91%
Banks (ATMs)	70%
Airlines	61%
Cell 4	
Hypermarket/Department Stores	92%
Mobile Phones	77%

Strong correlations between awareness and most frequently purchased brands within the sample existed over the four cells but were somewhat higher for low-purchase involvement products as categorized according to the de Chernatony and McWilliam matrix.

The results also provide a test of internal validity because in some cases correlation might be expected to be relatively low and in fact it was. For example, Chinese had a high level of awareness for mobile phones, banks, and airlines but awareness and purchase might not be related to awareness as much as such factors as price or convenience. In the case of stores, no one was aware of Tesco, a British retailer with substantial operations in China, and no one had indicated they had frequented the store during the last month.

In general the pre-test results showed a weak knowledge of country of product origin. Respondents demonstrated varying degrees of knowledge of country of origin (COO) with some product category's COO higher than others.   From Table 5.5 we see COO knowledge was weakest for household cleaners, cooking oil, ice cream, chocolates, chips, toothpaste, and hypermarkets/department stores. Comparatively speaking, knowledge was better among bottled water, banks, airlines, and mobile phones. Knowledge of COO was highest among banks, airlines, and mobile phones.

In general, there was better recognition of local brands' COO with some exceptions including household cleaners, chocolates, airlines, hypermarkets/department stores, and mobile phones.

Table 5. 5 Knowledge of Brand Country of Origin - Pre-Test Survey

Product Category	Brands with majority (50%+) Answering "Don't Know"	All brands weighted average % answering correctly	Top COO Brand Knowledge by Category
Cell 1			
Household Cleaner	8 of 10	19%	Walex – USA
Bottled Water	7 of 13	34%	Wahaha – PRC
Cooking Oil	14 of 14	35%	Luhuayu – PRC
Cell 2			
Ice Cream Tubs	8 of 10	27%	Mengniu – PRC
Boxed Chocolates	8 of 11	26%	Dove- USA
Potato Chips	9 of 13	24%	Millet Crisp – PRC
Cell 3			
Toothpaste	11 of 15	28%	Zhonghua – PRC
Appliances	6 of 15	35%	Haier – PRC
Banks (ATMs)	1 of 13	52%	ICBC Bank – PRC
Airlines	3 of 12	47%	British Airways - UK
Cell 4			
Hypermarket/Department Stores	11 of 12	20%	Walmart – USA
Mobile Phones	1 of 12	48%	Motorola – USA

Table 5. 6 Reasons for Purchasing - Pre-Survey Results – Total Mentions

		Rational Benefits			Emotional Benefits	
Matrix Quadrant	Brand Category	Good Value	Readily Available	Consistent Quality	Feel Good	Friends buy it
Cell 1 Low function/ Low representation	Household Cleaner	50	**61**	**58**	46	13
	Bottled Water	69	**81**	67	58	12
	Cooking Oil	28	**37**	33	29	10
Cell 2 Low function/ High representation	Ice Cream Tubs	54	66	**75**	68	27
	Boxed Chocolates	28	**54**	**56**	**55**	21
	Potato Chips	49	**61**	**62**	**61**	16
Cell 3 High function/ Low representation	Toothpaste	93	**98**	87	74	36
	Household Appliances	43	34	**67**	50	30
	Banks (ATMs)	12	**40**	25	17	16
	Airlines	20	**28**	**30**	17	13
Cell 4 High function/ High Representation	Hypermarkets Dept Store	35	**50**	34	30	23
	Mobile Phones	35	32	**52**	45	36

Reasons for purchasing brands with the twelve product categories researched in the pre-test are shown in Table 5.6 (Reasons for Purchase). A summary is provided in Table 5.7 (Summary of Main Reasons for Purchasing). Some product categories appear in more than one of the reasons categories because a similar number of respondents selected multiple reasons.

We can see that for product categories considered to be low involvement, functional purchases (Cell 1) that the main reason for purchase was convenience (readily available), for low involvement, emotional purchases the main reasons included both rational (consistent quality) and emotional reasons (makes me feel good). For product categories considered to be high involvement, cognitive purchases, rational reasons (readily available, consistent quality) predominated. For high involvement, emotional purchases (cell 4), while rational reasons were selected most often, emotional reasons (makes me feel good, my friends buy it) were also selected much more in proportion to the main reasons than any of the other categories.

Table 5. 7 Summary of Main Reasons for Purchase – Pre-test

Reasons for Purchasing	**Product Categories**
Readily Available	Household cleaner*, Bottled water, Cooking oil, Boxed chocolates*, Potato chips*,Toothpaste, Banks (ATMs), Hypermarkets (Dept Stores), Airlines*
Consistent Quality	Household cleaner*, Ice cream tubs, Boxed chocolates*, Potato chips*, Household appliances, Mobile phones, Airlines*
Makes me feel good	Boxed chocolates*, Potato chips*

* The reasons for purchase had similar numbers of mentions for some categories and therefore some product categories were included in more than one reasons category.

5.4.4 Implications for the Main Consumer Survey and Conclusions

Results of the pre-test had several implications for the main consumer survey. In order to be included in the main Survey of Consumer Behavior we aimed to include brands with the highest awareness and usage levels. An additional criterion was that, as far as possible, brands included should consist of at least one domestic and one international brand with a preference given to brands considered "regional". Finally, the brand selected had to both be available at major hypermarkets/department stores in the city studied and have a minimum awareness of at least twenty-five percent among respondents in each city which would allow for reasonable statistical analyses to be performed.

Some of the more specific implications are as follows:

- *The need for a more clear identification of COO*. A number of respondents knew that a brand was non-domestic but had trouble separating regional from international. The weakness of the pre-test approach is that it relied on respondents' understanding of the geographical categorization. This is a particular challenge in an online survey because respondents are not given the opportunity to ask clarifying questions. Moreover, while results from the pre-test provide insight into the level of COO, it does not provide clear evidence as to the extent that Chinese actually know the correct COO for product brands. Therefore, in order to make a clearer assessment of knowledge of COO, a more detailed list of countries was provided in the main survey.

- *Modification to product categories.* Based on the pre-test results it was felt that since a majority of respondents had not "purchased" brands within the airlines category, with the exception of China Eastern Airline flights, that this category would be eliminated. Further, without a higher degree of brand knowledge results would be less meaningful. Moreover, to balance the cells, a new product category, perfume was added to the final questionnaire. Brands selected within the perfume category were determined based on industry interviews and store inspections.
- *Inclusion of major brands*. The selection of brands in each category was primarily based on familiarity and brand usage results. Brands were normally not included unless there was at least 25% awareness among respondents from each city. The main reason for this criterion was that it would allow for a reasonably large enough sub-sample of consumers to perform detailed analysis. An additional criterion for inclusion was that the product categories include at least one regional and one international brand, where possible. Based on these criteria the six brands selected in each category were not always selected. For example, in the cooking oil category Olivoila would not have been selected as one of the brands to be included based on awareness or usage but was included in the main survey as the international brand with the highest level of awareness/usage. Olivoila also enjoys broad channel distribution in China. Unlike the cooking oil category where local brands enjoyed the highest awareness/usage levels among the pre-test sample, ice cream tubs brands were dominated by non-domestic brands. To balance the brands' inclusion, Magnum with 60% awareness, 37% usage was displaced by Appolo a local brand, which had the same awareness level but 21% usage. In the case of hypermarkets/department stores, Metro was not included in the main survey because of a lack of awareness by respondents in Chongqing. Airlines, which had insufficient usage rates among respondents was dropped from the main survey and displaced with perfume.
- *Eliminating the distinction between regional and international brands.* To achieve one of our primary research objectives, determining if differences in consumer behavior exist in China, it was felt that separating regional from international brands would serve no critical purpose. Moreover, Chinese respondents seem to identify with any brand not made in China as foreign.
- *Question redundancies.* In the demographics section of the questionnaire Q.3 And Q.4 were found to be redundant in many cases because respondents from some areas considered themselves to be ethnic members of the "city" rather than the "region" they come from. Therefore, when asked to identify their city of residence respondents would indicate "Beijing" and when asked which area/province they considered themselves to be ethnic members of, they also responded Beijing (Beijingnese). Because the second question yielded no meaningful additional information for the study, this question was deleted from the main survey.
- *Missing or incomplete brands listing.* In order to generate a preliminary list of brands for the pre-test physical store inspections took place. However, in some cases brands considered to be major brands were omitted from the pre-test. In particular, TrustMart, originally a Taiwanese hypermarket chain with over 100 stores in China, was not one of the selections in the pre-test but following a number of respondents' "Others" mention it was included in the main survey. In addition, due to insufficient brand awareness among the researched brands in the cooking oil category – only three had over 50% awareness – two additional brands, Knife and Eagle, were included based on expert opinions and additional store inspections. In

the case of household appliances, Sony and Sanyo were mistakenly left off the "awareness" and Knowledge of COO" sections of the questionnaire. Because both brands had relatively high usage levels, however, they were included in the main survey.

- *Errors in pre-test and naming*. In the mobile phones category, separate brand choices were provided for Anycall and Samsung, which are the same brand. Most respondents were aware of both the individual and family brand name. Most respondents seemed aware that they were marketed as one brand, as they both had 98% brand awareness. The family and individual brands were combined in the main survey as Samsung Anycall. In addition, within the ice cream brands category Walls ice cream was mistakenly included twice, once with the English name and Chinese name, which contained an error in one of the Chinese words, and the second with only the Chinese name. The result from the selection identifying the Chinese-only name was used in selection of brands in the main survey.
- *Managing respondent fatigue.* The survey was designed to be completed in about twenty minutes but to some extent respondent fatigue likely caused several respondents to discontinue the questionnaire. Although the design of the questionnaire attempted to simplify choice categories, respondents were still required to cursor to each answer box and click at their choice. Some of the categories had up to 15 brands and regardless of whether or not they were "aware" of brands they were still required to answer follow on questions. This format may have contributed to respondent fatigue. Thus, it was decided that for the main survey follow on questions would only be asked for brands that respondents were aware of. This would effectively require answering a follow on questions for only a handful brands rather than the 10-15 brands in each category in the pre-test survey. Moreover, it was felt that face-to-face interviews would assuage (i.e. diminish) respondents' fatigue and increase willingness to provide thoughtful responses.
- *Survey design and coding.* Because of the large number of total brands to be researched, particularly in the question pertaining to knowledge of country of origin, it was decided that the main survey would include boxes that provide a fixed set of answer choices. In the Saurazas (2000) study respondents were asked to write their response on the questionnaire, however, in our survey, for coding purposes a menu of choices was provided requiring only a check mark on the correct choice. One of the weaknesses of this approach is that it works as a multiple choice which may encourage "guessing" the COO. This concern was mitigated by encouraging respondents to select "Don't Know" if they were unsure of the COO.

The pre-test questionnaire met its fundamental objective, which was to identify product categories and to sift out, and narrow down, the brand choices to be used in the main survey. The pre-test also provided a "heads up" on what to look out for in the results of the main survey; for example, "What are the relative awareness levels between domestic and non-domestic brands?"; and, "Are Chinese consumers able to correctly identify COO better for domestic brands than foreign brands?".

5.5 The Primary Consumer Survey

5.5.1 Category/Brand Selection and Design

The modified de Chernatony and McWilliam model formed the basis of the pre-test with the incorporation of some adaptations following the Saurazas' model. By using the four-quadrant matrix we were able to use a consistent criterion – particularly level of involvement – to study a cross-section of brands (Saurazas, 2000). Another alternative would have been to use a random assortment of product categories which may have limited the breadth of the study. By using categories with differing levels of involvement, while retaining a distinction with respect to the degree of rational thought that goes into brand choice, we were able to minimize the result that no differences are found for a particular product category or Cell, where in fact there would be for another Cell, for example. The hope was that conclusions made would be more robust.

Having benefited from the research foundation provided by the Saurazas (2000) study we were able to minimize the replacement of product categories. The main change was to exclude Airlines, which was part of the Saurazas study, and replace it with a Perfume category. The reasons for the change were, first, a lack of respondents in the pre-test sample having "consumed the product", especially foreign airlines' brands; and second, due to a desire to balance the cells with an equal number of categories. Adding perfume to Cell 4 allowed us to research three categories – hypermarkets/department stores, perfume, and mobile phones.

Under each product category, the six leading brands in accordance to the pre-test, and in a few cases, experts' judgment, were included in the main survey. To avoid many "Other" responses it was deemed prudent to include as many brand options as possible in each category. Thus, in each category, the objective was to include at least one regional brand, an international brand, and a Chinese brand. Ideally, two of each would be selected, however, based on results of the pre-test, store inspections, and expert advice this was not possible or feasible in several categories. Table 5.8 provides detail on the COO of brands selected.

Table 5. 8 Selection of brands used by region

Product Category	Local	Regional	International
Household Cleaner	2	0	4
Bottled Water	3	1	2
Toothpaste	3	1	2
Home Appliances	2	2	2
Potato Chips	3	1	2
Boxed Chocolates	0	1	5
Perfume	0	1	5
Mobile Phones	2	2*	2
Cooking Oil	4	1	1
Ice Cream Tubs	3	1	2
Banks	4	0	2
Hypermarkets/ Department Stores	1	3	2

*Sony Ericsson mobile phone brand is included here under the regional category.
Categories were arranged to some extent to ensure that that not all brands in a Cell were listed contiguously.

5.5.2 Organization of the Main Survey

The survey was divided into six sections (See Appendix IVb). Section I served as a pre-screen to determine if potential respondents fit the criteria for answering the survey. Criteria included being resident in one of the cities studied (interviews were conducted in each of the four cities), having shopped within the past two weeks, being the main purchaser in the family, and being at least 20 years old. Section II asked general questions on consumer behavior unrelated to brands or product categories. Section III measured purchase frequency and COO sensitivity by product category. Section IV asked questions related to brand awareness, brand purchase frequency, reasons for purchase, and preferred substitute. Section V measured knowledge of COO. The last section asked demographic questions (gender, age, family members, city of residence, ethnicity, number of trips abroad, education, occupation, and income.[34] Other than the question asking preferred brand substitute, all questions were closed ended to assist interviewers with recording responses and aid coding.

The relationship between the survey instrument and the framework noted in Figure 4.4 is explained below.

5.5.3 Sample Selection - Instrument construction.

The questionnaire was first constructed in English, then translated into Chinese and then back-translated into English to ensure translation equivalence. To maintain vocabulary equivalence, the Chinese version of the questionnaire was drafted with the assistance of bilingual experts fluent in both English and Chinese. The questionnaire was further modified after pre-testing on a group of students. There were no inconsistencies between the original questionnaire and the re-translated version.

The order of brands placed in each of the product category was chosen so that there was a rotation of domestic, regional, and international brands in order to prevent respondents from guessing patterns in the answer categories.

Several different types of scales are used in consumer behavior research but for our purposes we used a *Likert* scale to measure purchasing intentions. Likert-type scales are five or seven point agree-disagree scales or likely-unlikely scales for rating attributes, outcomes, beliefs, intentions, opinions, etc. (Likert, 1932). The Likert scale has been adapted to measure frequency of behavior, intention, activity, or expected outcome, and the importance of an attribute, advantage, or disadvantage of an alternative. Qualities such as the level of satisfaction with a product can also be directly quantified using numerical scales. Thurstone scales, sometimes called rational scales, consist of a set of statements relating to a given value or object that have been arranged to compose an equidistant scale of attitude towards the object (Thurstone, 1932). This is the approach used in the survey.

5.5.4 Survey administration

For reasons discussed above, it was felt that the overall quality of responses would be better using a face-to-face interview format. To mitigate respondent and interviewer fatigue, it was considered prudent to replace open-ended response categories with a checklist of categories of likely responses where possible. This allowed interviewers to ask the question in an open-end format but tick the appropriate country or select "don't know". Respondents were discouraged from guessing country choice. Moreover, it was felt that an open-ended response category for "which substitute" would remain given that only one brand needed to be listed for the twelve categories.

5.6 Response Rates and Demographic Profile of Main Survey Respondents

Field work for the main survey was carried out over a two-month period with the assistance of a commercial market research company. Interviewers in each of the four cities were debriefed by the author in a 45-minute information seminar prior to conducting the surveys. General guidelines for the distribution of surveys were given to interviewers and their supervisor so that adequate sub-sample sizes could be established with respect to gender and age. The minimum target sample size was 100 per key city. Table 5.9 shows the actual distribution of questionnaire surveys, which indicates that the distribution objectives were all met.

Table 5. 9 Expected versus Actual Questionnaire Distribution

	Expected questionnaire distribution		Actual questionnaire distribution	
# of questionnaires		**400**		**414**
Female	50-70%	200-280	65%	269
Male	30-50%	120-240	35%	145
Beijing	25%	100	24%	100
Shanghai	25%	100	26%	107
Guangzhou	25%	100	25%	105
Chongqing	25%	100	25%	102
20-30 years old	30%	120	31%	128
31-40 years old	30%	120	29%	122
41-50 years old	20%	80	21%	88
51+	20%	80	18%	76

Table 5.10 provides a summary profile of the main consumer survey respondents. Based on the sample objectives discussed we find that an adequate distribution of gender, age, education, occupation, and income was achieved.

Table 5. 10 General consumer survey respondents' profile

Demographic factors	Frequency (n=414)*	Percentage	Demographic factors	Frequency (n=414)*	Percentage
Gender			**No. trips outside China last 5 years**		
Male	145	35%	0	237	57%
Female	269	65%	1-2	103	25%
			3-4	43	10%
Age			5-6	23	6%
<20	0	0%	>6	8	2%
20-29	128	31%			
30-39	122	29%	**Education**		
40-49	88	21%	Elementary School	5	1%
50-59	67	16%	Junior High School	34	8%
>59	9	2%	Senior High School	94	23%
			Trade/Technical Diploma	48	12%
No. in household			College Diploma/Certificate	122	29%
1-2	67	16%	College/university Bachelor Degree	96	23%
3-4	305	74%	Master's degree or above	15	4%
5-6	39	9%			
>6	3	1%	**Occupation**		
			Government/Military/Education	20	5%
City of residence			White collar - Management/Executive/Professional	46	11%
Beijing	100	24%	White collar-Administration/Clerical	119	29%
Shanghai	107	26%	Tradesman, Labourer	59	14%
Chongqing	102	25%	Self-Employed/Entrepreneur	70	17%
Guangzhou	105	25%	Homemaker	47	11%
Other	0	0%	Student	21	5%
			Other	32	8%
City of origin					
Beijing	99	24%	**Monthly household income ***		
Shanghai	96	23%	<1001RMB	9	2%
Chongqing	104	25%	1001~3000 RMB	44	11%
Guangzhou	105	25%	3001~5000 RMB	89	21%
Other	10	2%	5001~7000 RMB	92	22%
			7001~9000 RMB	50	12%
			9001~11,000 RMB	18	4%
			11000 RMB	12	3%

* Household income data was collected only from Shanghai, Chongqing, and Guangzhou respondents.

Source: Fieldwork

5.7 Expert Interviews

Marketing experts from a variety of industries were interviewed to help understand the general perceptions experienced marketers have with respect to their own market as well as consumers in other Chinese markets. Further, marketing experts were also interviewed with the intention of gaining a deeper understanding of the results of the quantitative analyses to be derived from the main survey. With the exception of three instances all interviews were conducted in Chinese and verbatim responses were both recorded using a notebook computer and/or a video camera. All interview content was recorded in Chinese and the content was translated both by the author and two native Chinese speakers who are themselves marketing executives in China. Data from the interviews was input into *NVivo*, a qualitative research software tool. The software assisted in structuring information and provided tools for classifying, sorting, and arranging information, and identifying themes, all of which aided in developing meaningful conclusions.

In total, forty experts were interviewed during the period June 2008 to January 2009 – Beijing (15 experts), Shanghai (11 experts), Guangzhou (9 experts), and Chongqing (8 experts). A Chinese marketing research company was hired to provide introductions to suitably qualified marketing professionals. The expert's discussion guide contained three sections: questions asking general background information on respondent (job title, company, industry, and residence), questions regarding their perceptions of general consumer behavior of Chinese, and questions related to general and specific differences in behavior among consumers of the four ethnicities. Detailed content from the expert depth interviews is contained in Appendix III along with a summary and discussion of the responses to each discussion guide question.

Table 5. 11 Summary of positions and industries of marketing experts interviewed

Position	Industry/Product Area
Sales Representative	Household cleaners
Sales Manager	Mobile phones
Marketing Director	Market research
Sales Manager	Hotel
Managing Director	Market research
Sales Dept Manager	Retail Management
General Manager	Retail Chain
Marketing Professor	Education
Marketing Manager	Furniture
Sales Supervisor	Marketing consulting
Sales Director	Retail supplier
Sales Manager	Hotel
Retail Store Manager	Retail Management
Sales Manager	Computer software
Managing Director	Advertising media
Advertising Account Executive	Advertising media
Advertising Account Executive	Advertising media
Market Research and Marketing Dept	Tobacco
Sales Manager	Insurance
General Manager	Market research
Manager	Retail services
Research Department Manager	Market research
General Manager	Market research
Consultant	Consulting
Marketing Director	Information technology
Retail Store Manager	Retail chain
Branch Manager	Banking
Manager	Consumer products sales
Marketing Department Manager	Consumer products sales
Direct Marketing Campaign Manager	Insurance
Marketing Promotions Manager	Tobacco
Area Sales Manager	Retail Chain
Manager	Consulting
General Manager	Retail supplier
Research Manager	Market research
Manager	Market research
General Manager	Retail store managment
Regional Nutrition Manager	Consumer products sales
Director	Government statistics
Marketing Professor	Education
Marketing Manager	Consumer products marketing
Network Development Planner	Petroleum
Vice General Manager	Newspaper media

5.7.1 Results of the Pre-test of Marketing Industry Experts Depth Interview Question Guidelines

To ensure that discussion guide questions flowed properly and had sufficient clarity and depth, sample interviews of four experts were conducted. Several weaknesses in the initial discussion guide were found including the following:

- Experts felt Q2.1 (buy local) and Q2.2 (buy foreign) were the same, when in fact they were meant to augment each other. These questions were retained in the final discussion guide but they were not explicitly treated as separate questions. Instead, experts were probed to clarify which type of consumers, for example, would prefer to buy domestic products and which foreign products. In addition, experts were probed to determine which contingency factors were relevant to the tendency, such as product category.
- For Q2.3 (prefer local brands if all else equal), the pre-test revealed that experts found it difficult to conceive of true equality. This revealed that a clear conception of brand equality would need to be explained to the marketing experts.
- For Q2.4 (like to try new brands) and Q2.5 (slow to accept new products/variants) the pre-test revealed that when asked verbatim, they felt the questions were simply inverses of each other. These two questions were altered with additional explanation on the finalized discussion guide.
- Q2.8 did not initially specify a price premium but each of the experts seemed to have a different interpretation or had to ask “how much more”. Therefore, a specified price premium (20%) was added to the finalized discussion guide.
- In the pre-test discussion guide Q3.1 initially asked for observations of consumer behavior differences among consumers from North, South, East, and West China. This was found to be too general and experts suggested narrowing down to the four representative cities of Beijing, Guangzhou, Shanghai, and Chongqing. The finalized discussion guide included the narrowed geographical boundaries. Modifications of Q3.4 and Q3.5 also were made from regions to the specific four cities examined.

5.8 Summary

This chapter discussed the primary objectives of the research, the research design and methodology, and the method and process of data collection. The pre-test methodology and results were summarized and implications for the main survey were discussed. The organization of the main consumer survey used and a summary profile of the main survey respondents were provided. This chapter concluded with a brief discussion of the expert interview process and highlighted sample interview implications for the depth interview discussion guide.

6. Data Analyses

6.0 Introduction

This chapter briefly introduces the types of data analyses conducted and justifies the main survey construct's reliability and validity. The quantitative data obtained from the research questionnaire is then analyzed according to the general research questions. The research objectives and research propositions are explicitly outlined and results of tests for each are performed. Conclusions are then drawn based on the results.

6.1 Data Analyses Used

In order to analyze the data collected from the questionnaire, several techniques in data analysis were used to calculate and measure gathered data and to test hypotheses. A combination of parametric and non-parametric statistical techniques was used in analyzing the data. The analytical techniques used in this study were comprised of frequency distributions, descriptive statistics, *t*-tests, paired sample *t*-tests, *z*-tests, analysis of variances (ANOVA), tests using Fisher's least square differences (LSD), and reliability analyses (Cronbach's Alpha), among others. It should be noted that where associations between dependent and independent variables were examined the analyses in this thesis generally tested the main effects and generally did not test the interaction effects explicitly, unless specified.

The statistical software tools available from Microsoft Excel Statistics Data Pack and SPSS 14.0 were used to analyze data and perform statistical tests. A comprehensive discussion of the statistical techniques used in the analyses is included in Appendix X.

6.2 Construct Reliability and Validity

Only questionnaires that were fully and properly completed were used in the analysis. However, it must be pointed out that questionnaires delivered in Beijing excluded the demographic question, monthly household income. Though income was not explicitly expected to be analyzed as a determinant in purchasing intentions, preliminary analysis found that some differences in purchasing intentions might be related to income rather than, for example, ethnicity. In order to research this possible correlation, the demographic category was added to the Shanghai, Chongqing, and Guangzhou questionnaires.

The objective of the research was to assess whether differences in consumer behavior exist. The focus of the research was not to assess sub-constructs such as loyalty and peer-pressure influences in great detail but instead to be able to measure tendencies between ethnicities.

To obtain accurate responses from some questions (such as the importance of brand name in making purchase decisions) an indirect, paired-comparison questioning technique was used. Internal validity is high. External validity of the results is also high given that the sample was randomly selected among consumers and does not suffer from the external validity concerns encountered by using such samples as college students, for example, as a proxy sample of the larger population. Using college students as sample respondents is normally considered to result in high internal validity but low external validity because such samples usually contain a narrower demographic range than the populations of interest. Internal validity is the extent to which an observed relationship actually, and only, reflects the relationship between variables of interest, whereas external validity is the degree to which one can generalize an observed relationship between variables of interest beyond a particular study (Reynolds *et al*, 2003).

In order to establish internal validity the survey was constructed so that when analyzing output between Q2 and Q18, Q9 and Q21, and Q17 and Q22, responses would be expected to be positively correlated while those between Q1 and Q5, and Q3 and Q10 would be expected to be negatively correlated. Analyses of responses demonstrate high internal validity with the appropriate correlations noted for all pairings. Attitudes toward purchasing domestic versus purchasing foreign products, a measure of ethnocentrism, were both measured using positive statements. To demonstrate internal validity, responses were expected to be inversely correlated. The result indicated a correlation of -0.62 which supports an argument for sufficiently high internal validity. In terms of content validity it is noted that the scale items for the constructs tested such as loyalty, willingness to try, ethnocentrism, and the like were not intended to be exhaustive. However, based on tests of construct validity we argue that the main survey has satisfactory validity.

Results of discriminant validity tests of correlation between unrelated questions indicated no correlations among differing constructs, while similarly convergent validity scores indicated that questions related to the same construct were appropriately related (Malhotra, 2007). For example, the questions related to ethnocentricity (Q1/Q5) had a suitably negative correlation (-0.63) as did the questions related to shopping for groceries (Q3/Q10) with a correlation of -0.41. Questions related to desire to try new products (Q2/Q18) were positively correlated (0.42) while questions (Q13/Q14) related to peer pressure were positively correlated (+0.30). Responses to the positive statements Q3 (Shop for groceries in three or more stores) and Q10 (Shop for groceries in one store) had inversely correlated responses (-0.41). Responses to the positive statements Q2 (Try new) and Q18 (buy new), a partial measure of conservatism, had a suitably positive correlation (+0.42). These questions were repeated intentionally with the aim of ensuring the internal validity of questionnaire responses. In sum, all tests of correlations, summarized in Table 6.1, agreed with the expected direction and revealed statistically significant strengths of correlation.

Table 6. 1 Tests of Internal Validity using correlation

Purchasing Intention Statements Tested	Expected Direction	Correlation Result (ρ)
Q2 (try new) and Q18 (buy new)	Positive	0.42
Q1 (buy Chinese) and Q5 (buy foreign)	Negative	-0.62
Q3 (shop multiple grocery stores) and Q10 (shop in one store)	Negative	-0.41
Q9 (purchase favorite) and Q21 (purchase preferred brand)	Positive	0.19
Q17 (shop where member) and Q22 (use member card)	Positive	0.54

In addition, the standardized reliability coefficient (Cronbach's alpha) was used as an index of reliability on the Ethnocentrism (Q1/Q5) and Loyalty card constructs (Q17/Q22) because the questions pertaining to each were thought to satisfactorily measure the same construct for each. The internal reliability of the ethnocentrism construct was 0.76, which is acceptable while the internal reliability index for the membership/loyalty card construct was 0.70.

Factor analysis of the ethnocentrism statements (Q1 and Q5) indicates that Q1 would have explained 89% of the total variance. To reduce a large number of measured belief or attitude statement items to a smaller set of underlying dimensions that reflect attributes at higher levels of abstraction, or to create a general index of attitude toward an alternative, factor analysis has been effectively used (Koppelman and Pas, 1980; Mokhtarian and Salomon, 1997). The main aim of this study, however, was not to identify dimensions of specific behavior but rather to determine whether differences existed over a reasonably wide range of areas applicable to consumer behavior. Further studies may find it useful to identify factors that can be used as a proxy for various specified areas of behavior such as ethnocentrism, shopping frequency, or proclivity to use store membership cards.

The alpha reliability test, in conjunction, with the correlation tests indicating satisfactory directional correlations of sufficient strength allow us to conclude that the survey construct has sufficient internal reliability.

Moreover, the use of a stratified random sample of consumers within each of the four key cities satisfies the conditions for probability sampling. The broad cross section of consumers as indicated in Table 5.10 allows us to extrapolate conclusions inductively to the populations of consumers in each of the four key cities, at a minimum. Thus, the case is made that the results are externally valid.

6.3 Data Analyses

Data analyses were conducted according to the general research questions outlined in Chapter 4. The research questions are explicitly analyzed in turn below.

GRQ 1.0: General Purchasing Intentions

General purchasing intentions were measured by responses to twenty-two statements on a five-point Likert scale (1 = strongly agree; 5 = strongly disagree). In addition, respondents were asked to state their level of purchase frequency among twelve product categories. From these questions we tested the hypotheses related to general purchasing behavior and intentions.

GRQ 1.0**:** Are there differences in purchasing intentions among ethnic consumers in key cities in China?
R.O. 1.0: To determine whether purchasing intentions are different among ethnic consumers from four key cities.

The levels of agreement to the general statements of purchasing intentions, by key city, are given in Table 6.2. Means and standard deviations are given in Table 6.3.

The city with the highest and the city with the lowest levels of agreement are highlighted. In general, we see very strong differences in levels of agreement on almost every statement, although in some instances, for example, the majority of respondents agree with the statement but the size of the majority might differ. The result of statement 1 (I buy Chinese brands whenever possible) found that a minimum of 63% agreed but in Beijing an overwhelming majority of 91% agreed with the statement. The largest range in levels of agreement are found with buying Chinese brands, shopping for groceries in more than three stores, liking to buy certain brands, willingness to buy new brand variants, and shopping at a store where a credit card can be used.

The highest levels of agreement to statements were found with 'buy foreign brands where possible' (range of 8%), 'shop for groceries in one store' (range of 10%), 'shop with certain brand in mind' (range of 6%), and 'prefer to shop at stores where they have a discount or membership card' (range of 8%).

Guangzhou consumers seem to be the most contrary in relation to the other urban consumer populations studied. The largest difference in agreement was most often between Chongqing and Guangzhou (10 instances), Shanghai and Guangzhou (5 instances), and Beijing and Guangzhou (4 instances). The only other instance of having the largest range in agreement was between Beijing and Shanghai (5 instances), Beijing and Chongqing (1 instance), and Shanghai and Chongqing (1 instance).

Table 6. 2 Percentage of Urban Consumers from Four Key Cities Agreeing with the General Purchasing Intentions and Behavior Statements

		Beijing	Shanghai	Chongqing	Guangzhou
		N=100	**N=107**	**N=102**	**N=105**
	General Purchasing Behavior Statements	**% agreeing or strongly agreeing**			
1	I buy Chinese brands whenever possible.	**91%**	**63%**	77%	**63%**
2	I like to try new brands.	58%	63%	**47%**	**72%**
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	**45%**	58%	71%	**85%**
4	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me.	**41%**	**67%**	66%	52%
5	I buy foreign brands whenever possible.	12%	**13%**	**5%**	10%
6	In general, I like to buy certain favorite brands.	71%	**91%**	89%	**60%**
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	**17%**	19%	**17%**	**34%**
8	Usually, I prefer to shop in only one department store.	26%	14%	**15%**	**35%**
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	48%	**61%**	58%	**34%**
10	Usually, I prefer to shop for groceries in just one store.	**21%**	15%	14%	**11%**
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	43%	64%	**65%**	**39%**
12	I will pay an above-average price for a known brand instead of a below-average price for an unknown brand.	**27%**	38%	**41%**	34%
13	My friends often go out and purchase something only after seeing me purchase it.	30%	38%	**25%**	**53%**
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	19%	**4%**	9%	**40%**
15	When I go shopping I always have a certain brand of a product in mind.	**59%**	**66%**	60%	65%
16	I frequently find price differences on the exact same product brands in different stores.	73%	**91%**	77%	**69%**
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	**60%**	**68%**	66%	68%
18	When new products or products variants come onto the market I always buy them.	32%	42%	**27%**	**76%**

		Beijing	Shanghai	Chongqing	Guangzhou
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	28%	25%	**24%**	**41%**
20	I often shop at a store mainly because they allow me to pay with my credit card.	65%	71%	**47%**	**72%**
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	**70%**	**93%**	85%	84%
22	I often use either a store discount card or store membership benefits card when shopping.	64%	73%	**61%**	**80%**

Table 6.3 compares the means and standard deviations for the general purchasing intention statements. There seems to be a rejection of the country of origin effect (COE) as most consumers agree that they buy Chinese brands whenever possible and disagree that they buy foreign brands whenever possible.

Urban Chinese consumers are moderate "trailblazers". Most consumers only moderately like to try new brands or try new brand variants. Peer pressure seems to impact purchasing intentions somewhat as they moderately agree that others often go out to buy something after seeing them buy it, but they do not see themselves pressured to purchase products their friends have recently bought.

Urban Chinese consumers appear to be brand loyal. Most aim to buy certain favorite brands, seem to be less willing to purchase substitute brands, or are only willing to buy a substitute that is familiar to them, are generally willing to pay more for a known brand rather than a cheaper unknown brand, and tend to agree that they will buy their favorite brand at any price. Moreover, if a product is not too expensive, they are virtually all more likely to buy the brand they most prefer.

While urban Chinese consumers appear to be brand loyal they do not seem to be creatures of habit when it comes to choosing shopping venues. Most consumers shop for groceries in more than three stores in a month and few agree that they prefer to shop for groceries in just one store. At the same time, they tend to not shop in only one department store. This may be because they also tend to agree that there are price differences on the same brands in different stores. Discount or membership cards seem to enhance store loyalty which is consistent in their general use of store discount or membership cards. Store loyalty seems to be enhanced by their willingness to pay for customer service. They also seem to prefer to shop at stores that give them the flexibility of paying by credit cards, an increasingly common method of payment in major Chinese shopping venues.

Consumers in the four cities studied also appear to be somewhat open to brand alternatives because many consumers in each city did not agree that when they shop they have a certain *a* *priori* brand of a product in mind. This suggests that in-store promotion might be effective at impacting actual brand choice.

Further analysis is required to determine if differences exist partly because aggregating agreement by agree/strongly agree can mask strength of agreement; thus, additional *ANOVA* and *t-test* analyses were carried out.

Table 6. 3 Comparison of Means and Standard Deviations for the General Purchasing Intentions and Behavior Statements for four key cities in China

		Beijing		Shanghai		Chongqing		Guangzhou	
		N=100		**N=107**		**N=102**		**N=105**	
General Purchasing Behavior Statements		Mean	StDev	Mean	StDev	Mean	StDev	Mean	StDev
1	I buy Chinese brands whenever possible.	1.63	0.81	2.12	1.00	1.96	0.81	2.27	0.95
2	I like to try new brands.	2.51	0.80	2.36	0.88	2.71	1.00	2.29	0.97
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	2.72	0.85	2.51	1.09	2.15	0.79	1.87	0.97
4	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me.	2.72	0.84	2.39	0.90	2.47	0.86	2.52	0.65
5	I buy foreign brands whenever possible.	3.93	0.89	3.47	0.93	3.69	0.80	3.63	0.81
6	In general, I like to buy certain favorite brands.	2.25	0.73	1.79	0.65	1.89	0.63	2.43	0.59
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	3.11	0.78	3.36	0.89	3.34	0.83	2.90	0.80
8	Usually, I prefer to shop in only one department store.	3.15	0.98	3.56	1.00	3.37	9.94	3.10	0.97
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	2.70	0.93	2.32	0.92	2.40	0.95	2.76	0.71
10	Usually, I prefer to shop for groceries in just one store.	3.14	0.91	3.62	0.99	3.42	0.89	3.80	0.81
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	2.65	0.86	2.30	0.96	2.27	0.8	2.84	0.83
12	I will pay an above-average price for a known brand instead of a below-average	2.99	0.86	3.03	1.12	2.72	0.97	2.82	0.84

		Beijing		Shanghai		Chongqing		Guangzhou	
	price for an unknown brand.								
13	My friends often go out and purchase something only after seeing me purchase it.	2.95	0.91	2.69	0.83	3.07	0.84	2.52	0.77
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	3.39	1.06	4.10	0.79	3.58	0.84	2.65	0.75
15	When I go shopping I always have a certain brand of a product in mind.	2.50	0.80	2.20	0.97	2.31	0.89	2.30	0.71
16	I frequently find price differences on the exact same product brands in different stores.	2.26	0.77	1.68	0.73	2.27	0.72	2.23	0.68
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	2.50	0.92	2.06	0.90	2.27	0.89	2.27	0.62
18	When new products or products variants come onto the market I always buy them.	2.85	0.85	2.74	0.91	2.98	0.83	2.15	0.81
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	2.97	0.88	3.15	0.97	3.01	0.75	2.63	0.82
20	I often shop at a store mainly because they allow me to pay with my credit card.	2.40	0.89	2.10	0.94	2.73	1.01	2.22	0.77
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	2.33	0.94	1.57	0.69	1.99	0.71	1.97	0.60
22	I often use either a store discount card or store membership benefits card when shopping.	2.37	0.84	1.94	0.87	2.33	1.01	2.05	0.80
Note: Reverse scoring for 1,5 and 3,10 and 6,18 and positive scoring for 13,14.									

Table 6. 4 Tests of importance for the General Purchasing Intentions and Behavior Statements for four key cities in China

		Sample means and standard deviations								Tests of Importance (Ho: μ≥3; H1:μ<3)			
		Beijing		Shanghai		Chongqing		Guangzhou		Beijing	Shanghai	Chongqing	Guangzhou
	No. of respondents	**100**		**107**		**102**		**105**		**100**	**107**	**102**	**105**
General Purchasing Behavior Statements		$\overline{X}$	*s*	$\overline{X}$	*s*	$\overline{X}$	*s*	$\overline{X}$	*s*	z-values	z-values	z-values	z-values
1	I buy Chinese brands whenever possible.	1.63	0.81	2.12	1.00	1.96	0.81	2.27	0.95	-16.91	-9.10	-12.97	-7.87
2	I like to try new brands.	2.51	0.80	2.36	0.88	2.71	1.00	2.29	0.97	-6.13	-7.52	-2.93	-7.50
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	2.72	0.85	2.51	1.09	2.15	0.79	1.87	0.97	-3.29	-4.65	-10.87	-11.94
4	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me.	2.72	0.84	2.39	0.90	2.47	0.86	2.52	0.65	-3.33	-7.01	-6.22	-7.57
5	I buy foreign brands whenever possible.	3.93	0.89	3.47	0.93	3.69	0.80	3.63	0.81	10.45	5.23	8.71	7.97
6	In general, I like to buy certain favorite brands.	2.25	0.73	1.79	0.65	1.89	0.63	2.43	0.59	-10.27	-19.26	-17.79	-9.90
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	3.11	0.78	3.36	0.89	3.34	0.83	2.90	0.80	**1.41**	4.18	4.14	**-1.28**
8	Usually, I prefer to shop in only one department store.	3.15	0.98	3.56	1.00	3.37	9.94	3.10	0.97	**1.53**	5.79	**0.38**	**1.06**
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	2.70	0.93	2.32	0.92	2.40	0.95	2.76	0.71	-3.23	-7.65	-6.38	-3.46
10	Usually, I prefer to shop for groceries in just one store.	3.14	0.91	3.62	0.99	3.42	0.89	3.80	0.81	**1.54**	6.48	4.77	10.12
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	2.65	0.86	2.30	0.96	2.27	0.8	2.84	0.83	-4.07	-7.54	-9.22	-1.98
12	I will pay an above-average price for a known brand instead of a below-average price for an unknown brand.	2.99	0.86	3.03	1.12	2.72	0.97	2.82	0.84	**-0.12**	**0.28**	-2.92	-2.20
13	My friends often go out and purchase something only after seeing me purchase it.	2.95	0.91	2.69	0.83	3.07	0.84	2.52	0.77	**-0.55**	-3.86	**0.84**	-6.39

Table 6. 4 Tests of importance for the General Purchasing Intentions and Behavior Statements for four key cities in China

		Sample means and standard deviations								Tests of Importance (Ho: μ≥3; H1:μ<3)			
		Beijing		Shanghai		Chongqing		Guangzhou		Beijing	Shanghai	Chongqing	Guangzhou
	No. of respondents	**100**		**107**		**102**		**105**		**100**	**107**	**102**	**105**
General Purchasing Behavior Statements		$\overline{X}$	*s*	$\overline{X}$	*s*	$\overline{X}$	*s*	$\overline{X}$	*s*	z-values	z-values	z-values	z-values
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	3.39	1.06	4.10	0.79	3.58	0.84	2.65	0.75	3.68	14.40	6.97	-4.78
15	When I go shopping I always have a certain brand of a product in mind.	2.50	0.80	2.20	0.97	2.31	0.89	2.30	0.71	-6.25	-8.53	-7.83	-10.10
16	I frequently find price differences on the exact same product brands in different stores.	2.26	0.77	1.68	0.73	2.27	0.72	2.23	0.68	-9.61	-18.70	-10.24	-11.60
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	2.50	0.92	2.06	0.90	2.27	0.89	2.27	0.62	-5.43	-10.80	-8.28	-12.06
18	When new products or products variants come onto the market I always buy them.	2.85	0.85	2.74	0.91	2.98	0.83	2.15	0.81	**-1.76**	-2.96	**-0.24**	-10.75
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	2.97	0.88	3.15	0.97	3.01	0.75	2.63	0.82	**-0.34**	**1.60**	**0.13**	-4.62
20	I often shop at a store mainly because they allow me to pay with my credit card.	2.40	0.89	2.10	0.94	2.73	1.01	2.22	0.77	-6.74	-9.90	-2.70	-10.38
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	2.33	0.94	1.57	0.69	1.99	0.71	1.97	0.60	-7.13	-21.44	-14.37	-17.59
22	I often use either a store discount card or store membership benefits card when shopping.	2.37	0.84	1.94	0.87	2.33	1.01	2.05	0.80	-7.50	-12.60	-6.70	-12.17

Table 6.5 shows the results of ANOVA analyses with the null hypotheses that test that the means of each population of consumers in each of the four cities studied are the same with respect to each of the general purchasing intentions. The alternative hypotheses are that the means are different from each other for each statement. Ethnicity is the independent variable and each of the general purchasing statements is the dependent variable.

At an α=1% significant results were found for every statement except for statement 4 (If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me), statement 12 (I will pay an above-average price for a known brand instead of a below-average price for an unknown brand), and statement 15 (When I go shopping I always have a certain brand of a product in mind). Statement 4 was significant at a 5% level of significance).

Table 6. 5 ANOVAs Between Ethnicity and Statements of Purchasing Intentions

H_0: $\mu_1 = \mu_2 = \mu_3 = \mu_4$ [N=413; *numerator df=3; denominator df=410; Critical values of the F distribution at a 5 percent level of significance is 2.62 while for 1 percent level of significance is 3.78; p<.05)*			
General Purchasing Behavior Statements		F	Sig.
1	I buy Chinese brands whenever possible.	9.45	0.00
2	I like to try new brands.	4.28	0.00
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	17.43	0.00
4	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me.	**2.97**	**0.03**
5	I buy foreign brands whenever possible.	5.11	0.00
6	In general, I like to buy certain favorite brands.	21.98	0.00
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	7.21	0.00
8	Usually, I prefer to shop in only one department store.	4.94	0.00
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	6.43	0.00
10	Usually, I prefer to shop for groceries in just one store.	9.99	0.00
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	10.51	0.00
12	I will pay an above-average price for a known brand instead of a below-average price for an unknown brand.	**0.85**	**0.47**
13	My friends often go out and purchase something only after seeing me purchase it.	8.95	0.00
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	51.33	0.00
15	When I go shopping I always have a certain brand of a product in mind.	**2.27**	**0.08**
16	I frequently find price differences on the exact same product brands in different stores.	16.39	0.00
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	4.81	0.00
18	When new products or products variants come onto the market I always buy them.	19.18	0.00
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	6.95	0.00
20	I often shop at a store mainly because they allow me to pay with my credit card.	9.33	0.00
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	18.16	0.00
22	I often use either a store discount card or store membership benefits card when shopping.	5.91	0.00

Note: Reverse scoring for 1,5 and 3,10 and 6,18 and positive scoring for 13,14.

To determine the significance of pair-wise differences for all of the statements for which ANOVAs were significant we used Fisher's LSD procedure. Results of the analyses are summarized in 6.6 below. (NB: we used α=0.05 but acknowledge the additional probability of committing a Type I error with 6 pair-wise comparisons, known as the *comparison-wise Type I error rate* - i.e. (1 - 0.956 = 26%). [35]

Table 6. 6 Summary of Fisher's LSD pair-wise tests of means for all significant ANOVAs

General Purchasing Behavior Statements		BJ/SH	BJ/CQ	BJ/GZ	SH/CQ	SH/GZ	CQ/GZ
1	I buy Chinese brands whenever possible.	-0.49*	-0.33*	-0.64*	0.16	-0.15	-0.31*
2	I like to try new brands.	0.15	0.20	0.22	0.35*	0.07	0.42*
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	0.21	0.57*	0.85*	0.37*	0.65*	0.28*
5	I buy foreign brands whenever possible.	0.46*	0.24*	0.3*	-0.22	-0.16	0.06
6	In general, I like to buy certain favorite brands.	0.46*	0.36*	-0.18	-0.10	-0.63*	-0.54*
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	-0.25*	-0.23*	0.21	0.02	0.46*	0.44*
8	Usually, I prefer to shop in only one department store.	-0.41*	-0.22	0.05	0.19	0.46*	0.27*
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	0.38*	0.30*	-0.06	-0.08	-0.44*	-0.36*
10	Usually, I prefer to shop for groceries in just one store.	-0.48*	-0.28*	-0.66*	0.20	-0.18	-0.38*
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	0.35*	0.38*	-0.19	0.02	-0.54*	-0.56*
13	My friends often go out and purchase something only after seeing me purchase it.	0.26*	-0.12	0.43*	-0.38*	0.17	0.54*
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	-0.71*	-0.19	0.74*	0.52*	1.46*	0.93*
16	I frequently find price differences on the exact same product brands in different stores.	0.58*	-0.01	0.03	-0.59*	-0.55*	0.05
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	0.44*	0.23*	0.23*	-0.22	-0.21	0.01
18	When new products or products variants come onto the market I always buy them.	0.11	-0.13	0.70*	-0.24*	0.59*	0.83*
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	-0.18	-0.04	0.34*	0.14	0.52*	0.38*
20	I often shop at a store mainly because they allow me to pay with my credit card.	0.30*	-0.33*	0.18	-0.62*	-0.12	0.51*
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	0.76*	0.34*	0.36*	-0.42*	-0.40*	0.02
22	I often use either a store discount card or store membership benefits card when shopping.	0.43*	0.04	0.32*	-0.39*	-0.10	0.29*

* The mean difference is significant at the 0.05 level. Dependent variables refer to corresponding purchase intention statements.
Note: Reverse scoring for 1,5 and 3,10 and 6,18 and positive scoring for 13,14. (BJ=Beijing respondents; SH=Shanghai respondents; CQ=Chongqing respondents; GZ=Guangzhou respondents)

Additional testing of selected comparisons using *t-tests* was conducted and results summarized in Tables 6.7.[36] To supplement the *ANOVA* analysis we further tested the mean differences in opinions of the two cities for each statement whose levels of agreement were most distinctly different. We expect statistically significant differences even in cases where *ANOVAs* indicated significant differences among means of all populations.

Table 6. 7 Two Sample Test of Hypothesis - Tests of differences in means among the two cities with greatest frequency range by purchasing intention

General Purchasing Behavior Statements (P(T<=t) two-tail)		**Cities Tested**	*t-test*	Sig. (2-tail)
1	I buy Chinese brands whenever possible.	B/G	-5.13	0.00
2	I like to try new brands.	C/G	3.07	0.00
3	Typically, I would shop for groceries in more than three different stores over the course of a month.	B/G	6.87	0.00
4	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me.	B/S	2.70	0.00
5	I buy foreign brands whenever possible.	S/C	**-1.82**	**0.07**
6	In general, I like to buy certain favorite brands.	S/G	-7.42	0.00
7	If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me.	B/G	**1.86**	**0.07**
8	Usually, I prefer to shop in only one department store.	S/G	3.37	0.00
9	No matter what the price of my favorite brand is, I will still purchase my favorite brand.	S/G	-3.93	0.00
10	Usually, I prefer to shop for groceries in just one store.	B/G	-5.48	0.00
11	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service.	C/G	-4.97	0.00
12	I will pay an above-average price for a known brand instead of a below-average price for an unknown brand.	B/C	1.24	0.21
13	My friends often go out and purchase something only after seeing me purchase it.	C/G	4.87	0.00
14	I often feel pressured to purchase a product brand because some of my friends have recently bought it.	S/C	4.66	0.00
15	When I go shopping I always have a certain brand of a product in mind.	B/S	2.46	0.02
16	I frequently find price differences on the exact same product brands in different stores.	S/G	-5.60	0.00
17	I prefer to shop at a store where I have a store discount or store membership benefits card.	B/S	3.52	0.00
18	When new products or products variants come onto the market I always buy them.	C/G	7.27	0.00
19	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me.	S/G	4.17	0.00
20	I often shop at a store mainly because they allow me to pay with my credit card.	C/G	4.07	0.00
21	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer.	B/S	6.65	0.00
22	I often use either a store discount card or store membership benefits card when shopping.	C/G	2.26	0.02
Note: Reverse scoring for 1, 5 and 3, 10 and 6, 18 and positive scoring for 13, 14.				

In order to sift out differences in general purchasing behavior among those cities whose consumers registered agreements to statements most closely we further calculated *t-test* shown in Table 6.5. While we might anticipate that those closest in opinion may not significantly differ there were four instances where they did. These included: "I buy foreign brands whenever possible", "If my favorite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me", "I often feel pressured to purchase a product brand because some of my friends have recently bought it", and "I prefer to shop at a store where I have a store discount or store membership benefits card".

Results indicated that there are significant differences between consumer populations on all aspects studied except with respect to "willingness to pay for known brands" and "always having a brand in mind when shopping".

We can confidently state that there are differences among the populations on many important aspects of consumer intention and behavior. The second research question delves a little more into which populations are different.

General Research Questions	**Research Proposition**	**Research Result**
1.0: Are there differences in purchasing intentions among ethnic consumers in key cities in China?	1.0: Purchasing intentions are the same among ethnic consumers in the four key cities studied.	Generally NOT Supported. Differences are significant for 20 of 22 statements.

Proposition 1.0, which states that purchasing intentions are the same among ethnic consumers in the four key cities studied, is generally not supported.

SRQ 1.1: Conservatism
R.O. 1.1: To determine if consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions.

This research objective aims to determine if consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions.

Conservatism in purchasing intentions is manifest in terms of relative perceptions of risk in purchasing. This perception of risk in purchasing is in turn manifest in a variety of consumer behaviors. To identify preponderances in these behaviors related purchasing intention statements were included. These were classified as follows:

- 1.1.1 Ethnocentrism influences (Q1,Q5)
- 1.1.2 Willingness to try new products (Q2,Q18,Q19)
- 1.1.3 The extent of store loyalty (Q3,Q8,Q10)
- 1.1.4 The extent of brand loyalty (Q4,Q6,Q7,Q9,Q12,Q21)
- 1.1.5 The extent of others' purchase influence (Q13,Q14)

1.1.1 Conservatism: Ethnocentrism influences on brand choice
R.O. 1.1.1: To determine if ethnocentrism tendencies in purchasing intentions are similar among consumers from key cities.

Table 6.1 indicates that a greater percentage of Beijing consumers (91%) buy local brands whenever possible than consumers from Shanghai (63%), Chongqing (77%) or Guangzhou (63%). Along a similar vein a relatively small minority of each city's consumers agree that they buy foreign brands whenever possible: Beijing (12%), Shanghai (13%), Chongqing (5%), and Guangzhou (10%). *ANOVA* analyses (Table 6.3) showed that there were statistically significant differences between the means of the populations with respect to buying local and foreign brands. However, we identified similarities between some of the cities. A more complete analysis of pair-wise differences is summarized in Table 6.8 below.

Table 6. 8 Pair-wise tests of Significance on "Commercial Patriotism"

Pair-wise Comparison		I buy Chinese brands whenever possible	I buy foreign brands whenever possible
Beijing/Shanghai	t-statistic	**-3.87**	**3.64**
	Sig.	0.00	0.00
Beijing/Chongqing	t-statistic	**-2.90**	**2.05**
	Sig.	0.00	0.04
Beijing/Guangzhou	t-statistic	**-5.20**	**2.40**
	Sig.	0.00	0.01
Shanghai/Chongqing	t-statistic	1.44	-1.82
	Sig.	0.15	0.07
Shanghai/Guangzhou	t-statistic	-0.96	-1.48
	Sig.	0.33	0.14
Chongqing/Guangzhou	t-statistic	-2.54	0.37
	Sig.	0.01	0.71
Mean scores by city and question	Beijing	1.63	3.93
	Shanghai	2.12	3.46
	Chongqing	1.96	3.67
	Guangzhou	2.27	3.64

The above table indicates that Beijing is clearly more "commercially patriotic" than the other three cities studied. More Beijing consumers buy Chinese brands whenever possible and do not buy foreign brands whenever possible. Only one other significant difference was found indicating that more Chongqing consumers than Guangzhou consumers buy Chinese brands whenever possible.

Proposition #	Specific Research Questions	Specific proposition	Research result
1.1.1: Chinese consumers are ethnocentric in the brand choices.	1.1.1.1: Do consumers from the key cities intend to buy Chinese brands whenever possible?	1.1.1.1: Consumers from the key cities intend to buy Chinese brands whenever possible.	Supported.
	1.1.1.2: Do consumers from the key cities intend to buy foreign brands whenever possible?	1.1.1.2: Consumers from the key cities intend to buy foreign brands whenever possible.	Not supported.
1.1.1a: Ethnocentrism influence is the same among ethnic consumers from four key cities.	1.1.1a.1: Are consumers from the key cities similar in their intention to purchase local brands? (PB1)	1.1.1a.1: Consumers from the key cities are similar in their intention to purchase local brands.	Not supported.
	1.1.1a.2: Are consumers from the key cities similar in their intention to purchase foreign brands? (PB5)	1.1.1a.2: Consumers from the key cities are similar in their intention to purchase foreign brands	Not supported.

Proposition 1.1.1, which states that Chinese consumers are ethnocentric in their brand choices, is supported. Proposition 1.1.1a, which states that ethnocentrism tendencies in purchasing intentions are the same among consumer from key cities, is not supported.

1.1.2 Willingness to try new products
R.O. 1.1.2: To determine if the intentions to try new products are similar among consumers from key cities.

The proclivity to want to try new brands, brand variants, or product categories was measured by responses to Q2 (like to try new brands), Q18 (always buy new products or variants) and Q19 (wait to buy new brands). Guangzhou consumers seemed somewhat more willing to try new products and Chongqing consumers tended to be relatively more reticent to want to try new products. As Table 6.4 shows there are statistically significant differences between ethnicities on all questions; however, the differences were strongest with respect to always buying new products or variants when they come onto the market. Chongqing consumers tended to be different from Guangzhou consumers on all three questions and different than Shanghai consumers on Q2 and Q18. Beijing consumers were similar to consumers from Chongqing and Shanghai consumers but not Guangzhou consumers on two questions (Q18 and Q19).

Propositions	**Specific Research Questions**	**Specific propositions**	**Research result**
1.1.2: Consumers from the four key cities like to try new brands.	1.1.2.1: Do consumers from the four key cities intend to try new brands?	1.1.2.1: Consumers from the four key cities intend to try new brands.	Supported.
	1.1.2.2: Do consumers from the four key cities intend to try new products or variants when they come onto the market?	1.1.2.2: Consumers from the four key cities intend to try new products or variants when they come onto the market.	Partially supported. Only Shanghai and Guangzhou consumers intend to try.
	1.1.2.3: Do consumers from the four key cities intend to wait to try a new brand of an existing product until a friend recommends it?	1.1.2.3: Consumers from the four key cities intend to wait to try a new brand of an existing product until a friend recommends it.	Mainly not supported. Only Guangzhou consumers intend to wait for friend's recommendation.
1.1.2a: Willingness to purchase new products is the same among ethnic consumers from four key cities.	1.1.2a.1: Are consumers from the four key cities similar in their intention to try new brands? (PB2)	1.1.2a.1: Consumers from the four key cities are similar in their intention to try new brands.	Not supported.
	1.1.2a.2: Are consumers from the four key cities similar in their intended willingness to try new brands or new brand variants? (PB18)	1.1.2a.2: Consumers from the four key cities are similar in their intended willingness to try new brands or new brand variants.	Not supported.
	1.1.2a.3: Are consumers from the four key cities similar in their desire to wait for a recommendation before buying a new brand? (PB19)	1.1.2a.3: Consumers from the four key cities are similar in their desire to wait for a recommendation before buying a new brand.	Not supported.

Proposition 1.1.2, which states that consumers from the four key cities like to try new brands, is supported. Each of the three measures indicates that Chinese like to try new brands, product variants and do not necessarily need to wait for a friend's recommendation before trying.

Proposition 1.1.2a, which states that willingness to purchase new products is the same among ethnic consumers from four key cities, is not supported.

1.1.3 The extent of store loyalty
R.O.1.1.3: To determine if the extent of store loyalty is similar among consumers from key cities.

Table 6.3 and Table 6.4 show that the extent of store loyalty differs among consumers in the key cities. Results from three questions showed Guangzhou and Chongqing consumers were more likely to shop in more than three stores for groceries. Analyses using least square differences for pair-wise comparisons showed that all pairings except Beijing and Shanghai were different with respect to shopping for groceries in more than three different stores in a month. Consumers from Shanghai were most likely to not shop in just one department store regularly, perhaps owing to them having access to the best shopping malls in China. Pair-wise comparisons revealed that Shanghai consumers were distinctly different from Guangzhou and Beijing consumers on this questions (Q8).

Propositions	Specific Research Questions	Specific proposition	Research result
1.1.3: Consumers from the four key cities are loyal to specific stores.	1.1.3.1: Do consumers from the four key cities usually prefer to shop for groceries in just one store?(PB10)	1.1.3.1: Consumers from the four key cities usually prefer to shop for groceries in just one store.	Not Supported. Shanghai, Chongqing, and Guangzhou consumers generally disagree. Beijing consumers neither agreed nor disagreed.
	1.1.3.2: Do consumers from the four key cities shop for groceries in more than three stores in a month?(PB3)	1.1.3.2: Consumers from the four key cities shop for groceries in more than three stores in a month.	Supported for all consumers.
	1.1.3.3: Do consumers from the four key cities prefer to shop in only one department store? PB8)	1.1.3.3: Consumers from the four key cities prefer to shop in only one department store.	Generally not supported. Shanghai consumers strongly preferred multiple department stores. Beijing, Chongqing, and Guangzhou consumers neither agreed nor disagreed with the statement.
1.1.3a: The extent of store loyalty is the same among ethnic consumers from four key cities.	1.1.3a.1: Are consumers from the four key cities similar in their intention to shop for groceries in one store? (PB10)	1.1.3a.1: Consumers from the four key cities are similar in their intention to shop for groceries in one store.	Not supported.
	1.1.3a.2: Are consumers from the four key cities similar in their intention to shop for groceries in more than three stores in a month? (PB3)	1.1.3a.2: Consumers from the four key cities are similar in their intention to shop for groceries in more than three stores in a month.	Not supported.
	1.1.3a.3: Are consumers from the four key cities similarly in their preference to shop in only one department store? (PB8)	1.1.3a.3: Consumers from the four key cities are similarly in their preference to shop in only one department store.	Not supported.

Proposition 1.1.3, which states that consumers from the four key cities are loyal to specific stores, is generally not supported. Consumers from three of four cities would not prefer to shop in only one grocery store and do generally shop in multiple stores in a given month. Further, on average, none of the populations of consumers in the four cities expressed preference to shop in a single department store.

Proposition 1.1.3a, which states that the extent of store loyalty is the same among ethnic consumers from four key cities, is not supported.

1.1.4 The extent of brand loyalty
R.O. 1.1.4: To determine if the extent of brand loyalty is similar among consumers from key cities.

In order to gain a sense of the tendency toward brand loyalty without the benefit of longitudinal data a variety of questions were asked including Q4 (purchase familiar substitute), Q6 (like to buy favorites), Q7 (purchase unfamiliar substitute), Q9 (purchase favorite at any price), Q12 (will pay above-average price for known brand), and Q21 (purchase favorite if not too expensive). *ANOVA* results showed that responses to five of the six questions were distinctly different at an $\alpha=0.05$ and on only four of the questions (excluding Q4) at an $\alpha=0.01$. Differences were most distinct with respect to 'buy certain favorites' and 'buy preferred brand if not too expensive'. Shanghai consumers most preferred to buy certain favorite brands while Guangzhou consumers were least likely. Shanghai consumers were also least willing to buy either a familiar or an unfamiliar substitute Shanghai consumers were also most likely to buy their favorite regardless of the price and very likely to if the price was not too expensive. Taken together the results reveal that Shanghai consumers exhibit the highest degree of brand loyalty. In contrast, Beijing and Guangzhou consumers were the most likely of the four cities to not be particularly brand loyal, where they did not differ on three of the five questions significantly (see Table 6.3).

Propositions	**Specific Research Questions**	**Specific proposition**	**Research result**
1.1.4: Consumers from the four key cities intend to be brand loyal.	1.1.4.1: Will consumers from the four key cities only purchase a familiar substitute brand, if their usual brand is not available? (PB4)	1.1.4.1: Consumers from the four key cities only purchase a familiar substitute brand, if their usual brand is not available.	Supported. Consumers from all cities agreed.
	1.1.4.2: Do consumers from the four key cities generally like to buy certain favorite brands? (PB6)	1.1.4.2: Consumers from the four key cities generally like to buy certain favorite brands.	Supported. Consumers from all cities agreed.
	1.1.4.3: Are consumers from the four key cities willing to purchase an unfamiliar substitute brand, if their usual	1.1.4.3: Consumers from the four key cities are willing to purchase an unfamiliar substitute brand, if their	Not supported. Shanghai and Chongqing disagreed significantly while

Propositions	Specific Research Questions	Specific proposition	Research result
	brand is not available? (PB7)	usual brand is not available.	Beijing and Guangzhou consumers neither agreed nor disagreed.
	1.1.4.4: Will consumers from the four key cities purchase their favorite brand regardless of the price? (PB9)	1.1.4.4: Consumers from the four key cities will purchase their favorite brand regardless of the price.	Supported. Consumers from all cities agreed.
	1.1.4.5: Will consumers from the four key cities pay an above-average price for a known brand rather than a cheaper price for an unknown brand? (PB12)	1.1.4.5: Consumers from the four key cities will pay an above-average price for a known brand rather than a cheaper price for an unknown brand.	Partially supported. Only Chongqing and Guangzhou consumers agreed while Beijing and Shanghai consumers neither agreed nor disagreed.
	1.1.4.6: Do consumers from the four key cities purchase the brand they most prefer if the product is not too expensive? (PB21)	1.1.4.6: Consumers from the four key cities purchase the brand they most prefer if the product is not too expensive.	Supported. Consumers from all cities agreed.
1.1.4a: The extent of brand loyalty is the same among ethnic consumers from four key cities.	1.1.4a.1: Are consumers from the four key cities similar in their intention to purchase a substitute brand that is familiar? (PB4)	1.1.4a.1: Consumers from the four key cities are similar in their intention to purchase a substitute brand that is familiar.	Partially not supported. (*)
	1.1.4a.2: Are consumers from the four key cities similar in their intention to purchase certain favorite brands? (PB6)	1.1.4a.2: Consumers from the four key cities are similar in their intention to purchase certain favorite brands.	Not supported.
	1.1.4a.3: Are consumers from the four key cities similar in their intention to purchase a substitute brand that is unfamiliar? (PB7)	1.1.4a.3: Consumers from the four key cities are similar in their intention to purchase a substitute brand that is unfamiliar.	Not supported.
	1.1.4a.4: Are consumers from the four key cities similar in their intention to purchase a favorite brand regardless of the price of the brand? (PB9)	1.1.4a.4: Consumers from the four key cities are similar in their intention to purchase a favorite brand regardless of the price of the brand.	Not supported.

Propositions	Specific Research Questions	Specific proposition	Research result
	1.1.4a.5: Are consumers from the four key cities similar in their intended willingness to pay more for known brands? (PB12)	1.1.4a.5: Consumers from the four key cities are similar in their intended willingness to pay more for known brands.	Not supported.
	1.1.4a.6: Are consumers from the four key cities similar in their intention toward brand loyalty if the product is not too expensive? (PB21)	1.1.4a.6: Consumers from the four key cities are similar in their intention toward brand loyalty if the product is not too expensive.	Not supported.
* Not supported at 5% level of significance			

Proposition 1.1.4, which states that consumers from the four key cities intend to be brand loyal, is generally supported. Consumers will most certainly buy their favorite brands even if the price is relatively high and most certainly if affordable. They are also discriminating with respect to the kinds of substitutes that they would purchase if their favorite is not available.

Proposition 1.1.4a, which states that the extent of brand loyalty is the same among ethnic consumers from four key cities, is generally not supported.

1.1.5 Friends' Influence
R.O. 1.1.5: To determine if friends' impact on purchasing intentions is similar among consumers from key cities.

Friends influence is closely related to the issue of *face*. In this context we are referring to the peer pressure (emotional) component of influence rather than an objective (cognitive) component of *face*. Survey questions were dedicated to the examination of *face* which was operationalized in Q13 (friends buy what I buy) and Q14 (pressure to buy what friends buy).

Table 6.1 indicated that a greater percentage of Guangzhou consumers(53%) feel that friends often make copy-cat purchases while 30% of Beijing consumers, 38% of Shanghai consumers, and just 25% of Chongqing consumers feel this way. Similarly 40% of Guangzhou consumers agree that they often feel pressured into buying something their friend has recently bought, ostensibly to "keep up with the Joneses". A small percentage of Shanghai (4%) and Chongqing (9%) consumers agreed that they did, while a slightly higher percentage of Beijing (19%) consumers agreed.

ANOVA results from Table 6.3 clearly show that differences in levels of agreement to the two questions exist. Detailed and complete analyses of pair-wise differences are summarized in Table 6.9. With respect to consumers' agreement that friends make copy-cat purchases, Guangzhou consumers had the highest level of agreement and Chongqing consumers the lowest. On the question of whether or not they felt themselves pressured into making copy-cat purchases Guangzhou consumers and Chongqing consumers registered the greatest level of consistency. Beijing and Shanghai consumers felt, interestingly, that others, more so than themselves, tended to make copy-cat purchases. Such questions are often asked of "friends" with the objective of eliciting a more "honest" answer. From this point of view, of the two questions asked, Q13 is likely to yield the more accurate conclusion.

Further, there were no statistically significant differences recorded between Beijing and Chongqing consumers for both questions while Shanghai and Guangzhou consumers did not differ on the first question but had strong differences on the second question.

Table 6. 9 Pair-wise tests of Significance on influence of others

Pair-wise Comparison		Q13. My friends often go out and purchase something only after seeing me purchase it.	Q14. I often feel pressured to purchase a product brand because some of my friends have recently bought it.
Beijing/Shanghai	t-statistic	2.13	-5.50
	Sig.	0.03	0.00
Beijing/Chongqing	t-statistic	**-0.96**	**-1.40**
	Sig.	0.33	0.08
Beijing/Guangzhou	t-statistic	3.69	5.81
	Sig.	0.00	0.00
Shanghai/Chongqing	t-statistic	-3.27	4.66
	Sig.	0.00	0.00
Shanghai/Guangzhou	t-statistic	**1.52**	13.79
	Sig.	0.13	0.00
Chongqing/Guangzhou	t-statistic	4.87	8.44
	Sig.	0.00	0.00
Mean scores by city and question	Beijing	2.95	3.39
	Shanghai	2.69	4.1
	Chongqing	3.07	3.58
	Guangzhou	2.52	2.65

We argued that a "conservative" consumer would be less likely to try new products or variants but Table 6.9 shows that Chongqing and Guangzhou consumers were more likely to buy new products/brand variants. We also stated that a "conservative" consumer would be more likely to buy domestic brands and less likely to buy foreign brands. In fact, results showed that Beijing and Shanghai consumers were more likely to buy Chinese brands, while there was no difference in intention to buy foreign brands. We argued that conservative shoppers tend to be more store loyal with results showing that Beijing and Shanghai consumers shopped in fewer grocery stores although they were less likely to shop in just one grocery store. Beijing and Shanghai consumers are less likely to feel pressure to buy a product because their friends recently bought and you may argue that this is reflective of a more "conservative" mindset. On the other hand, Chongqing and Guangzhou consumers are more likely to wait for a friend's recommendation before buying a product, which is also symptomatic of conservative buying behavior.

Proposition #	**Specific Research Questions**	**Specific proposition**	**Research result**
1.1.5: Chinese consumers' purchase decisions from the four key cities are influenced by their friends.	1.1.5.1: Among consumers in the four key cities, do others often buy a product only after seeing you purchase it? (PB13)	1.1.5.1: Among consumers in the four key cities, others often buy a product only after seeing (the respondent) purchase it.	Partially supported. Consumers from the four key cities neither agreed nor disagreed.
	1.1.5.2: Do Chinese from the four key cities often feel pressured to buy a brand after their friends have? (PB14)	1.1.5.2: Chinese from the four key cities often feel pressured to buy a brand after their friends have.	Mainly not supported. Only Guangzhou consumers agreed that they did. Chongqing, Beijing, Shanghai consumers disagreed.
1.1.5a: The extent of others' purchase influence is the same among ethnic consumers from four key cities.	1.1.5a.1: Are consumers from the four key cities similar in often purchasing products because their friends have?	1.1.5a.1: Consumers from the four key cities are similar in often purchasing products because their friends have.	Not supported.
	1.1.5a.2: Are consumers from the four key cities similarly pressured into buying a product brand because their friends have recently bought it?	1.1.5a.2: Consumers from the four key cities are similarly pressured into buying a product brand because their friends have recently bought it.	Not supported.

Proposition 1.1.5, which states that Chinese consumers' purchase decisions from the four key cities are influenced by their friends, is only partially supported.

Proposition 1.1.5a, which states that the extent of others' purchase influence is the same among ethnic consumers from four key cities, is not supported. In particular, Shanghai and Guangzhou consumers seem to be more affected than Beijing or Chongqing consumers on this dimension. Our analysis shows that Guangzhou consumers are most affected by *face* based on both their opinions of themselves and their opinions of friends.

SRQ 1.2: Situational Influencers

R.O. 1.2: To determine whether situational influencers such as offering a store membership or allowing paying using credit cards are important in choosing a shopping venue.

1.2.1/1.2.2 Credit card option

R.O. 1.2.1: To determine if having a credit payment option is important in store choice among consumers from key cities.

R.O. 1.2.2: To determine if consumers from the key cities are similar in their intention to shop at a store because they can pay with a credit card.

If we hypothesize that consumers do not often shop at a store mainly because the store allows credit card payments we expect a score of 3 or more on a five-point Likert scale (i.e. that consumers strongly disagree, disagree, or are neutral in feeling that a credit card is a main factor in store choice). We formulate the null hypothesis and alternative hypotheses as follows: H_0: $\mu \geq 3$; H1:μ<3. Table 6.10 summarizes the result of the test that consumers do not agree that having credit card access is important when selecting a shopping venue. Results indicate that consumers in each of the four cities do place importance on the service benefit of being able to use a credit card to pay for purchases.

Table 6. 10 Means, Standard Deviations, and T-test results.

H_0: $\mu \geq 3$; H_1: $\mu<3$				
Shop at a store mainly due to credit card access	Mean	SD	t-stat	Sig
Beijing (N=100)	2.40	0.89	-6.74	0.00
Shanghai (N=107)	2.10	0.99	-9.90	0.00
Chongqing (N=102)	2.73	1.01	-2.70	0.00
Guangzhou (N=105)	2.22	0.77	-10.38	0.01
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree				

ANOVA analysis from Table 6.3 shows that there is statistically significant difference between the means of each consumer population on this question. Again, similar to loyalty/member cards, while consumers from all key cities feel that having a credit card payment facility is an important service component, there were relative differences between cities. Table 6.11 shows tests of two samples for pairs of cities and results indicate that Shanghai consumers care more about having credit card access than either Beijing or Chongqing consumers but are not statistically significantly different in their view from Guangzhou consumers. Chongqing consumers appear to care least about having credit card access among the four cities tested.

Table 6. 11 Pair-wise tests of significance for importance of credit card access in venue selection

(H_0: $\mu_1=\mu_2$; H_1: $\mu_1\neq\mu_2$)		
	T-test	Sig.
Beijing/Shanghai	2.24	0.03
Beijing/Chongqing	-2.44	0.02
Beijing/Guangzhou	**1.56**	**0.12**
Shanghai/Chongqing	-4.62	0.00
Shanghai/Guangzhou	**-0.98**	**0.32**
Chongqing/Guangzhou	4.07	0.00

Specific Research Questions	**Propositions**	**Research results**
1.2.1: Is being able to pay with a credit card important in choice among consumers in the four key cities? (PB20)	1.2.1: Being able to pay with a credit card is important to urban Chinese consumers in choosing a shopping venue.	Supported.
1.2.2: Is being able to pay with a credit card important in selecting a shopping venue similar among consumers from key cities?	1.2.2: Consumers in the four key cities feel being able to pay with a credit card is of similar importance in choosing a shopping venue.	Generally not supported. Different for 4 of 6 comparisons.

Proposition 1.2.1, which states that being able to pay with a credit card is important to urban Chinese consumers in choosing a shopping venue, is supported.

Proposition1.2.2, which states that consumers in the four key cities feel being able to pay with a credit card is of similar importance in choosing a shopping venue, is generally not supported with only the Guangzhou and Shanghai and Guangzhou and Beijing pairings not statistically significantly different.

1.2.3/1.2.4/1.2.5 Store membership cards
R.O. 1.2.3: To determine if having a store membership is important in choosing a shopping venue among consumers from key cities.
R.O. 1.2.4: To determine if the importance of store membership to shopping venue selection is similar among Chinese consumer from key cities.
R.O. 1.2.5: To determine if consumers from the key cities are similar in often using a store discount or membership card when shopping.

If we hypothesize that having a store membership or loyalty program is not important to consumers then we expect a score of 3 or more (i.e. that consumers strongly disagree, disagree, or are neutral in feeling that a store membership/loyalty program is important when making a purchase in each respective categories). We formulate the null hypothesis and alternative hypotheses as follows: H_0: $\mu \geq 3$; H_1:$\mu < 3$.

Table 6.12 summarizes the result of the test that consumers do not agree with the two statements related to member/loyalty cards. There is clear evidence that consumers in each of the four cities studied do place importance on the benefits that having a store membership card or store loyalty card provide.

Table 6. 12 Prefer store with member card. Means, Standard Deviations, and *t*-test results

H_0: $\mu \geq 3$; H_1: $\mu < 3$				
Prefer store with member loyalty card	Mean	SD	*t*-stat	Sig
Beijing (N=100)	2.00	0.92	-10.87	0.00
Shanghai (N=107)	2.06	0.90	-10.80	0.00
Chongqing (N=102)	2.27	0.89	-8.28	0.00
Guangzhou (N=105)	2.27	0.62	-12.06	0.00
Often use member or loyalty card	Mean	SD	*t*-test	Sig
Beijing (N=100)	2.37	0.84	-7.50	0.00
Shanghai (N=107)	1.94	0.87	-12.60	0.00
Chongqing (N=102)	2.33	1.01	-6.70	0.00
Guangzhou (N=105)	2.05	0.80	-12.17	0.00
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree				

ANOVA analysis from Table 6.3 shows that there are statistically significant differences between the means of each consumer population on both questions. Shanghai consumers tend to use member/loyalty cards more often than Beijing and Chongqing consumers. Beijing and Shanghai shoppers also prefer to shop at a store where they have a loyalty or membership card. Possible reasons for this are given in the next chapter.

Specific Research Questions	**Propositions**	**Research result**
1.2.3: Is a store loyalty program important to consumers from the four key cities in choosing a shopping venue? (PB17,PB22)	1.2.3: Store loyalty programs are important to consumers from the four key cities in choosing a shopping venue.	Supported.
1.2.4: Is the importance of store loyalty programs in selecting a shopping venue similar among consumers from the four key cities? (PB17)	1.2.4: The importance of store loyalty programs in selecting a shopping venue is similar among consumers from the four key cities.	Generally not supported. Chongqing and Guangzhou consumers were similar.
1.2.5: Are consumers from the key cities similar in often using a store discount or membership card when shopping?(PB22)	1.2.5 Consumers from the key cities are similar in often using a store discount or membership card when shopping.	Generally not supported. Four of six pairings are different. Only Beijing and Chongqing, and Shanghai and Guangzhou pairings are similar.

Proposition 1.2.3, which states that store loyalty programs are important to consumers from the four key cities in choosing a shopping venue, is supported.

Proposition 1.2.4, which states that the importance of store loyalty programs in selecting a shopping venue is similar among consumers from the four key cities, is generally not supported as relatively more Beijing consumers feel that member/loyalty cards are important factors in determining a shopping venue than other key cities and, further, Beijing consumers are among the most often users of such cards. For Chongqing and Guangzhou consumers, however, store loyalty programs were of similar importance in selecting a shopping venue.

Proposition 1.2.5, which states that consumers from the key cities are similar in often using a store discount or membership card when shopping, is generally not supported.

SRQ 1.3: Price Differences

R.O. 1.3: To determine if consumers from the four key cities are similar in the extent they frequently find price differences on the same brands in different stores.

ANOVA results from Table 6.3 show differences among the four cities but additional pair-wise comparisons reveal that significant differences exist only with respect to Shanghai consumers. Shanghai consumers are significantly more likely to find price differences than consumers from the other three key cities.

Specific Research Questions	Propositions	Research results
1.3.1: Do consumers from the four key cities frequently find price differences on the same brands in different stores? (PB16)	1.3.1: Consumers from the four key cities frequently find price differences on the same brands in different stores.	Supported.
1.3.2: Are consumers from the four key cities similar in frequently finding price differences on the same brands in different stores?	1.3.2: The extent that consumers from the four key cities find prices differences is similar.	Mainly supported. Only Shanghai consumers differ from other three cities.

Proposition 1.3.1, which states that consumers from the four key cities frequently find price differences on the same brands in different stores, is supported.

Proposition 1.3.2, which states that the extent that a consumer from the four key cities find prices differences is similar, is mainly supported. Only Shanghai consumers differ from other three cities.

SRQ 1.4: a priori intent

R.O. 1.4: To determine if consumers have similar *a priori* brand purchase intent.

If we hypothesize that, when going shopping, consumers always have a certain brand in mind then we would expect a score of 3 or more (i.e. that consumers strongly disagree, disagree, or are neutral in feeling they would pay more for above-average service) to the statement. We therefore formulate the null hypothesis and alternative hypotheses as follows: H_0: $\mu \geq 3$; H_1: $\mu < 3$.

Table 6.13 summarizes the result of the test that, when going shopping, consumers do not always have a certain brand in mind. Results indicate that for consumers in each of the four cities studied there was mild agreement with the statement.

Table 6. 13 Have a brand in mind. Means, Standard Deviations, and T-test results

H_0: $\mu \geq 3$; H_1: $\mu < 3$				
When shopping I always have a certain brand in mind	Mean	SD	t-stat	Sig.
Beijing (N=100)	2.50	0.80	-6.25	0.00
Shanghai (N=107)	2.20	0.97	-8.53	0.00
Chongqing (N=102)	2.31	0.89	-7.83	0.00
Guangzhou (N=105)	2.30	0.71	-10.10	0.00
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree				

Consumers from the key cities studied tend to have a certain brand of product in mind when they go shopping. There are no significant differences between *a priori* purchase intent between the ethnicities.

Specific Research Questions	Propositions	Research results
1.4.1: Do consumers from the four key cities have a specific brand in mind when going shopping? (PB15)	1.4.1: Consumers from the four key cities have a specific brand in mind when going shopping.	Supported.
1.4.2: Do consumers from the four key cities have a similar level of *a priori* brand intention?	1.4.2: The extent that consumers from the four key cities have *a priori* brand intention is similar.	Supported. All consumers slightly agreed that they have a specific brand intention when going shopping.

Proposition 1.4.1, which states that consumers from the four key cities have a specific brand in mind when going shopping, is supported.

Proposition 1.4.2, which states that consumers from the four key cities have similar levels of specific brand purchase intent, is supported.

SRQs 1.5.0/1.5.1: Willingness to pay for service.
R.O. 1.5.0: To determine if Chinese are willing to pay more for better service.
R.O. 1.5.1: To determine if the willingness to pay more for service is similar among Chinese consumers from key cities.

If we hypothesize that consumers are not willing to pay more for above-average service-related benefits we would expect a score of 3 or more (i.e. that consumers strongly disagree, disagree, or are neutral in feeling they would pay more for above-average service) to the statement. We therefore formulate the null hypothesis and alternative hypotheses as follows: H_0: $\mu \geq 3$; H_1: $\mu < 3$.

Table 6.14 summarizes the result of the test that consumers are not willing to pay an above-average price for above-average service. Results indicate that consumers in each of the four cities do agree that they would be willing to pay an above-average price for a product if they received above-average customer service. Some might argue that service is an unaffordable luxury for consumers with relatively low incomes by developed country standards. However, we find that the logic does not transfer to their willingness to pay more for *service*.

Table 6. 14 Willing to pay more. Means, Standard Deviations, and T-test results

H_0: μ≥3; H_1: μ<3				
Willing to pay more for service related benefit	Mean	SD	t-stat	Sig.
Beijing (N=100)	2.65	0.86	-4.07	.00
Shanghai (N=107)	2.30	0.96	-7.54	.00
Chongqing (N=102)	2.27	0.80	-9.21	.00
Guangzhou (N=105)	2.84	0.83	-1.98	.05
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree				

Table 6. 15 Pair-wise tests of significance for willingness to pay more for better service

(H_0: μ_1=μ2; H_1: $\mu_1 \neq \mu_2$)		
	T-test	Sig.
Beijing/Shanghai	2.76	.00
Beijing/Chongqing	3.22	.00
Beijing/Guangzhou	**-1.59**	**.11**
Shanghai/Chongqing	**0.2**	**.84**
Shanghai/Guangzhou	-4.35	.00
Chongqing/Guangzhou	-4.97	.00

ANOVA analyses from Table 6.3 show that there are no statistically significant differences between the means of each consumer population on this question. However, to investigate combinations of means, *t-tests* for two samples of cities were also conducted. Results are summarized in Table 6.15 and show that for Beijing and Guangzhou consumers and Shanghai and Chongqing consumers there is no statistically significant difference. Other differences are noted, however, as Shanghai and Chongqing consumers are more likely to agree to pay more for better service than either Beijing or Guangzhou consumers.

ANOVA analyses from Table 6.3 show that there are statistically significant differences between the means of each consumer population on this question. Moreover, results of pair-wise means tests shown in Table 6.16 reveal only a statistically significant difference between Beijing and Shanghai on the question.

Table 6. 16 Pair-wise tests of significance for willingness to pay more for better service

(H_0: μ_1=μ2; H_1: μ1≠μ_2)		
	T-test	Sig.
Beijing/Shanghai	**2.45**	**0.01**
Beijing/Chongqing	1.56	0.11
Beijing/Guangzhou	1.85	0.07
Shanghai/Chongqing	-0.91	0.36
Shanghai/Guangzhou	-0.93	0.35
Chongqing/Guangzhou	0.08	0.94

Specific Research Questions	**Propositions**	**Research results**
1.5.0: Are Chinese consumers from the four key cities willing to pay more for products at stores that provide above-average service? (PB11)	1.5.0: Chinese consumers from the four key cities are willing to pay more for products at stores that provide above-average service	Supported. Consumers from all cities tended to agree.
1.5.1: Is willingness to pay more for service similar among consumers from the four key cities?	1.5.1: Chinese consumers from key cities are similar in the extent they are willing to pay more for better service.	Generally not supported. Only Shanghai and Chongqing consumers were similar.

Proposition 1.5.0, which states that Chinese are willing to pay more for service-related benefits, is supported. We found that consumers in each key city studied are willing to pay an above-average price for above-average customer service.

Proposition 1.5.1, which states that Chinese consumers from key cities are similar in the extent they are willing to pay more for better service, is generally not supported. Shanghai and Chongqing consumers were similar as both are relatively more willing to pay a higher price for better customer service than Beijing or Guangzhou consumers. However, four of six pairings showed significant differences.

SRQ 1.6: Purchase frequency and ethnicity

R.O. 1.6: To determine if product category purchase frequency is influenced by ethnicity of consumers in key cities.

Saurazas (2000) asserts that the intended product category frequency level has implications for marketers to the extent that the more frequently consumers purchase products, the more likely they are to switch between brands. No specific reason is provided but she alludes to the notion that concomitant with greater purchase frequency is greater category knowledge and experience. This may be a subject for further study because we could investigate the frequency of purchase with the number of brands in a given consumers' repertoire. We might also hypothesize that increased purchase frequency tends to be associated with just wanting a change for the sake of change.

From Table 6.17 we can see that purchase/use frequencies are highest for bottled water, hypermarkets, and banks. This is in keeping with expectations as we might view the use of ATMs and the purchase of bottled water to be routine purchases. The availability of hypermarkets also portends to the frequency of them being patronized. This result is also similar to that of Saurazas' (2000) study of consumers in the United Arab Emirates.

Conversely, the lowest purchase frequencies were found for household cleaners, appliances, potato chips, specialty chocolates, and perfumes. These results, too, seem quite reasonable. Sixty-five percent of respondents purchase an appliance less than once a year. Some consumers never purchase potato chips but we find that sizeable percentages are frequent consumers of chips. Specialty chocolates and perfumes are specialty goods and thus we expect smaller market niches to consume these products.

Table 6. 17 Frequency of Purchase (Use) Intention by Category - All Ethnic Consumers

% of Total Respondents (Total respondents = 414)					
Category/ Frequency per year	0 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)
Household cleaners (HCPF)	24%	28%	28%	16%	4%
Bottled water (BWPF)	3%	5%	12%	32%	48%
Cooking oil (COPF)	18%	9%	33%	30%	11%
Average - Cell 1	**15%**	**14%**	**24%**	**26%**	**21%**
Potato chips (PCPF)	36%	12%	22%	16%	14%
Specialty chocolates (SCPF)	34%	22%	22%	13%	9%
Ice cream (ICPF)	19%	14%	23%	19%	26%
Average - Cell 2	**30%**	**16%**	**22%**	**16%**	**16%**
Toothpaste (TPF)	8%	5%	33%	34%	20%
Home appliances (APF)	15%	65%	16%	3%	0%
Banks (ATMs) (BUF)	1%	6%	11%	30%	52%
Average - Cell 3	**8%**	**26%**	**20%**	**22%**	**24%**
Hypermarkets (HMUF)	1%	6%	23%	34%	35%
Perfume (PPF)	57%	29%	10%	3%	1%
Mobile phones (MPPF)	9%	74%	14%	2%	0%
Average - Cell 4	**22%**	**36%**	**16%**	**13%**	**12%**

Tables 6.18, 6.19, and 6.20 below aid us in testing the propositions that frequency of purchasing intentions are the same among urban consumers from the ethnic areas studied.

Table 6. 18 Frequency of Purchase (Use) Intention by Category and Ethnicity

	Beijing						Shanghai						Chongqing						Guangzhou					
Category/ Frequency Per year	0 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	Total	0 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	Total	0 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	Total	0 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	Total
HCPF	11%	51%	16%	11%	11%	100%	26%	26%	36%	10%	2%	100%	25%	28%	25%	20%	1%	100%	34%	9%	34%	22%	1%	100%
BWPF	2%	4%	16%	38%	40%	100%	4%	9%	7%	22%	58%	100%	5%	6%	17%	46%	26%	100%	3%	1%	9%	22%	66%	100%
COPF	3%	18%	36%	32%	11%	100%	21%	11%	41%	22%	5%	100%	19%	4%	20%	45%	13%	100%	28%	4%	34%	20%	14%	100%
Average - Cell 1	**5%**	**24%**	**23%**	**27%**	**21%**	100%	**17%**	**16%**	**28%**	**18%**	**21%**	100%	**16%**	**13%**	**21%**	**37%**	**13%**	100%	**22%**	**4%**	**26%**	**21%**	**27%**	100%
PCPF	13%	15%	37%	18%	17%	100%	21%	13%	25%	18%	23%	100%	54%	14%	13%	19%	1%	100%	55%	8%	15%	9%	13%	100%
SCPF	15%	18%	41%	19%	7%	100%	21%	19%	18%	20%	23%	100%	58%	25%	9%	8%	1%	100%	41%	27%	22%	5%	6%	100%
ICPF	9%	16%	33%	31%	11%	100%	9%	7%	15%	19%	50%	100%	40%	22%	15%	16%	8%	100%	19%	11%	29%	10%	31%	100%
Average - Cell 2	**12%**	**16%**	**37%**	**23%**	**12%**	100%	**17%**	**13%**	**19%**	**19%**	**32%**	100%	**51%**	**20%**	**12%**	**14%**	**3%**	100%	**38%**	**15%**	**22%**	**8%**	**17%**	100%
TPF	0%	4%	29%	30%	37%	100%	6%	2%	41%	46%	6%	100%	7%	11%	22%	40%	21%	100%	18%	5%	40%	18%	19%	100%
APF	9%	75%	13%	3%	0%	100%	17%	46%	31%	7%	0%	100%	23%	61%	15%	2%	0%	100%	13%	81%	6%	0%	0%	100%
BUF	0%	17%	21%	32%	30%	100%	3%	2%	2%	25%	68%	100%	0%	5%	8%	47%	40%	100%	0%	2%	12%	17%	69%	100%
Average - Cell 3	**3%**	**32%**	**21%**	**22%**	**22%**	100%	**8%**	**17%**	**25%**	**26%**	**25%**	100%	**10%**	**25%**	**15%**	**30%**	**20%**	100%	**10%**	**29%**	**19%**	**12%**	**29%**	100%
HMUF	1%	15%	30%	34%	20%	100%	0%	4%	25%	31%	40%	100%	4%	5%	29%	37%	25%	100%	0%	0%	10%	35%	55%	100%
PPF	38%	43%	16%	1%	2%	100%	61%	22%	11%	5%	1%	100%	66%	24%	4%	6%	1%	100%	65%	27%	9%	0%	0%	100%
MPPF	3%	77%	16%	3%	1%	100%	6%	68%	23%	3%	0%	100%	12%	75%	10%	2%	1%	100%	14%	77%	9%	0%	0%	100%
Average - Cell 4	**14%**	**45%**	**21%**	**13%**	**8%**	100%	**22%**	**31%**	**20%**	**13%**	**14%**	100%	**27%**	**35%**	**14%**	**15%**	**9%**	100%	**26%**	**35%**	**9%**	**12%**	**18%**	100%
Average	9%	29%	25%	21%	16%		16%	19%	23%	19%	23%		26%	23%	15%	24%	11%		24%	21%	19%	13%	23%	

Table 6. 19 Frequency of Purchase (Use) Intention by Category and Ethnicity

Category/ Frequency Per year	Beijing	Shanghai	Chongqing	Guangzhou	***Category Average***
HCPF	2.60	2.41	2.42	2.49	2.48
BWPF	4.10	4.17	3.83	4.45	4.14
COPF	3.30	2.81	3.29	2.95	3.09
Average - Cell 1	**3.33**	**3.13**	**3.18**	**3.30**	**3.24**
PCPF	3.11	3.13	2.01	2.18	2.61
SCPF	2.85	3.18	1.70	2.13	2.47
ICPF	3.19	3.92	2.32	3.30	3.18
Average - Cell 2	**3.05**	**3.41**	**2.01**	**2.54**	**2.75**
TPF	4.00	3.41	3.58	3.21	3.55
APF	2.10	2.28	1.97	1.92	2.07
BUF	3.75	4.55	4.22	4.52	4.26
Average - Cell 3	**3.28**	**3.41**	**3.26**	**3.22**	**3.29**
HMUF	3.57	4.01	3.73	4.48	3.95
PPF	1.86	1.65	1.54	1.44	1.62
MPPF	2.22	2.24	2.06	1.94	2.12
Average - Cell 4	**2.55**	**2.63**	**2.44**	**2.62**	**2.56**
Ethnicity Average	3.05	3.15	2.72	2.92	
1=never, 2=<1 x per year, 3= 1-6 x per year, 4=7-12 x per year, 5= >12 x per year					

Table 6. 20 Two-way Contingency Table results between Intended Purchase Frequency (IPF) and Ethnicity

H_0: There is no association between ethnicity and category shopping frequency **(d.f. = 3x3=9**)			
Category	Sig.	χ2	Cramer's *V*
Cell 1			
Household Cleaners IPF	0.00	39.55	0.18
Bottled Water IPF	0.00	47.94	0.20
Cooking Oil IPF	0.00	30.68	0.16
Cell 2			
Potato Chips IPF	0.00	67.05	0.23
Specialty Chocolates IPF	0.00	101.39	0.29
Ice Cream IPF	0.00	110.58	0.30
Cell 3			
Toothpaste IPF	0.00	260.98	0.46
Appliances IPF	0.00	37.29	0.17
Banks (ATMs) IUF	0.00	77.96	0.25
Cell 4			
Hypermarkets IUF	0.00	56.46	0.21
Perfume IPF	0.02	19.35	0.12
Mobile Phones IPF	0.04	17.5	0.12

Table 6.20 indicates that except for the perfume and mobile phone categories we reject H_0 that there is no association between ethnicity and category shopping frequency at the $\alpha=0.05$ level. In the case of perfume and mobile phones, we reject H_0 at a 5% level of significance. To measure the strength of the association between shopping frequency and ethnicity we used Cramer's *V*. For 2 x 2 tables the *Phi* coefficient is the usual measure but where tables are larger than 2 x 2 we can use Cramer's *V* or, alternatively, the *Contingency* coefficient (Malhotra, 2004). The value of *V* ranges from 0 to 1 with a large value of *V* indicating a high degree of association although it does not indicate how the variables are associated (Malhotra, 2004). Values of 0.10, 0.30, and 0.50 represent small, medium, and large effect sizes, respectively (Saurazas, 2000).

Based on Cramer's *V*, the strength of the association ranges from weak (perfume, mobile phones, cooking oil, appliances, household cleaners) to moderate (potato chips, specialty chocolates, ice cream, banks, and hypermarkets) to quite strong (toothpaste). The weakest association is found in Cell 4 (high representationality/high involvement).

Specific Research Question	Proposition	Research result
1.6: Product category purchase frequency is influenced by ethnicity of consumers in key cities.	1.6: To determine if product category purchase frequency is influenced by ethnicity of consumers in key cities.	Generally supported. Supported for 10 of 12 categories studied.

Proposition 1.6, which states that product category purchase frequency is influenced by ethnicity of consumers in key cities, is generally supported.

SRQ 1.7: Purchasing intentions and income
R.O. 1.7: To determine if differences in purchasing intentions, if any, among consumers in key Chinese cities are related to income differences.

This objective attempts to clarify why there are differences in purchasing intentions among ethnic consumers. The commonly cited reasoning among marketing experts that were interviewed is the association to differences in income levels among consumers in the cities. An additional demographic question asking respondents to state their total monthly household income was asked of consumers in Shanghai, Guangzhou, and Chongqing.

The analysis focused on questions which can most reasonably be expected to be income sensitive including Q#5 (buy foreign if possible), Q#2 (try new brands), Q#11 (pay more for better service), Q#12 (pay more for known brands), and Q#22 (use discount cards). We tested the correlations between agreement to each of the statements and income levels.

Table 6.21 shows the results of tests of correlation between the respective purchasing intention statements and income for respondents from the three cities. The results indicate that at a 5% level of significance there is no correlation for any of the five statements. At a 1% level of significance there is no correlation for 4 of 5 statements. Note, however, the negative correlation at first seems counter-intuitive since the direction of the correlation says that lower income consumers are more likely to try new brands. However, this does not preclude consumers from trying "cheaper" new brands thus this statement must be interpreted carefully. The results provide strong support for the hypothesis that income is not highly correlated to the respective purchasing intentions. Ethnicity, therefore, appears to have a higher level of association to the purchase behavior intentions tested.

Table 6. 21 Summary of Tests of Correlation between purchasing intention statement and income for N=314 consumers (Shanghai, Guangzhou, and Chongqing)

H_0: ρ=0, H_1: ρ≠0					
	Q2	Q5	Q11	Q12	Q22
Correlation	-0.13	-0.10	0.07	-0.08	-0.01
t-test	-2.29	-1.74	1.31	-1.37	-0.20
Sig	0.05	N.S.	N.S.	N.S.	N.S.

Specific Research Questions	**Propositions**	**Research result**
1.7: Are differences in purchasing intentions related to income differences?	1.7: Differences in purchasing intentions are related to income differences.	Not supported.
1.7.1: Are differences in purchasing intentions to buy foreign whenever possible related to income differences?	1.7.1: Purchasing intentions to buy foreign whenever possible are related to income differences.	Not supported.
1.7.2: Are differences in purchasing intentions to try new brands related to income differences?	1.7.2: Purchasing intentions to try new brands are related to income differences.	Not supported.*
1.7.3: Are differences in purchasing intentions to pay more for better service related to income differences?	1.7.3: Purchasing intentions to pay more for better service are related to income differences.	Not supported.
1.7.4: Are differences in purchasing intentions to pay more for known brands related to income differences?	1.7.4: Purchasing intentions to pay more for known brands are related to income differences.	Not supported.
1.7.5: Are differences in Intention to use loyalty program cards related to income differences?	1.7.5: Intentions to use loyalty program cards are related to income differences.	Not supported.
* Not supported at α=0.05		

Proposition 1.7, which states that differences in purchasing intentions, if any, among consumers from key Chinese cities are due to income differences, is not supported. All five purchasing intention statements did not support this proposition while a limited correlation between trial and income existed.

GRQ 2.0: Brand choice and ethnicity

GRQ 2.0: Are particular brand choices related to ethnicity among consumers in key cities in China?

R.O. 2.0: To determine whether consumers have differences in specific brand purchase intent when shopping.

The objective of GRQ 2.0 is to identify whether specific brand choices are influenced by ethnicity in China. Table 6.22 shows favorite brands by ethnic group in each of the twelve product categories. Favorite brand is assumed to be the brand purchased most often although in principle there may be reasons why the "favorite brand" is not purchased. In the 12 categories investigated there were a total of 22 specific favorite brands: 10 local brands, 4 regional brands, and 8 international brands. In addition, the favorite brand in each city was purchased by more than 25% of all consumers in the city in 32 of 48 instances. This indicates strong branding success enjoyed by companies producing those favorites. In contrast, in a similar study of UAE consumers, favorite brands were purchased by one quarter or more of consumers in just 10 of 36 instances (see Saurazas, 2000).

In 3 out of the 12 categories (potato chips, cooking oil, and perfume) the same brand, Maixiangli, Chanel, and Arawana respectively, was cited as most often purchased by all consumers. In all other categories at least two ethnic groups shared the same favorite brands with Haier, Hershey's, Nokia, and ICBC Bank most frequently purchased (used) by three of four ethnicities.

Table 6. 22 Favorite Brands (number who select brand out of number who purchase in category) by Ethnicity

(% of those who purchase in category)								
	Beijing	N= 100	Shanghai	N= 107	Chongqing	N= 102	Guangzhou	N= 105
	Favorite	%	Favorite	%	Favorite	%	Favorite	%
Household Cleaner	Dettol (45/89)	51%	Dettol (23/76)	30%	**Cellit (17/74)**	23%	**Cellit (16/70)**	23%
Bottled Water	**Kangshifu (43/98)**	44%	**Nongfu (37/103)**	36%	**Kangshifu (43/96)**	45%	**Nongfu (38/105)**	36%
Toothpaste	**Zhonghua (39/100)**	39%	Colgate (41/101)	41%	Crest (26/94)	28%	Colgate (31/95)	33%
White Appliances	Midea (45/91)	49%	**Haier (31/89)**	35%	**Haier (30/80)**	38%	Haier (23/63)	37%
Specialty Chocolates	Hershey's (52/87)	60%	Hershey's (57/97)	66%	Ferrero Rocher (20/49)	41%	Hershey's (19/43)	44%
Potato Chips	**Maixiangli (37/86)**	43%	**Maixiangli (36/86)**	42%	**Maixiangli (25/42)**	60%	**Maixiangli (29/57)**	51%
Perfume	Chanel (20/63)	32%	Chanel & Estee Lauder (8/36)	22%	Chanel (8/26)	31%	Chanel (10/26)	38%
Mobile phones	Nokia (54/97)	56%	Nokia (48/100)	48%	Motorola (27/88)	31%	Nokia (45/73)	62%
Cooking Oil	**Arawana & Luhua (30/98)**	31%	**Arawana (37/83)**	45%	**Arawana (41/88)**	53%	**Arawana & Luhua (33/85)**	39%
Ice Cream Tubs	**Yili (32/90)**	36%	Walls (39/95)	41%	**Yili (21/58)**	36%	Walls (36/85)	42%
Banks (ATMs)	**Agricultural Bank & ICBC Bank (33/100)**	33%	**ICBC Bank (43/105)**	41%	**Agricultural Bank (35/102)**	34%	**ICBC Bank (43/105)**	41%
Hypermarkets/Department Stores	Walmart (32/99)	32%	Carrefour (28/105)	27%	Carrefour (27/102)	26%	**Trustmart (45/101)**	45%

Two-way contingency tables were constructed for each of the 12 categories and *Chi-Square* tests were performed to determine the association between the dependent variable (most often purchased brand) and ethnicity.[37]

The results are summarized in Table 6.23. In each instance we reject the null hypothesis and conclude that there is an association between the brand most often purchased and ethnicity. Cramer's *V* was also calculated to determine the strength of the association. We see that while there is clearly an association in each product category the strength of the association varies from moderate to very strong. A low- to moderate-level of association exists between favorite brand and ethnicity in 8 of 12 categories: household cleaners, bottled water, cooking oil, potato chips, specialty chocolates, appliances, mobile phones, and hypermarket/department stores. In four categories there is a very strong association: toothpaste, ice cream tubs, perfume, and banks (ATMs).

Table 6. 23 Two-way Contingency Table results between Brand Most Often Bought and Ethnicity

H_0: No association between ethnicity and brand purchased most often (d.f. = 5x3=15; α=0.05, results in critical value χ2=24.996)			
Product Category	**Sig.**	**χ2**	**Cramer's *V***
Cell 1			
Household Cleaners	0.00	51.76	0.24
Bottled Water	0.00	115.65	0.31
Cooking Oil	0.00	87.35	0.30
Cell 2			
Potato Chips	0.00	66.02	0.28
Specialty Chocolates	0.00	71.41	0.30
Ice Cream Tubs	0.00	∞	near 1
Cell 3			
Toothpaste	0.00	582.83	0.71
White Appliances	0.00	59.49	0.25
Banks (ATMSs)	0.00	∞	near 1
Cell 4			
Hypermarkets/Department Stores	0.00	157.42	0.36
Perfume	0.00	∞	near 1
Mobile Phones	0.00	59.36	0.24

The above analyses suggest that there is a general consistency across product categories and hence provides support for the general research question that a consumer's favorite brand is associated with his ethnicity. Additional category by category analyses show that differences between combinations of ethnic groups are quite similar particularly between Shanghai and Chongqing consumers. Beijing and Shanghai share seven favorite brands, Beijing and Chongqing share six favorites, Beijing and Guangzhou six favorites, Shanghai and Chongqing five favorites, Shanghai and Guangzhou ten favorites, and Chongqing and Guangzhou five favorites.

Intention to buy domestic brand is not consistent with actual purchase behavior is some cases. With respect to intending to purchase domestic versus foreign brands, we found previously that a higher proportion of Beijing consumers preferred to purchase domestic. Examining the favorite brand by category reveals that in 5 of 12 categories Beijing, Chongqing, and Guangzhou consumers actually most often purchased a foreign brand while Shanghai consumers most often purchased a foreign brand in 7 of 12 categories. In the case of Shanghai consumers they were least likely to intend to buy domestic brands and their actual behavior was consistent with that intention.

General Research Question	Proposition	Research result
2.0: Are particular brand choices related to ethnicity among consumers in key cities in China?	2.0: Specific brand intentions are influenced by ethnicity in key Chinese cities.	Supported.

Proposition 2.0, which states that specific brand intentions are influenced by ethnicity in key Chinese cities, is supported.

SRQ 2.1/2.2: Brand Repertoire, specific brand choice and ethnicity
R.O. 2.1: To determine if the composition of brand repertoires is similar among ethnic consumers in key Chinese cities within the 12 product categories studied.
R.O. 2.2: To determine if specific brand choices among the 12 product categories studied are similar among ethnic consumers in key Chinese cities.

Table 6.24 shows all brands that were purchased within the past two years by ethnicity. By comparing the highest percentage of purchases in each category with the "other" category we can assess whether or not the questionnaire likely included the consumers' favorite brand collectively. Averages for all ethnic groups indicate that it is highly likely that the "most popular" brands were included in the survey for all categories. The exception may appear to be household cleaners but analysis of brands purchased in the other category in the cases of Shanghai and Chongqing indicate that the highest mentions were still purchased less than brands included in the study.[38]

In three categories the leading brand was purchased by at least 30% of consumers. In six other categories the leading brand was purchased by over 49% of consumers. In seven product categories (bottled water, appliances, specialty chocolates, perfume, mobile phones, cooking oil, and hypermarket/department stores) the majority (at least 3 of 4) of consumers purchased the same brand.

Of the 72 brands listed, 22 were purchased by more than 25% of consumers, and a further 8 brands were purchased by between 15% and 24% of consumers.

Table 6. 24 Percentage of urban consumers from key cities who purchased (used) brands at least once in the past two years

	Brands by category	Beijing	Shanghai	Chongqing	Guangzhou	Row Average
	No. of respondents	**100**	**107**	**102**	**105**	
1.	**Household Cleaners**	%	%	%	%	
	Cellit	61%	23%	**30%**	10%	31%
	Mr. Muscle	**71%**	**45%**	26%	24%	42%
	Walex	19%	21%	6%	11%	14%
	Kiwi	17%	20%	4%	1%	10%
	Dettol	**71%**	40%	16%	**28%**	39%
	Pledge	19%	36%	3%	7%	16%
	Other household cleaners	16%	21%	40%	50%	32%
2.	**Bottled Water**					
	Nongfu	**88%**	**87%**	83%	**87%**	86%
	Watson's	49%	35%	16%	55%	39%
	Evian	25%	21%	10%	12%	17%
	Wahaha	66%	51%	74%	31%	56%
	Nestle	48%	77%	38%	28%	48%
	Kangshifu	72%	58%	**85%**	30%	61%
	Other bottled water	7%	7%	**32%**	58%	26%
3.	**Toothpaste**					
	Lion Zact	28%	7%	6%	6%	12%
	Zhonghua	**78%**	66%	59%	58%	65%
	Colgate Total	67%	**84%**	66%	**79%**	**74%**
	Heimei	32%	8%	40%	38%	30%
	Crest	74%	73%	**67%**	63%	69%
	Tian Qi	34%	27%	50%	28%	35%
	Other toothpaste	14%	21%	28%	24%	22%

	Brands by category	Beijing	Shanghai	Chongqing	Guangzhou	Row Average
4.	**White Appliances**					
	TCL	31%	36%	19%	12%	24%
	Haier	**69%**	**53%**	38%	**27%**	47%
	Whirlpool	12%	7%	4%	5%	7%
	Sanyo	22%	12%	4%	4%	10%
	Samsung	46%	52%	14%	26%	34%
	Midea	72%	23%	**46%**	24%	41%
	Other white appliances	10%	25%	**37%**	5%	19%
5.	**Potato Chips (Crisps)**					
	Wangzai	35%	19%	25%	1%	20%
	Pringles	52%	55%	7%	**30%**	36%
	Oishi	64%	51%	**32%**	20%	42%
	Maixiangji	17%	11%	7%	9%	11%
	WangWang	24%	23%	12%	1%	15%
	Lay's	**75%**	**78%**	28%	28%	52%
	Other potato chips	**2%**	**7%**	3%	8%	5%
6.	**Packaged Specialty Chocolate**					
	Cadbury	60%	31%	13%	10%	29%
	Meiji	27%	35%	3%	11%	19%
	Ferrero Rocher	25%	54%	2%	34%	29%
	Dove	**67%**	**75%**	**33%**	**41%**	54%
	Leconte	59%	17%	29%	12%	29%
	Hershey’s	29%	44%	3%	3%	20%
	Other packaged specialty chocolates	6%	8%	0%	6%	5%
7.	**Perfume**					
	Lancome	**46%**	8%	9%	8%	18%
	Chanel	44%	**15%**	**13%**	**10%**	21%

	Brands by category	Beijing	Shanghai	Chongqing	Guangzhou	Row Average
	Gucci	20%	8%	7%	8%	11%
	Kenzo	8%	4%	2%	3%	4%
	Christian Dior	38%	9%	5%	3%	14%
	Estee Lauder	20%	12%	11%	0%	11%
	Other perfume	10%	11%	7%	5%	8%
8.	**Mobile Phones**					
	TCL	20%	5%	7%	1%	8%
	Sony Ericsson	36%	35%	13%	13%	24%
	Motorola	56%	35%	**39%**	11%	35%
	Anycall SamsungLG	57%	31%	15%	20%	31%
	Lenovo	26%	9%	17%	3%	14%
	Nokia	**81%**	**66%**	34%	**51%**	**58%**
	Other mobile phones	8%	7%	18%	1%	9%
9.	**Vegetable Oil**					
	Eagle	10%	4%	0%	30%	11%
	Arawana	**91%**	**70%**	**66%**	**67%**	**73%**
	Knife	19%	4%	0%	33%	14%
	Luhua	78%	36%	34%	60%	52%
	Fulan	70%	56%	42%	30%	49%
	Olivoila	13%	8%	2%	1%	6%
	Other vegetable oil	7%	7%	37%	18%	17%
10.	**Ice Cream Tubs**					
	Meiji	21%	14%	7%	37%	20%
	Appolo	25%	6%	0%	17%	12%
	Nestle	61%	70%	14%	44%	47%
	Mengniu	68%	**72%**	**49%**	37%	**57%**
	Yili	**70%**	67%	48%	39%	56%

	Brands by category	Beijing	Shanghai	Chongqing	Guangzhou	Row Average
	Walls	58%	76%	25%	**56%**	54%
	Other ice cream tubs	7%	9%	2%	**14%**	8%
11.	**Banks (including ATMs)**					
	Bank of China	70%	56%	72%	81%	70%
	ICBC	21%	9%	6%	2%	10%
	Agricultural Bank	72%	**75%**	**75%**	81%	76%
	Bank of Communications	8%	7%	0%	3%	5%
	HSBC	**74%**	68%	55%	**86%**	**71%**
	Citibank	41%	46%	38%	44%	42%
	Other Banks (ATMs)	17%	29%	36%	15%	24%
12.	**Hypermarkets/Department stores**					
	Park N Shop	15%	6%	1%	73%	24%
	Hualian	**70%**	62%	25%	27%	46%
	Carrefour	63%	**67%**	**90%**	**93%**	**78%**
	Parksons	36%	51%	35%	11%	34%
	Trustmart	17%	60%	76%	86%	60%
	Walmart	67%	21%	67%	0%	39%
	Other hypermarkets/department stores	34%	48%	79%	18%	45%
NB: To some extent past patronage of Banks and Hypermarkets do not fairly reflect possible similarities in patronage because of differential availability of brands in these two categories within each of the four cities. For example, there may be many more branches of a bank in Beijing than in Chongqing. This is particularly evident with respect to certain Hypermarkets such as Walmart who had not yet entered Chongqing by the time our survey was conducted. They are kept in the analysis however because it is felt that sufficient numbers of brands were available among all four cities.						

Two-way contingency table analyses were conducted to evaluate whether there were any significant differences in brand repertoires among consumers in the four key cities.

Table 6.25 shows very strong support for rejecting the null hypothesis of no association between brand repertoire and ethnicity. For 11 out of 12 categories we reject H_0. Only for perfume is there no statistically significant association between repertoire and ethnicity. Further analyses of the strength of the relationships using Cramer's *V*, however, indicates only small to medium effect with respect to association between brand repertoire and ethnicity. We cannot conclude, therefore, that the association is very strong.

Table 6. 25 Two-way Contingency Table results between Brand Repertoire and Ethnicity

H_0: No association between brand repertoire and ethnicity (d.f. = 5x3=15)				
Category	Sig.	χ2	# of Mentions	Cramer's *V*
Cell 1				
Household Cleaner	0.00	60.42	627	0.22
Bottled Water	0.00	97.23	1267	0.20
Cooking Oil	0.00	122.3	850	0.27
Cell 2				
Potato Chips	0.00	59.15	727	0.20
Specialty Chocolates	0.00	126.8	743	0.29
Ice Cream Tubs	0.00	88.56	1017	0.21
Cell 3				
Toothpaste	0.00	67.21	1176	0.17
White Appliance	0.00	44.64	677	0.18
Banks (ATMs)	0.00	38.4	1127	0.13
Cell 4				
Hypermarkets/Department Stores	0.00	353.27	1158	0.39
Perfume	**0.07**	23.59	317	0.19
Mobile Phones	0.00	53.52	701	0.20

The above analyses provide fairly substantial support that there is some association between ethnicity and brand purchase repertoire in most product categories but that the association is generally small to medium.

Specific Research Questions	Propositions	Research Result
2.1: Is the composition of brand repertoire over a two-year period the same among consumers in the four key cities within the following product categories: bottled water, cooking oil, toothpaste, perfume, appliances, mobile phones, ice cream tubs, specialty chocolates, department stores, banks, floor cleaner, and potato chips?	2.1: The composition of brand repertoires is different among ethnic consumers in key Chinese cities within the 12 product categories studied.	Generally supported.
2.2: Are specific brand choices among the 12 product categories (bottled water, cooking oil, toothpaste, perfume, appliances, mobile phones, ice cream tubs, specialty chocolates, department stores, banks, floor cleaner, and potato chips) similar among ethnic consumers in key Chinese cities?	2.2: Specific brand choices among the 12 product categories studied are different among ethnic consumers in key Chinese cities.	Partial lack of support.

Proposition 2.1, which states that the composition of brand repertoires is different among ethnic consumers in key Chinese cities within the 12 product categories studied, is generally supported.

Proposition 2.2, which states that specific brand choices among the 12 product categories studied are different among ethnic consumers in key Chinese cities, is partially not supported. Conversely, there are many commonalities in brand choices among consumers between pairs of cities.

GRQ 3.0: Reasons for brand choice and ethnicity

GRQ 3.0: Are the reasons given for the purchase of favorite brands influenced by ethnicity of consumers in key Chinese cities?

R.O. 3.0: To determine whether the reasons for purchasing favorite brands are influenced by ethnicity.

This research question investigates the reasons given for the purchase of brands and postulates that the main reason for brand selection is the same among ethnic groups. The main reason given for purchasing the favorite brand by ethnicity is summarized in Table 6.26. Quality is cited as the main reason for selecting a brand in 10 of 12 categories for Beijing consumers, 5 of 12 categories for Shanghai consumers, 4 of 12 categories for Chongqing consumers, and 7 of 12 categories for Guangzhou consumers. Venue accessibility was the main reason for 3 of 12 categories for both Shanghai and Chongqing consumers, 1 category for Beijing consumers, and 2 categories for Guangzhou consumers. Family members liking it was the main reason for 4 of

12 categories for Chongqing consumers, 3 of 12 categories for Guangzhou consumers , 2 of 12 for Shanghai consumers and 1 of 12 for Beijing consumers. When grouped by cell, however, the combined results for products within a cell show that on balance quality is the main reason given and is independent of ethnicity, with the exception of Cell 2 where "family likes it" was the response of 3 of 4 ethnic groups, again indicating no association of reason to a particular ethnicity.

Table 6. 26 Reasons for purchasing favorite brand by ethnicity and grid cell

	Beijing	Shanghai	Chongqing	Guangzhou
Cell 1				
Household Cleaner				
Main Reason	N=89	N=75	N=74	N=69
It is good value.	8%	24%	38%	43%
It is readily available	9%	3%	18%	7%
It is of a consistent quality	48%	56%	27%	39%
Family members like it	26%	12%	11%	10%
It makes me feel good	7%	4%	4%	0%
My friends also buy it	2%	1%	3%	0%
Bottled Water				
Main Reason	N=98	N=103	N=96	N=102
It is good value.	17%	14%	21%	28%
It is readily available	17%	30%	17%	15%
It is of a consistent quality	33%	20%	38%	45%
Family members like it	16%	26%	11%	11%
It makes me feel good	14%	8%	14%	1%
My friends also buy it	2%	2%	0%	0%
Cooking Oil				
Main Reason	N=97	N=81	N=76	N=84
It is good value.	8%	15%	5%	7%
It is readily available	6%	5%	18%	2%
It is of a consistent quality	54%	42%	51%	62%

	Beijing	Shanghai	Chongqing	Guangzhou
Family members like it	28%	35%	20%	29%
It makes me feel good	4%	4%	4%	0%
My friends also buy it	0%	0%	1%	0%
Cell 2				
Specialty Chocolates				
Main Reason	N=87	N=87	N=49	N=43
It is good value.	6%	9%	10%	19%
It is readily available	8%	20%	12%	12%
It is of a consistent quality	29%	6%	16%	7%
Family members like it	37%	40%	37%	47%
It makes me feel good	18%	23%	22%	9%
My friends also buy it	2%	2%	2%	7%
Potato Chips				
Main Reason	N=85	N=87	N=45	N=57
It is good value.	7%	8%	5%	5%
It is readily available	7%	5%	0%	0%
It is of a consistent quality	34%	13%	22%	26%
Family members like it	18%	34%	41%	49%
It makes me feel good	22%	38%	27%	19%
My friends also buy it	12%	2%	5%	0%
Ice Cream				
Main Reason	N=90	N=94	N=59	N=85
It is good value.	8%	5%	2%	15%
It is readily available	9%	16%	14%	20%
It is of a consistent quality	38%	9%	10%	27%
Family members like it	26%	34%	41%	28%
It makes me feel good	17%	33%	31%	5%

	Beijing	Shanghai	Chongqing	Guangzhou
My friends also buy it	3%	3%	3%	5%
Cell 3				
Toothpaste				
Main Reason	N=100	N=99	N=93	N=95
It is good value.	13%	17%	15%	11%
It is readily available	9%	14%	5%	14%
It is of a consistent quality	47%	43%	24%	44%
Family members like it	25%	20%	**42%**	29%
It makes me feel good	6%	5%	14%	2%
My friends also buy it	0%	0%	0%	0%
Appliances				
Main Reason	N=91	N=88	N=78	N=63
It is good value.	9%	13%	28%	21%
It is readily available	2%	3%	1%	5%
It is of a consistent quality	**62%**	**77%**	**63%**	**59%**
Family members like it	18%	6%	3%	11%
It makes me feel good	9%	1%	4%	3%
My friends also buy it	1%	0%	1%	2%
Banks (ATMs)				
Main Reason	N=99	N=102	N=99	N=104
Value of the service is good.	4%	8%	3%	0%
The venue is readily accessible.	37%	47%	58%	31%
Service quality is consistent.	47%	42%	16%	46%
Family members like the venue.	3%	1%	6%	6%
The service makes me feel good.	5%	2%	17%	13%
My friends also patronize it.	3%	0%	0%	5%
Cell 4				

	Beijing	Shanghai	Chongqing	Guangzhou
Perfume				
Main Reason	N=63	N=37	N=25	N=26
It is good value.	25%	5%	16%	4%
It is readily available	3%	3%	0%	8%
It is of a consistent quality	40%	19%	12%	50%
Family members like it	8%	11%	8%	8%
It makes me feel good	24%	54%	60%	23%
My friends also buy it	0%	8%	4%	8%
Mobile Phones				
Main Reason	N=96	N=100	N=87	N=73
It is good value.	7%	13%	15%	7%
It is readily available	2%	0%	6%	1%
It is of a consistent quality	**70%**	**76%**	**55%**	**67%**
Family members like it	8%	4%	6%	4%
It makes me feel good	10%	5%	14%	1%
My friends also buy it	2%	2%	5%	19%
Hypermarkets/Department Stores				
Main Reason	N=99	N=106	N=101	N=105
Value of the service is good.	12%	8%	13%	16%
The venue is readily accessible.	36%	49%	35%	34%
Service quality is consistent.	26%	31%	34%	32%
Family members like the venue.	16%	7%	8%	4%
The service makes me feel good.	9%	2%	4%	4%
My friends also patronize it.	0%	5%	7%	0%

The most frequent grouped response by involvement category by ethnicity are shown in 6.27 which indicates that there is a quite strong consistency in reasons given for purchase, with quality being the main reason, and that no pattern of reasons by ethnicity seems apparent. The table highlights that quality overall is the most frequently cited reason with it being a main reason for purchase in a minimum of three of the cells for any ethnicity.

Table 6. 27 Most Frequent Reasons Given for Purchase in Product Category

Product Category/Ethnicity	Beijing	Shanghai	Chongqing	Guangzhou
Low functionality / low representationality (Cell 1)	Quality	Quality	Quality	Quality
Low functionality / high representationality (Cell 2)	Quality	Family likes	Family likes	Family likes
High functionality / low representationality (Cell 3)	Quality	Quality	Family/Quality/Access	Quality
High functionality / high representationality (Cell 4)	Quality	Feels good/Quality/Access	Feels good/Quality/Access	Quality

Table 6.28 shows a summary of the *Chi-Square* tests for contingency tables, which grouped together reasons for purchases of the three product categories in each cell. The null hypothesis of no association between ethnicity and reason for brand choice was rejected only for Cell 2. When arranged by Cell, the reasons for purchase are not significantly different between ethnicities except in the case of Cell 2 product categories (specialty chocolates, potato chips, and ice cream tubs). For Cell 2, follow up pair-wise comparisons were tested and the null hypothesis was not rejected for all pairs except between Shanghai and Guangzhou which is the only case where we could not reject the hypothesis of no association for cell 2 product categories. For the other cells we do not reject the null hypotheses of no relationship between main reason and ethnicity. In addition, Cramer's *V* further reveals very limited strength in the relationship between the two variables.

Table 6. 28 Chi-Square Results from tests of association between ethnicity (dependent variable) and reasons for purchase (independent variable)

H_0: No association between ethnicity and reason for purchase (d.f. = 15)			
	χ2	Sig.	Cramer's *V*
Cell 1	21.01	0.14	0.14
Cell 2	29.41	0.02	0.18
Cell 3	20.74	0.14	0.14
Cell 4	12.77	0.62	0.12

Specific Research Question	**Proposition**	**Research Result**
3.0: Do Chinese consumers from four key cities purchase favorite brands for similar reasons?	3.0: The main reason for purchasing favorite brands is the same among Chinese consumers from the four key cities.	Mainly Supported. Ethnicity and main reason are related only for Cell 2 product categories.
3.1: Do Chinese consumers from the four key cities purchase favorite brands on the basis of quality to a similar extent?	3.1: Chinese consumers from the four key cities purchase favorite brands on the basis of quality to a similar extent.	Mainly Supported.

Proposition 3.0, which states that the main reason for purchasing favorite brands is the same among consumers from the four key cities, is mainly supported.

Proposition 3.1, which states that consumers from the four Chinese key cities purchase favorite brands on the basis of quality to a similar extent, is mainly supported.

GRQ 4.0: Frequency and Ethnicity
GRQ 4.0: Is actual purchase frequency of favorite brand influenced by ethnicity among consumers in key cities in China?
R.O. 4.0: To determine if actual purchase frequency of their favorite brands is influenced by ethnicity.

Tables 6.29 and 6.30 provide a summary of the average percentage of consumers purchasing each brand by frequency in total and for each ethnic group. They show the actual purchasing frequency of all brands by ethnicity and indicate that variations among ethnic groups do exist.

Table 6.29 shows that bottled water, banks (ATMs), and hypermarkets/department stores were the most frequent purchases (uses). Durables such as white appliances and cell phones were the least frequent purchases. Perfume appears to be infrequently purchased with more than half of consumers purchasing it less than once a year. The snack items, potato chips, ice cream, and chocolates were quite frequently purchased with about half of consumers purchasing them more than six times per year. Ice cream tubs are a particular favorite with 27 percent of consumers purchasing the product more than once a month on average.

Table 6. 29 Actual Percentage of Consumers Purchasing Brand Bought Most Often - All Ethnic Groups by Frequency

Category/ Frequency of Purchase (Use) (times purchased in 2 years)	**<1 time (%)**	**1-6 times (%)**	**7-12 times (%)**	**>12 times (%)**
Household Cleaner	33	40	18	8
Bottled Water	15	23	28	34
Cooking Oil	13	45	29	13
Average - Cell 1	20	36	25	18
Potato Chips	21	33	27	19
Ice Cream Tubs	11	32	30	27
Specialty Chocolates	25	35	27	13
Average - Cell 2	19	33	28	20
Toothpaste	16	39	31	15
White Appliance	65	27	3	5
Banks (ATMs)	13	24	30	33
Average - Cell 3	31	30	21	18
Hypermarkets/Department Stores	13	27	30	30
Perfume	54	33	7	6
Mobile Phones	**72**	22	2	4
Average - Cell 4	46	27	13	13
NB: Totals may not add to 100 due to rounding.				

Table 6.30 shows results for actual purchasing by the four ethnic groups for each product category and summarizes the frequency percentages by cell and provides a total among all cells. The results indicate that Beijing consumers made more than twelve purchases (uses) more often than other consumers in 6 of 12 categories. Shanghai and Guangzhou made more than twelve purchases (uses) more often than other consumers in 3 categories each. An average of

27% of Beijing consumers made more than twelve purchases per year compared to 24% of Shanghai consumers, 7% of Chongqing consumers, and 22% of Guangzhou consumers. Moreover, 25% of Beijingers made from 7 to 12 purchases per year compared to 23% Shanghainese, 21% of Chongqing consumers, and 20% of Guangzhou consumers. Results show that a higher percentage of Chongqing consumers rarely purchase chocolates, ice cream, or potato chips perhaps reflecting a more austere purchasing behavior. Fifty two percent of Chongqing consumers, for example, purchase specialty chocolate less than once a year.

Table 6. 30 Actual Percentage of Consumers Purchasing Brand Bought Most Often - All Ethnic Groups by Frequency

	Beijing				**Shanghai**				**Chongqing**				**Guangzhou**			
Category/ Frequency of Purchase	<1 time (%)	1-6 times (%)	7-12 times (%)	>12 times (%)	<1 time (%)	1-6 times (%)	7-12 times (%)	>12 times (%)	<1 time (%)	1-6 times (%)	7-12 times (%)	>12 times (%)	<1 time (%)	1-6 times (%)	7-12 times (%)	>12 times (%)
Household Cleaner	29	36	18	17	25	45	25	5	49	33	16	3	18	51	14	17
Bottled Water	1	12	32	55	7	19	23	51	26	27	32	16	3	25	20	52
Cooking Oil	14	31	25	30	8	69	20	3	20	41	31	7	4	44	40	12
Average - Cell 1	**15**	**26**	**25**	**34**	**13**	**44**	**23**	**20**	**32**	**34**	**26**	**9**	**8**	**40**	**25**	**27**
Potato Chips	5	31	40	25	7	41	24	28	50	28	19	3	10	33	26	31
Ice Cream Tubs	5	31	37	26	1	23	25	51	24	38	30	9	6	38	29	27
Specialty Chocolates	11	36	35	18	5	38	32	24	52	30	17	1	39	37	19	5
Average - Cell 2	**7**	**33**	**37**	**23**	**4**	**34**	**27**	**34**	**42**	**32**	**22**	**4**	**18**	**36**	**25**	**21**
Toothpaste	3	25	27	44	12	39	44	6	25	38	28	9	7	54	25	14
White Appliance	55	24	5	17	44	54	1	1	77	16	5	1	81	13	2	5
Banks (ATMs)	7	23	27	42	8	9	16	64	22	29	33	16	1	27	37	36
Average - Cell 3	**22**	**24**	**20**	**34**	**21**	**34**	**20**	**24**	**41**	**28**	**22**	**9**	**30**	**31**	**21**	**18**
Hypermarkets/Department Stores	4	26	40	30	3	25	21	51	22	30	29	19	0	21	32	47
Perfume	44	44	8	5	46	35	14	5	64	26	6	4	69	15	0	15
Mobile Phones	59	26	4	11	71	25	31	1	82	15	2	1	71	23	0	5
Average - Cell 4	**36**	**32**	**17**	**15**	**40**	**28**	**22**	**19**	**56**	**24**	**12**	**8**	**47**	**20**	**11**	**22**
Average of cells	**20**	**29**	**25**	**27**	**20**	**35**	**23**	**24**	**43**	**29**	**21**	**7**	**26**	**32**	**20**	**22**
Frequency refers to purchase/usage per year																
NB: Totals may not add to 100 due to rounding.																

We further analyzed the association between purchase frequency and ethnicity by developing contingency tables to determine whether significant differences among ethnicities existed in actual purchasing frequencies in each of the twelve product categories for those who purchase brands in the category. Significant relationships were found for 11 of 12 categories at a 99% confidence level as can be seen in Table 6.31. At a 5% level of significance we find differences between ethnicity and purchase frequency to be statistically significant for all categories.

Table 6. 31 Two-way Contingency Table results between Actual Purchase Frequency and Ethnicity

H_0: There is no association between actual category purchase frequency and ethnicity (d.f. = 3x3=9)			
Category	**Sig.**	**$\chi 2$**	**Cramer's *V***
Cell 1			
Household Cleaners PF	0.00	40.88	0.19
Bottled Water PF	0.00	131.29	0.26
Cooking Oil PF	0.00	69.01	0.23
Cell 2			
Potato Chips PF	0.00	102.40	0.32
Specialty Chocolates PF	0.00	78.28	0.29
Ice Cream PF	0.00	84.52	0.26
Cell 3			
Toothpaste PF	0.00	123.22	0.26
Appliances PF	0.00	85.21	0.27
Banks (ATMs) UF	0.00	119.21	0.26
Cell 4			
Hypermarkets UF	0.00	106.76	0.23
Perfume PF	0.03	18.59	0.19
Mobile Phones PF	0.00	30.35	0.16

Except for the perfume category we reject H_0 that there is no association between ethnicity and category shopping frequency. In the case of perfume, we reject H_0 at a 5% level of significance. Based on Cramer's *V* the strength of the association ranges from weak (cell phones, perfume, household cleaners) to moderate (bottled water). The weakest association is found in Cell 4 (high representationality/high involvement categories).

The general research question asking if purchase frequency is influenced by ethnicity among the four cities studied is supported. Guangzhou and Shanghai consumers purchase more frequently in most categories than Chongqing consumers and in many categories more so than Beijing consumers.

Specific Research Questions	Proposition	Research result
4.0: Is actual purchase frequency of favorite brand influenced by ethnicity among consumers in key cities in China?	4.0: The frequency of making purchases is influenced by ethnicity in China.	Supported.

Proposition 4.0, which states that the frequency of making purchases is influenced by ethnicity, is supported. Consumers in Guangzhou and Shanghai purchase favorite brands more frequently than Chongqing consumers.

GRQ 5.0: Influence of country of origin on brand choice
GRQ 5.0: what influences, if any, does a brand's country of origin have on purchasing intentions of consumers in key Chinese cities?

SRQ 5.0~5.2 Importance of country of origin (COO) and influence by category and ethnicity
R.O. 5.0: To determine the extent that country of origin influences purchasing intentions among consumers from four key cities in China.
R.O. 5.1: To determine if the importance of country of origin to purchasing intentions is influenced by product category.
R.O. 5.2: To determine if country-of-origin influences are the same among consumers from four key cities in China.

The importance of COO on purchasing intentions was measured for each of the twelve product categories. If we hypothesize that COO has no influence on purchasing intention then we expect a score of 3 or more (i.e. that consumers strongly disagree, disagree, or are neutral in feeling that COO is important when making a purchase in each respective categories). We formulate the null hypothesis and alternative hypotheses as follows: H_0: $\mu \geq 3$; H1: $\mu < 3$. Table 6.32 summarizes the results. For 9 out of 12 categories we reject the null hypothesis while for three categories we do not reject the null hypothesis. For the three categories for which we do not reject the hypothesis we can argue intuitively that potato chips and ice cream are snack items whose preferences might be developed from a younger age. With respect to hypermarkets/department stores it appears that venues with other characteristics such as product assortment, price levels, and the like affect venue choice rather than COO considerations.

Table 6. 32 Means, Standard Deviations, and Variances of the Importance of COO by Category - All Ethnic Consumers (Ranked by mean)

Category	$\overline{X}$	*s*	s^2	z-value	Sig (z-value 1.96
Mobile phones	2.06	1.02	1.04	-7.72	.00
White appliances	2.08	1.01	1.03	-18.4	.00
Cooking oil	2.47	1.01	1.03	-10.7	.00
Bottled water	2.56	1.16	1.33	-7.72	.00
Toothpaste	2.56	0.99	0.97	-9.07	.00
Specialty chocolates	2.72	0.86	0.73	-6.73	.00
Household cleaners	2.78	0.88	0.78	-5.02	.00
Perfume	2.78	0.80	0.65	-5.62	.00
Banks (ATMs)	2.88	1.04	1.08	-2.36	.01
Potato chips	2.93	0.79	0.63	-1.86	.05
Ice cream	2.95	0.88	0.78	-1.06	N.S.
Hypermarkets	2.98	1.00	1.01	-0.44	N.S.
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree					

Table 6.33 shows the results indicating the average importance of COO by product category to each ethnic group. Beijing consumers clearly seem to be less affected by COO considerations when compared to consumers from the other three cities. In each of the cells Beijing has a higher mean than the others indicating that they are less swayed by COO considerations. This may be reflective of a more astute shopper or simply a lesser sensitivity to COO as a purchase cue.

Further we hypothesized that for low functionality/low representationality purchases that COO would be more important to purchasing intentions. But this hypothesis does not find support in our analysis. Table 6.33 shows that for Cell 1 the average importance is 2.61 while for cell 4 it is also 2.61. Table 6.33 also reveals that for products in Cell 3 (high functionality/low representationality) consumers consider COO as being somewhat more important, a similar finding to that of Saurazas' (2000) UAE study. The least important COO influence was found to be on Cell 2 product categories (potato chips, specialty chocolates, and ice cream tubs). In some sense this is the most logical result in that when it comes to snacking food, taste is the critical variable.

Table 6. 33 Means of Importance of Country-of-Origin by Ethnicity and Involvement Categories

Category	Beijing	Shanghai	Chongqing	Guangzhou	***Category Average***
Household cleaners	2.89	2.62	2.85	2.78	2.79
Bottled water	2.89	2.40	2.37	2.60	2.57
Cooking oil	2.79	2.44	2.32	2.32	2.47
Average - Cell 1	**2.86**	**2.49**	**2.51**	**2.57**	**2.61**
Potato chips	3.03	2.67	2.87	3.14	2.93
Specialty chocolates	2.98	2.59	2.72	2.60	2.72
Ice cream	2.98	2.85	2.82	3.16	2.95
Average - Cell 2	**3.00**	**2.70**	**2.80**	**2.97**	**2.87**
Toothpaste	2.91	2.50	2.30	2.53	2.56
Appliances	2.80	1.88	1.93	1.75	2.09
Banks (ATMs)	3.03	2.57	3.13	2.81	2.89
Average - Cell 3	**2.91**	**2.32**	**2.45**	**2.36**	**2.51**
Hypermarkets	3.30	2.90	3.00	2.73	2.98
Perfume	2.83	2.64	2.87	2.77	2.78
Mobile phones	2.76	1.76	1.96	1.81	2.07
Average - Cell 4	**2.96**	**2.43**	**2.61**	**2.44**	**2.61**
Ethnicity Average	**2.93**	**2.49**	**2.60**	**2.58**	**2.65**
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree					

ANOVA analyses testing the means of cells were performed and found statistically significant differences among the means. Pair-wise comparisons for results of cells for all respondents were also analyzed and significant differences were found between all combinations with the exception of Cell 1 and Cell 4. Again, this is contrary to our hypothesis that products from the low functionality/low representationality quadrant would be less sensitive to COO than products from the high functionality and high representationality quadrant. Relative results from Cell 2 and Cell 3 are more in keeping with our assumption so that for example, we might expect less COO effect on potato chips but more so on appliances.

Table 6.34 reports the results of the test that the means of importance of COO for each ethnic group are similar. We find that except for household cleaners and perfume statistically significant differences among means exist. The proposition that they are the same is therefore not supported.

Table 6. 34 ANOVAs for means of Importance of Country-of-Origin by Ethnicity and Involvement Categories

	F Statistic, df = 3, 410 Fcrit=2.63	Sig.
Cell 1		
Household Cleaners	1.99	0.11
Bottled water	4.44	0.00
Cooking oil	4.92	0.00
Cell 2		
Potato chips	7.29	0.00
Specialty chocolates	4.69	0.00
Ice cream	4.92	0.00
Cell 3		
Toothpaste	6.91	0.00
Appliances	26.80	0.00
Banks (ATMs)	6.15	0.00
Cell 4		
Hypermarkets	5.95	0.00
Perfume	1.59	0.19
Mobile phones	24.94	0.00

Two way contingency tables were constructed to test the statistical significance of the observed associations between agreement and ethnicity. The null hypothesis stated that there is no association between level of agreement that country of origin is important to the purchase decision in each product category and ethnicity of the respondent. As can be seen in Table 6.35 each test found statistical significance. That is to say, some ethnicities find COO to be more, or less, important than other ethnic consumers.

Using Cramer's *V* to measure the strength of the association we see from Table 6.35 that for Cell 1 (low functionality/low representationality) the association is small, while for Cell 4 (high functionality/high representationality) the association is somewhat stronger reflecting that for certain types of purchases some ethnic groups weigh the importance of COO more so than others. This is particularly acute for appliances and mobile phones.

Table 6. 35 Two-way Contingency Table results between Importance of Country-of-Origin and Ethnicity

H_0: There is no association between importance of COO and ethnicity (d.f. = 2x3=6)			
Category	**Sig.**	**χ2**	**Cramer's *V***
Cell 1			
Household cleaners	0.00	18.85	0.15
Bottled water	0.03	14.33	0.13
Cooking oil	0.00	28.13	0.18
Cell 2			
Potato chips	0.00	44.95	0.23
Specialty chocolates	0.00	38.09	0.21
Ice cream	0.00	22.96	0.17
Cell 3			
Toothpaste	0.00	27.98	0.18
Appliances	0.00	64.65	0.28
Banks (ATMs)	0.00	22.76	0.17
Cell 4			
Hypermarkets	0.00	32.24	0.20
Perfume	0.00	40.82	0.22
Mobile phones	0.00	56.56	0.26

The analysis shown in Table 6.36 further supports the above results. For significant *ANOVAs*, follow up pair-wise comparisons were analyzed to determine which, if any, specific differences between ethnic groups existed. In Table 6.36 we see that, of the four cities, Beijing is the most clearly distinct from the other three. In 9 of 10 categories between Beijing and Shanghai statistically significant differences were found. Between Beijing and Chongqing consumers and Beijing and Guangzhou consumers 7 of 10 differences were found. The most similar responses were recorded between Shanghai and Chongqing where, for 8 of 10 categories, there were no differences found. Similarly, Shanghai and Chongqing recorded differences for 7 of 10 categories. The direction of the differences was not consistent. Between Chongqing and Guangzhou some differences (5 of 10) were found. We note that there seems to be a North-South bias but not a South-East, South-West, or East-West bias.

Table 6. 36 Pair-wise Comparison of Means: COO importance in purchase decision by product category

Pair-wise Comparison		MW	TP	AP	MP	PC	SC	HM	CO	IC	BK
Beijing/Shanghai	t-stat	3.33	2.83	6.37	7.26	2.83	3.03	2.76	2.42	0.97	3.00
	Sig.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00
Beijing/Chongqing	t-stat	3.29	4.47	6.46	5.98	1.39	2.19	2.21	3.00	1.19	-0.67
	Sig.	0.00	0.00	0.00	0.00	0.08	0.01	0.01	0.00	0.18	0.25
Beijing/Guangzhou	t-stat	1.76	2.74	7.63	7.02	-1.13	3.11	4.01	3.28	-1.54	1.62
	Sig.	0.04	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.06	0.05
Shanghai/Chongqing	t-stat	-0.74	1.52	-0.43	-1.60	-1.73	-1.12	-0.77	0.85	0.22	-3.77
	Sig.	0.22	0.06	0.33	0.06	0.04	0.13	0.22	0.20	0.41	0.00
Shanghai/Guangzhou	t-stat	0.70	-0.21	1.01	-0.41	-4.56	-0.10	1.18	0.94	-2.80	-1.72
	Sig.	0.24	0.41	0.15	0.34	0.00	0.46	0.11	0.17	0.00	0.04
Chongqing/Guangzhou	t-stat	-1.28	-1.83	-1.59	-1.22	-3.14	1.09	2.08	0.00	-3.14	2.44
	Sig.	0.10	0.03	0.06	0.11	0.00	0.14	0.02	0.49	0.00	0.00

Our key proposition was that COO is not an important factor in the purchasing decision of ethnic consumers. We are able to refute this proposition and conclude that COO is an important determinant for most, but not all, product categories. We further conclude that there is no clear relationship between cells of categories but that for some specific product categories such as mobile phones and appliances there is a relationship between the product category and COO effect. Finally, we conclude that there is no support for the proposition that Guangzhou and Chongqing consumers are less affected by COO considerations than Beijing and Shanghai consumers. On the contrary, there is support for the notion that Guangzhou and Chongqing consumers are more affected by the COO considerations than Beijing consumers while little difference exists between Guangzhou/Chongqing consumers and Shanghai consumers.

Specific Research Questions	Proposition	Research result
5.0: Is COO an important influence in the purchase decision among consumers in the four Chinese cities?	5.0: COO is an important factor in the purchasing decisions of ethnic consumers.	Partially Supported (9 of 12 categories).
5.1: Is the importance of country of origin more important to the purchasing intentions of products in high functionality/high representationality and low functionality/high representationality than those in high functionality/low representationality and low functionality/low representationality categories?	5.1: The importance of country of origin to purchasing intentions is influenced by product category.	Partially Supported.
5.2: Are country-of-origin influences the same among consumers from the key cities.	5.2: Country-of-origin influences are the same among consumers from the key cities.	Generally not supported (10 of 11 categories).

Proposition 5.0, which states that a brand's country of origin is an important factor in the purchasing decisions of ethnic consumers, is partially supported. It is a significant factor in 9 of 12 product categories.

Proposition 5.1, which states that the importance of country of origin to purchasing intentions is influenced by product category, is partially supported. There is no consistent cross-cell influence. Influence seems to extend to most but not all categories.

Proposition 5.2, which states that country-of-origin influences are the same among consumers from the key cities, is generally not supported. Ten of 11 product categories examined revealed differences among consumers.

SRQ 5.3 COO Knowledge

R.O. 5.3: To determine the extent that Chinese consumers are able to determine the COO for brands in a variety of product classes.

Are Chinese consumers knowledgeable about the COO of their favorite brands? This research question tries to determine whether or not Chinese consumers are knowledgeable of the brand origin of products they purchase or use. We also analyzed the results to determine if brand origin knowledge was related to ethnicity. To answer this we conducted pair-wise tests between the six combinations of ethnicities under study.

Table 6.37 shows frequency distributions of "correct", "incorrect", and "don't know" responses for the COO and country of manufacture (COM) of all brands for ALL RESPONDENTS including those who purchased and those who have never purchased the brand.

Product categories with the most accurate knowledge of brand origin include bottled water, toothpaste, appliances, mobile phones, vegetable oil, and banks. The overall highest is banks which is not surprising as Chinese consumers are generally aware of the "big four" banks in China (99% correct identification among the 4 Chinese banks included in the study, while over half recognized Citibank correctly as an American bank). The greatest confusion among banks occurs with HSBC where 35% of respondents incorrectly identified it as Hong Kong in origin when in fact it originates in the United Kingdom.

Aside from bank brands, Haier, Nongfu, Zhonghua, Mengniu, and Yili have near universal recognition as Chinese brands among respondents. In categories without strong local brand identification including household cleaners, potato chips, specialty chocolates, ice cream, and hypermarkets/department stores over 30% of responses were incorrect. Respondents were most likely to answer "don't know" when asked COO of household cleaners and perfume. This, however, may be reflective of including almost all foreign brands in the category. For example, in the household cleaner's category five of six brands studied are foreign brands and all six in the perfume category. In nearly every instance the vast majority of respondents knew that the brand's origin was not Chinese but either incorrectly identified the origin or answered don't know when asked.

Respondents were also better able to identify regional brands (Japan/Korea) better than USA/European brands. This was evident in the appliances where for example 64% correctly identified the COO of Sanyo[39], 79% correctly identified the COO of Samsung but only 6% correctly identified the COO of Whirlpool. In the specialty chocolates category, Meiji was correctly identified by 46% in comparison to Ferrero Rocher (35%), Dove (30%), and Hershey's (21%). In the mobile phone category, 81% correctly identified the COO of Samsung Anycall compared to Sony Ericsson (53%), Motorola (51%), and Nokia (34%). Forty-two percent identified Meiji ice cream correctly as Japanese with knowledge of brand origin of Nestle (19%) and Walls (7%) comparatively lower.

In comparison to knowledge of COO, knowledge of COM was superior in 8 of 10 categories (banks and hypermarkets are excluded here). This may be because the categories have well known international brand manufacturers who also manufacture in China where in many cases respondents were not aware of this. Strong comparative differences in knowledge were found in the categories of household cleaners, toothpaste, potato chips, and ice cream with moderate differences found in bottled water, specialty chocolates, perfume, and vegetable oil. Interestingly, in two categories (appliances and mobile phones) COO knowledge was superior to COM. [40]

This phenomenon may be of particular interest to their brand managers who hope to gain positive associations with foreign brand origins. For example, Colgate and Crest were thought to be of Chinese brand origin by 48% and 59% respectively while Pringles and Lay's were thought to be of Chinese origin by 24% and 53% respectively.

Table 6. 37 Consumer Knowledge of Brand Country of Origin and Country of Manufacture - All respondents, including never purchased brand (N=414)

	Country of origin			Country of manufacture		
Brand	% Correct	% Incorrect	% Don't Know	% Correct	% Incorrect	% Don't Know
Household Cleaners						
Cellit *	42%	15%	43%	61%	1%	38%
Mr. Muscle	28%	40%	32%	39%	31%	29%
Walex	6%	52%	43%	46%	14%	40%
Kiwi	3%	46%	51%	38%	13%	50%
Dettol	5%	65%	31%	52%	21%	26%
Pledge	13%	31%	56%	31%	18%	51%
Column Averages	16%	42%	43%	45%	16%	39%
Bottled Water						
Nongfu *	95%	2%	2%	96%	1%	3%
Watson's *	35%	38%	27%	25%	53%	21%
Evian	25%	35%	40%	21%	43%	36%
Wahaha *	95%	2%	3%	95%	2%	3%
Nestle	15%	65%	20%	64%	22%	14%
Kangshifu *	86%	4%	9%	92%	1%	7%
Column Averages	59%	24%	17%	66%	20%	14%
Toothpaste						
Lion Zact	13%	63%	24%	68%	11%	21%
Zhonghua *	99%	0%	1%	99%	0%	1%
Colgate Total	28%	58%	15%	84%	11%	5%
Heimei *	87%	4%	9%	90%	2%	8%
Crest	19%	64%	17%	86%	6%	8%
Tian Qi *	97%	0%	3%	97%	0%	3%
Column Averages	57%	32%	11%	87%	5%	8%

	Country of origin			Country of manufacture		
Brand	% Correct	% Incorrect	% Don't Know	% Correct	% Incorrect	% Don't Know
Household (White) Appliances						
TCL*	68%	17%	15%	76%	9%	15%
Haier *	97%	2%	1%	98%	0%	1%
Whirlpool	6%	61%	33%	38%	33%	29%
Sanyo	64%	17%	19%	36%	45%	18%
Samsung	79%	13%	7%	38%	56%	6%
Midea *	81%	11%	7%	83%	10%	7%
Column Averages	66%	20%	14%	62%	26%	13%
Potato Chips (Crisps)						
Wangzai *	63%	13%	24%	71%	11%	18%
Pringles	29%	46%	25%	63%	14%	23%
Maixiangji *	39%	32%	29%	50%	22%	28%
WangWang *	53%	14%	34%	61%	10%	29%
Lay's	26%	57%	17%	65%	20%	16%
Column Averages	42%	32%	26%	62%	15%	23%
Packaged Specialty Chocolate						
Cadbury	14%	51%	35%	36%	34%	30%
Meiji	46%	23%	31%	29%	40%	30%
Ferrero Rocher	35%	39%	26%	22%	54%	24%
Dove	30%	50%	20%	35%	48%	17%
Leconte *	27%	41%	31%	44%	27%	29%
Hershey’s	21%	40%	40%	34%	30%	36%
Column Averages	29%	41%	31%	33%	39%	28%
Perfume						

	Country of origin			Country of manufacture		
Brand	% Correct	% Incorrect	% Don't Know	% Correct	% Incorrect	% Don't Know
Lancome	48%	14%	38%	46%	18%	36%
Chanel	55%	12%	33%	53%	14%	33%
Gucci	5%	52%	42%	30%	28%	42%
Kenzo	41%	14%	45%	38%	18%	44%
Christian Dior	29%	27%	44%	29%	29%	43%
Estee Lauder	9%	46%	44%	0%	57%	43%
Column Averages	31%	28%	41%	33%	27%	40%
Mobile Phones						
TCL *	68%	14%	17%	74%	9%	17%
Sony Ericsson	53%	29%	18%	37%	45%	17%
Motorola	55%	25%	20%	42%	42%	17%
Anycall SamsungLG	81%	11%	7%	35%	58%	7%
Lenovo *	77%	13%	10%	83%	10%	8%
Nokia	34%	45%	21%	44%	38%	18%
Column Averages	62%	23%	16%	**52%**	34%	14%
Vegetable Oil						
Eagle *	34%	18%	48%	43%	13%	44%
Arawana *	90%	3%	7%	91%	3%	6%
Knife *	32%	29%	39%	45%	18%	36%
Luhua *	92%	1%	7%	92%	1%	7%
Fulan *	91%	0%	9%	92%	0%	8%
Olivoila	10%	38%	52%	8%	42%	50%
Column Averages	58%	15%	27%	62%	13%	25%
Ice Cream Tubs						
Meiji	42%	24%	34%	42%	26%	32%

	Country of origin			Country of manufacture		
Brand	% Correct	% Incorrect	% Don't Know	% Correct	% Incorrect	% Don't Know
Appolo *	14%	44%	42%	33%	29%	37%
Nestle	19%	61%	20%	61%	26%	14%
Mengniu *	96%	1%	3%	96%	1%	3%
Yili *	96%	2%	3%	96%	1%	3%
Walls	7%	72%	20%	76%	9%	16%
Column Averages	46%	34%	20%	67%	15%	17%
Banks (including ATMs)						
Agricultural Bank *	99%	0%	1%	n.a.	n.a.	n.a.
HSBC	15%	66%	19%	n.a.	n.a.	n.a.
ICBC *	99%	1%	0%	n.a.	n.a.	n.a.
Citibank	54%	28%	18%	n.a.	n.a.	n.a.
Bank of China *	99%	0%	0%	n.a.	n.a.	n.a.
Bank of Communications *	99%	0%	1%	n.a.	n.a.	n.a.
Column Averages	77%	16%	7%			
Hypermarkets						
Park N Shop *	16%	83%	1%	n.a.	n.a.	n.a.
Hualian *	81%	18%	0%	n.a.	n.a.	n.a.
Carrefour	84%	16%	1%	n.a.	n.a.	n.a.
Trustmart *	55%	45%	0%	n.a.	n.a.	n.a.
Walmart	50%	47%	3%	n.a.	n.a.	n.a.
Column Averages	57%	42%	1%			
* Greater China Brands, which includes Mainland China, Hong Kong, and Taiwan						

Table 6.38 shows frequencies only for those consumers who have actually purchased the brand. This allows us to compare if there is in fact a difference in levels of knowledge between purchasers and non-purchasers.

With respect to Leconte, many respondents incorrectly characterized it as an international brand (78/120 perceived it as foreign!). Its name and packaging, among potentially other elements, serve to create the perception that it is of foreign origin.[41]

Table 6. 38 Consumer Knowledge of Brand Country of Origin and Country of Manufacture - Only those who have purchased (used) brand in last two years

	Country of origin				Country of manufacture			
Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand
Household Cleaners								
Cellit *	53%	23%	23%	128	71%	10%	19%	128
Mr. Muscle	25%	56%	19%	166	50%	35%	15%	163
Walex	6%	71%	22%	63	57%	25%	18%	61
Kiwi	2%	65%	33%	46	55%	18%	27%	49
Dettol	8%	77%	15%	158	57%	32%	11%	158
Pledge	13%	42%	45%	69	28%	27%	45%	74
Column Averages	18%	56%	26%		53%	25%	22%	
Bottled Water								
Nongfu *	97%	2%	2%	358	96%	1%	2%	357
Watson's *	37%	47%	16%	160	59%	32%	9%	160
Evian	26%	47%	27%	73	21%	59%	21%	73
Wahaha *	96%	3%	2%	229	96%	2%	2%	230
Nestle	9%	80%	12%	200	75%	18%	7%	201
Kangshifu *	94%	4%	3%	249	96%	1%	3%	251
Column Averages	60%	30%	10%		74%	19%	7%	
Toothpaste								
Lion Zact	9%	72%	19%	47	81%	11%	9%	47
Zhonghua *	99%	0%	1%	268	99%	0%	1%	268
Colgate Total	30%	55%	15%	307	85%	11%	4%	305

	Country of origin				Country of manufacture			
Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand
Heimei *	89%	6%	5%	127	92%	3%	5%	126
Crest	21%	64%	14%	283	88%	6%	6%	286
Tian Qi *	100%	0%	0%	147	100%	0%	0%	150
Column Averages	58%	33%	9%		91%	5%	4%	
Household (White) Appliances								
TCL*	59%	27%	14%	100	71%	17%	12%	101
Haier *	96%	2%	2%	192	98%	0%	2%	192
Whirlpool	3%	73%	24%	33	57%	29%	14%	35
Sanyo	70%	17%	13%	46	34%	57%	9%	47
Samsung	79%	14%	7%	146	33%	61%	6%	145
Midea *	84%	8%	8%	170	88%	6%	6%	175
Column Averages	65%	23%	11%		64%	28%	8%	
Potato Chips (Crisps)								
Wangzai *	65%	22%	13%	82	68%	23%	9%	82
Pringles	40%	44%	16%	147	51%	37%	12%	147
Maixiangji *	52%	29%	19%	48	54%	26%	20%	50
WangWang *	67%	17%	17%	60	76%	13%	11%	63
Lay's	36%	55%	9%	215	65%	26%	9%	220
Column Averages	52%	33%	15%		63%	25%	12%	
Packaged Specialty Chocolate								
Cadbury	6%	67%	27%	116	38%	40%	21%	117
Meiji	48%	39%	13%	79	26%	60%	14%	80
Ferrero Rocher	48%	44%	8%	122	34%	57%	9%	122
Dove	26%	63%	11%	224	35%	57%	8%	225
Leconte *	21%	67%	13%	120	47%	44%	8%	118

	Country of origin				Country of manufacture			
Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand
Hershey's	27%	60%	13%	83	30%	58%	13%	88
Column Averages	29%	57%	14%		35%	53%	12%	
Perfume								
Lancome	77%	14%	10%	73	73%	22%	5%	73
Chanel	74%	20%	7%	87	69%	27%	3%	88
Gucci	16%	76%	9%	45	9%	84%	7%	45
Kenzo	58%	26%	16%	19	50%	45%	5%	20
Christian Dior	26%	54%	19%	57	27%	62%	11%	55
Estee Lauder	45%	23%	32%	47	0%	78%	22%	46
Column Averages	49%	35%	15%		38%	53%	9%	
Mobile Phones								
TCL *	79%	15%	6%	34	81%	9%	9%	32
Sony Ericsson	45%	37%	18%	100	35%	51%	14%	104
Motorola	39%	38%	23%	148	40%	40%	19%	144
Anycall SamsungLG	88%	12%	1%	121	24%	76%	1%	119
Lenovo *	84%	11%	5%	57	86%	11%	4%	57
Nokia	33%	48%	19%	242	44%	39%	17%	245
Column Averages	61%	27%	12%		**52%**	38%	11%	
Vegetable Oil								
Eagle *	31%	52%	17%	48	40%	46%	15%	48
Arawana *	92%	4%	4%	298	93%	3%	3%	294
Knife *	48%	39%	13%	61	63%	25%	13%	64
Luhua *	97%	0%	3%	212	97%	0%	2%	215
Fulan *	96%	0%	4%	200	96%	0%	4%	198
Olivoila	3%	56%	41%	32	3%	58%	39%	36

	Country of origin				Country of manufacture			
Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand	% Correct	% Incorrect	% Don't Know	# Bought Brand
Column Averages	61%	25%	13%		65%	22%	13%	
Ice Cream Tubs								
Meiji	53%	33%	14%	86	58%	30%	12%	83
Appolo *	19%	69%	12%	52	28%	57%	15%	54
Nestle	23%	66%	12%	191	61%	31%	8%	195
Mengniu *	97%	1%	2%	232	97%	1%	2%	229
Yili *	97%	2%	1%	231	98%	1%	1%	235
Walls	10%	79%	11%	226	83%	12%	5%	230
Column Averages	50%	42%	9%		71%	22%	7%	
Banks (including ATMs)								
Agricultural Bank *	99%	0%	1%	288	n.a.	n.a.	n.a.	n.a.
HSBC	3%	90%	8%	40	n.a.	n.a.	n.a.	n.a.
ICBC *	99%	1%	0%	308	n.a.	n.a.	n.a.	n.a.
Citibank	61%	29%	11%	28	n.a.	n.a.	n.a.	n.a.
Bank of China *	100%	0%	0%	291	n.a.	n.a.	n.a.	n.a.
Bank of Communications *	99%	1%	1%	175	n.a.	n.a.	n.a.	n.a.
Column Averages	77%	20%	3%					
Hypermarkets								
Park N Shop *	38%	47%	15%	100	n.a.	n.a.	n.a.	n.a.
Hualian *	85%	5%	10%	189	n.a.	n.a.	n.a.	n.a.
Carrefour	84%	13%	3%	325	n.a.	n.a.	n.a.	n.a.
Trustmart *	70%	12%	19%	254	n.a.	n.a.	n.a.	n.a.
Walmart	65%	26%	10%	172	n.a.	n.a.	n.a.	n.a.
Column Averages	68%	21%	11%					
* Greater China Brands, which includes Mainland China, Hong Kong, and Taiwan								

To determine if those who recently purchased (used) the brand were more knowledgeable of the correct country of origin than the population of users and non-users combined, a test of proportions for the two samples was conducted. Results are shown in Table 6.39.

For the majority of brands (45 of 70) there were no statistically significant differences in the proportions of recent purchasers and general consumers who knew the country of brand origin. Of the twenty-five brands for which there was a significant difference between the two proportions, in 75 percent of the cases recent users of the brand were found to be more knowledgeable with respect to brand origin than general consumers, which seems to be the logical result.

In the cases where users were more knowledgeable half the brands had a local country of origin and half had a foreign country of origin indicating that there was no knowledge bias with respect to the local versus international dichotomy.

Recent purchasers are more knowledgeable for the following brands: Cellit (local) and Dettol (international) brands, Kangshifu (local), Tian Qi (local), Pringles (international), Maixiangli (local), Wangwang (local), Lay's (international), Ferrero Rocher (international), Lancome (international), Chanel (international), Gucci (international), and Estee Lauder (international), Knife (local), Luhua (local), Fulan (local), Meiji (international), Park N Shop (international), Trustmart (local), and Walmart (international) .

On the other hand, the combined user/non-user population is more knowledgeable than just users for the following brands: Nestle (international), TCL (local) , Cadbury (international), Motorola (international), and HSBC (international).

Table 6. 39 Consumer Knowledge of Brand Country of Origin - Test of proportions of correctness. All respondents versus just those who purchased brands

H_0: Are those urban consumers who bought more knowledgeable about COO than the general market? H_0: $\pi_1=\pi_2$ ($\alpha=0.05$)						
	All market (users+non-users)		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of origin		z-stat	Sig.
Brand	% Correct	Total Resp	% Correct	# Bought Brand		
Household Cleaners						
Cellit *	42%	414	53%	128	-2.30	0.02
Mr. Muscle	28%	414	25%	166	0.66	n.s
Walex	6%	414	6%	63	-0.25	n.s
Kiwi	3%	414	2%	46	0.36	n.s
Dettol	5%	414	8%	158	-1.69	0.05
Pledge	13%	414	13%	69	-0.11	n.s
Bottled Water						
Nongfu *	95%	414	97%	358	-0.87	n.s
Watson's *	35%	414	37%	160	-0.42	n.s
Evian	25%	414	26%	73	-0.21	n.s
Wahaha *	95%	414	96%	229	-0.27	n.s
Nestle	15%	414	9%	200	2.06	0.02
Kangshifu *	86%	414	94%	249	-2.85	0.01
Toothpaste						
Lion Zact	13%	414	9%	47	0.93	n.s
Zhonghua *	99%	414	99%	268	-0.37	n.s
Colgate Total	28%	414	30%	307	-0.81	n.s
Heimei *	87%	414	89%	127	-0.60	n.s

H_0: Are those urban consumers who bought more knowledgeable about COO than the general market? H_0: $\pi_1=\pi_2$ ($\alpha=0.05$)						
	All market (users+non-users)		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of origin		z-stat	Sig.
Brand	% Correct	Total Resp	% Correct	# Bought Brand		
Crest	19%	414	21%	283	-0.77	n.s
Tian Qi *	97%	414	100%	147	-2.26	0.02
Household (White) Appliances						
TCL*	68%	414	59%	100	1.63	0.05
Haier *	97%	414	96%	192	0.49	n.s
Whirlpool	6%	414	3%	33	0.67	n.s
Sanyo	64%	414	70%	46	-0.75	n.s
Samsung	79%	414	79%	146	-0.06	n.s
Midea *	81%	414	84%	170	-0.85	n.s
Potato Chips (Crisps)						
Wangzai *	63%	414	65%	82	-0.23	n.s
Pringles	29%	414	40%	147	-2.55	0.01
Maixiangji *	39%	414	52%	48	-1.76	0.05
WangWang *	53%	414	67%	60	-2.04	0.05
Lay's	26%	414	36%	215	-2.61	0.01
Packaged Specialty Chocolate						
Cadbury	14%	414	6%	116	2.31	0.01
Meiji	46%	414	48%	79	-0.36	n.s
Ferrero Rocher	35%	414	48%	122	-2.56	0.01
Dove	30%	414	26%	224	1.08	n.s
Leconte *	27%	414	21%	120	1.42	n.s

H_0: Are those urban consumers who bought more knowledgeable about COO than the general market? H_0: $\pi_1=\pi_2$ (α=0.05)						
	All market (users+non-users)		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of origin		z-stat	Sig.
Brand	% Correct	Total Resp	% Correct	# Bought Brand		
Hershey's	21%	414	27%	83	-1.16	n.s
Perfume						
Lancome	48%	414	77%	73	-4.48	0.00
Chanel	55%	414	74%	87	-3.22	0.00
Gucci	5%	414	16%	45	-2.68	0.00
Kenzo	41%	414	58%	19	-1.50	0.13
Christian Dior	29%	414	26%	57	0.49	n.s
Estee Lauder	9%	414	45%	47	-6.81	0.00
Mobile Phones						
TCL *	68%	414	79%	34	-1.37	n.s
Sony Ericsson	53%	414	45%	100	1.42	n.s
Motorola	55%	414	39%	148	3.37	0.00
Anycall SamsungLG	81%	414	88%	121	-1.59	0.10
Lenovo *	77%	414	84%	57	-1.22	n.s
Nokia	34%	414	33%	242	0.43	n.s
Vegetable Oil						
Eagle *	34%	414	31%	48	0.36	n.s
Arawana *	90%	414	92%	298	-1.05	n.s
Knife *	32%	414	48%	61	-2.37	0.01
Luhua *	92%	414	97%	212	-2.35	0.01
Fulan *	91%	414	96%	200	-2.20	0.05

H_0: Are those urban consumers who bought more knowledgeable about COO than the general market? H_0: $\pi_1=\pi_2$ (α=0.05)						
	All market (users+non-users)		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of origin		z-stat	Sig.
Brand	% Correct	Total Resp	% Correct	# Bought Brand		
Olivoila	10%	414	3%	32	1.30	n.s
Ice Cream Tubs						
Meiji	42%	414	53%	86	-1.95	0.05
Appolo *	14%	414	19%	52	-0.95	n.s
Nestle	19%	414	23%	191	-1.05	n.s
Mengniu *	96%	414	97%	232	-0.70	n.s
Yili *	96%	414	97%	231	-1.13	n.s
Walls	7%	414	10%	226	-0.99	n.s
Banks (including ATMs)						
Agricultural Bank *	99%	414	99%	288	0.45	n.s
HSBC	15%	414	3%	40	2.15	0.05
ICBC *	99%	414	99%	308	-0.30	n.s
Citibank	54%	414	61%	28	-0.70	n.s
Bank of China *	99%	414	100%	291	-0.66	n.s
Bank of Communications *	99%	414	99%	175	0.20	n.s
Hypermarkets						
Park N Shop *	16%	414	38%	100	-5.00	0.00
Hualian *	81%	414	85%	189	-0.97	n.s
Carrefour	84%	414	84%	325	-0.27	n.s
Trustmart *	55%	414	70%	254	-3.87	0.00
Walmart	50%	414	65%	172	-3.27	0.00

H_0: Are those urban consumers who bought more knowledgeable about COO than the general market? H_0: $\pi_1=\pi_2$ (α=0.05)						
	All market (users+non-users)		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of origin		z-stat	Sig.
Brand	% Correct	Total Resp	% Correct	# Bought Brand		
* Greater China Brands, which includes Mainland China, Hong Kong, and Taiwan						

Table 6.40 summarizes the results of hypotheses tests of differences in the proportions of brand users' knowledge between COO and COM. It is hypothesized that for each brand urban Chinese consumers have a better understanding of the COM than COO. This hypothesis is partly based on the observation that many international companies have shifted manufacturing to China or other major international bases.

Results indicate that there are statistically significant differences in levels of understanding between COO and COM for 29 of 59 brands tested. In most of these cases, the direction of the difference favored COM as the correct choice. For half of the 30 brands for which no significant difference was found, 80% of users correctly identified both COO and COM which implies that differences were more likely to exist where levels of knowledge of both COO and COM are relatively low.

Typical brand perceptual errors are of the kind where consumers either incorrectly assume that China is both the country of origin and the country of manufacturer, when it is not, or the brand origin is correctly identified and the brand is assumed to also be manufactured in the country of origin, when in fact it is manufactured in China. This is evident with respect to household cleaners. For all six brands significantly more consumers correctly specified COM than COO, where in each case the default choice of China was correct.

In general, there is broad knowledge of COM with low levels of knowledge of COO for all international toothpaste brands. Consumers are able to correctly identify COO of Korean and Japanese appliance brands but assume they are imported, when they are instead manufactured in China. In the chocolate category COM knowledge was superior for three brands but inferior in two others. None of Estee Lauder users was able to identify the correct COM, although 45% correctly identified its COO. The majority of Lancome and Chanel users knew both COO and COM.

No pattern with respect to mobile phones was evident. In some cases COO knowledge is superior to COM knowledge yet in some cases the reverse was true. With respect to cooking oil no differences between COO and COM knowledge is evident but this is likely due to the fact that five of six brands studied were domestic brands. The one foreign brand studied, Olivoila, had extremely low levels of correct identification of either COO or COM.

In the ice cream category, the bias toward presupposing a domestic COM was evident with two international brands (Nestle and Walls) correctly identified as having China as the country of manufacture but the an incorrect specification of country of origin. In other words, the results indicate that in some product categories consumers simply assume that the brand is locally manufactured regardless of where they believe the brand originated.

Table 6. 40 COO versus COM Knowledge - Test of proportions of correctness. Only those who purchased brands

H_0: Are consumers more aware of COM than COO? H_0: $\pi_1=\pi_2$						
	Only consumers who have bought (used) in last two years		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of Manufacture			
Brand	**% Correct**	**# Bought Brand**	**% Correct**	**Total Responses**	**z-stat**	**Sig.**
Household Cleaners						
Cellit *	53%	128	71%	128	-2.96	0.00
Mr. Muscle	25%	166	50%	163	-4.57	0.00
Walex	6%	63	57%	61	-6.12	0.00
Kiwi	2%	46	55%	49	-5.65	0.00
Dettol	8%	158	57%	158	-9.24	0.00
Pledge	13%	69	28%	74	-2.25	0.01
Bottled Water						
Nongfu *	97%	358	96%	357	0.21	n.s.
Watson's *	37%	160	59%	160	-4.03	0.00
Evian	26%	73	21%	73	0.78	n.s.
Wahaha *	96%	229	96%	230	-0.24	n.s.
Nestle	9%	200	75%	201	-13.32	0.00

H_0: Are consumers more aware of COM than COO? H_0: $\pi_1=\pi_2$						
	Only consumers who have bought (used) in last two years		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of Manufacture			
Brand	**% Correct**	**# Bought Brand**	**% Correct**	**Total Responses**	**z-stat**	**Sig.**
Kangshifu *	94%	249	96%	251	-1.23	n.s.
Toothpaste						
Lion Zact	9%	47	81%	47	-7.05	0.00
Zhonghua *	99%	268	99%	268	-0.45	n.s.
Colgate Total	30%	307	85%	305	-13.67	0.00
Heimei *	89%	127	92%	126	-0.84	n.s.
Crest	21%	283	88%	286	-16.04	0.00
Tian Qi *	100%	147	100%	150	n.s.	0.00
Household (White) Appliances						
TCL*	59%	100	71%	101	-1.83	0.03
Haier *	96%	192	98%	192	-0.92	n.s.
Whirlpool	3%	33	57%	35	-4.83	0.00
Sanyo	70%	46	34%	47	3.43	0.00
Samsung	79%	146	33%	145	7.97	0.00
Midea *	84%	170	88%	175	-1.04	n.s.
Potato Chips (Crisps)						
Wangzai *	65%	82	68%	82	-0.50	n.s.
Pringles	40%	147	51%	147	-1.87	0.03
Maixiangji *	52%	48	54%	50	-0.19	n.s.

H_0: Are consumers more aware of COM than COO? H_0: $\pi_1=\pi_2$						
	Only consumers who have bought (used) in last two years		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of Manufacture			
Brand	**% Correct**	**# Bought Brand**	**% Correct**	**Total Responses**	**z-stat**	**Sig.**
WangWang *	67%	60	76%	63	-1.17	n.s.
Lay's	36%	215	65%	220	-6.18	0.00
Packaged Specialty Chocolate						
Cadbury	6%	116	38%	117	-5.94	0.00
Meiji	48%	79	26%	80	2.85	0.00
Ferrero Rocher	48%	122	34%	122	2.08	0.02
Dove	26%	224	35%	225	-2.02	0.02
Leconte *	21%	120	47%	118	-4.33	0.00
Hershey’s	27%	83	30%	88	-0.44	n.s.
Perfume						
Lancome	77%	73	73%	73	0.57	n.s.
Chanel	74%	87	69%	88	0.62	n.s.
Gucci	16%	45	9%	45	0.97	n.s.
Kenzo	58%	19	50%	20	0.49	n.s.
Christian Dior	26%	57	27%	55	-0.11	n.s.
Estee Lauder	45%	47	0%	46	5.15	0.00
Mobile Phones						
TCL *	79%	34	81%	32	-0.19	n.s.
Sony Ericsson	45%	100	35%	104	1.52	n.s.

H_0: Are consumers more aware of COM than COO? H_0: $\pi_1=\pi_2$						
	Only consumers who have bought (used) in last two years		Only consumers who have bought (used) in last two years		Test of Correctness (2-sample test of proportions	
	Country of origin		Country of Manufacture			
Brand	**% Correct**	**# Bought Brand**	**% Correct**	**Total Responses**	**z-stat**	**Sig.**
Motorola	39%	148	40%	144	-0.19	n.s.
Anycall SamsungLG	88%	121	24%	119	9.99	0.00
Lenovo *	84%	57	86%	57	-0.26	n.s.
Nokia	33%	242	44%	245	-2.50	0.01
Vegetable Oil						
Eagle *	31%	48	40%	48	-0.85	n.s.
Arawana *	92%	298	93%	294	-0.58	n.s.
Knife *	48%	61	63%	64	-1.68	0.06
Luhua *	97%	212	97%	215	-0.31	n.s.
Fulan *	96%	200	96%	198	-0.24	n.s.
Olivoila	3%	32	3%	36	0.08	n.s.
Ice Cream Tubs						
Meiji	53%	86	58%	83	-0.57	n.s.
Appolo *	19%	52	28%	54	-1.04	n.s.
Nestle	23%	191	61%	195	-7.67	0.00
Mengniu *	97%	232	97%	229	0.02	n.s.
Yili *	97%	231	98%	235	-0.67	n.s.
Walls	10%	226	83%	230	-15.69	0.00
* Greater China Brands, which includes Mainland China, Hong Kong, and Taiwan.						

Table 6.41 summarizes results by involvement category. Knowledge of brand COO in the high functionality categories (Cells 3, 4) is highest. This may indicate that where product functionality is important, consumers tend to be more cognizant of where the brand originates with the likelihood that COO may form part of their evaluation process. On the other hand, knowledge of COM is higher for Cell 1 and Cell 3 product categories. Overall knowledge is higher for local brands and is lowest for brands manufactured outside of Asia, mainly Europe and North America. It is interesting to note that rather than respond with a "don't know" reply, consumers felt confident enough of their COO and COM knowledge to provide an answer for brands they have recently used. In contrast, a similar study on U.A.E. consumers produced an average of 35% "don't know" responses to the same COO question (Saurazas, 2000).

Of the ten product categories analyzed, COO knowledge of household cleaners and specialty chocolates is lowest while for mobile phones, home appliances, cooking oil, and perfume it is highest.

Table 6. 41 Consumer knowledge of COO and COM by category. Responses from only those who have purchased brands in the category

	Only consumers who have bought (used) in last two years			**Only consumers who have bought (used) in last two years**		
	Country of origin			Country of Manufacture		
Category/Average %#	% Correct	% Incorrect	% Don't Know	% Correct	% Incorrect	% Don't Know
Household Cleaners	18	56	26	53	25	22
Bottled Water	60	30	10	74	19	7
Toothpaste	58	33	9	91	5	4
Household (White) Appliances	65	23	11	64	28	8
Potato Chips (Crisps)	52	33	15	63	25	12
Packaged Specialty Chocolate	29	57	14	35	53	12
Perfume	49	35	15	38	53	8
Mobile Phones	61	27	12	52	38	11
Vegetable Oil	61	25	13	65	22	13
Ice Cream Tubs	50	42	9	71	22	7
Average all cells	**50.3**	**36.1**	**13.4**	**60.6**	**29.0**	**10.4**
Local	73.9	18.0	8.1	79.9	13.2	6.9
Regional (Japan/Korea)	50.0	27.8	11.1	42.5	48.8	8.7
International (Europe/N.America)	24.5	53.4	18.2	47.5	38.0	14.5
* Local brands are considered to be from Mainland China, Hong Kong, and Taiwan						
# indicates the simple category mean.						
Local, Regional, International means are simple means of brands in each respective classification.						

When we classify brands according to correct COO we find a significant difference in COO versus COM knowledge only with respect to international brands at the 0.05 significance level.

Statistically significant differences are only found at the 0.10 level with respect to domestic and regional brands.

Further analysis of COO was conducted to determine whether COO knowledge of local brands was better than for regional and international brands. Results from Table 6.42 indicate that there were significant differences at the 0.01 level of significance with respect to pairings of each. That is to say, more consumers are aware of country of origin for domestic brands than either regional or international brands and further, that more consumers are aware of the brand of origin for regional brands than other international brands.

Table 6. 42 Results of tests of proportions of correct responses to country of origin knowledge

Brands are classified as local, regional, or international				
Test between local, regional , international (proportions as above)	Location - COO only		COM only	
Local brands vs. International brands	73.9%	24.5%	79.9	47.5
Local vs. Regional	73.9%	50.0%	79.8	42.5
Regional vs. International	50.0%	24.5%	42.5	47.5

Table 6.43 shows consumer knowledge of brand COO and COM by key city. The average level of COO knowledge, 51.75%, is within the range of consumers in the UAE (see Saurazas, 2000) where the simple average percentage of correct responses was approximately 50% across various ethnic groups across all categories. Based on the averages, Beijing and Shanghai have similar levels of COO knowledge, Chongqing has the lowest at 44%, and Guangzhou has the highest at 61%. The greatest difference of 15% thus occurs between Guangzhou and Chongqing.

The average level of COM knowledge is 61% which indicates a better level of correct knowledge of brand manufacturing location than brand origin. It should be noted that the study does not attempt to distinguish "real" versus "apparent" correctness. It is plausible that while respondents neither actually knew COO or COM, they tended to guess China as the correct choice for each. In many cases, the correct COM is in fact China which resulted in an unintentionally correct reply.

Most thought COO for Dettol brand was China. Very high awareness of local brands of bottled water was found among all consumers in key cities. Very high awareness of local brands of toothpaste was found among most consumers in key cities. Haier is the most recognized local brand of white appliances among all consumers in key cities. Most respondents correctly identified Japanese brands' COO but mistakenly identified Japan as the COM when in fact China is the country of manufacture. There is a lack of COO knowledge of Lay's in Guangzhou. In general, there is a lack of COO knowledge for all consumers with respect to boxed specialty chocolates. Many think Dove's COM was USA when in fact they are manufactured in China for the Chinese market. Most consumers thought Leconte chocolate brand was of foreign origin, particularly of USA origin, when the brand is in fact of PRC origin. With the exception of Estee Lauder and Gucci, there are relatively high levels of COO knowledge for major perfume brands among most consumers. A majority of consumers in key cities are aware of the COO of domestic mobile phones. Samsung's Anycall mobile phones enjoy the highest level of recognition for non-domestic phones. Many consumers did not recognize that all mobile phones in the study are manufactured in China. Major brands Arawana, Luhua, and Fulan enjoy near universal COO recognition among consumers in key cities. Despite an excellent distribution network in key cities in China, Nestlé's level of COO is significantly lower than Mengniu's, and Yili's, two major Chinese brands. About 20% of users perceived Walls as a PRC brand while 20% felt it was a UK brand. As might be expected, consumers in all cities universally recognize the big four Chinese banks as having a Chinese COO. All Guangzhou respondents identified Citibank correctly as being of American origin. Despite a major presence in China, HSBC does not yet enjoy high levels of brand origin recognition. In a few short years, Walmart has made its brand origin known in three of four major Chinese markets. Carrefour as the first wholly-owned retail venture in China has been rewarded with high levels of COO awareness among all consumers in key centers in China with a minimum recognition of 79%.

Table 6. 43 Consumer Knowledge of Brand Country of Origin and Country of Manufacture - Only those who have purchased (used) brand in last two years by Ethnicity

	% Correct responses									
Brand/Ethnicity	BJ	BJ	SH	SH	CQ	CQ	GZ	GZ	Key Cities	Key Cities
	COO	COM	COO	COM	COO	COM	COO	COM	Average COO	Average COM
Cellit (1)	52%	80%	40%	48%	55%	68%	82%	82%	57%	69%
Mr. Muscle (3)	19%	47%	39%	44%	4%	81%	42%	33%	26%	51%
Walex (3)	19%	60%	0%	67%	0%	43%	0%	46%	5%	54%
Kiwi (3)	6%	56%	0%	52%	0%	60%	0%	60%	1%	57%
Dettol (3)	18%	46%	17%	57%	0%	59%	0%	82%	9%	61%
Pledge (3)	21%	53%	11%	21%	0%	25%	13%	17%	11%	29%
Nongfu (1)	95%	95%	98%	98%	93%	92%	100%	100%	97%	96%
Watson's (1)	18%	61%	28%	42%	38%	69%	58%	66%	35%	59%
Evian (3)	12%	12%	39%	39%	60%	18%	7%	8%	29%	19%
Wahaha (1)	94%	94%	94%	94%	96%	97%	100%	100%	96%	96%
Nestle (3)	22%	80%	2%	73%	3%	87%	13%	56%	10%	74%

	% Correct responses									
Brand/Ethnicity	BJ	BJ	SH	SH	CQ	CQ	GZ	GZ	Key Cities	Key Cities
	COO	COM	COO	COM	COO	COM	COO	COM	Average COO	Average COM
Kangshifu (3)	99%	99%	95%	95%	95%	97%	74%	90%	91%	95%
Lion Zact (2)	0%	86%	0%	86%	0%	83%	67%	50%	17%	76%
Zhonghua (1)	100%	100%	96%	97%	100%	100%	100%	100%	99%	99%
Colgate Total (3)	45%	88%	42%	70%	15%	89%	18%	95%	30%	86%
Heimei (1)	100%	100%	80%	78%	71%	81%	100%	100%	88%	90%
Crest (3)	16%	46%	33%	76%	16%	96%	18%	91%	21%	77%
Tian Qi (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
TCL (1)	59%	78%	43%	54%	63%	75%	100%	100%	66%	77%
Haier (1)	97%	99%	95%	96%	95%	97%	100%	100%	97%	98%
Whirlpool (3)	0%	57%	33%	57%	0%	40%	0%	67%	8%	55%
Sanyo (2)	77%	31%	67%	31%	0%	25%	50%	0%	48%	22%
Samsung (2)	90%	38%	72%	29%	8%	46%	90%	28%	65%	35%
Midea (1)	99%	99%	65%	67%	65%	77%	96%	100%	81%	86%
Wangzai (1)	47%	53%	74%	74%	81%	85%	100%	100%	75%	78%
Pringles (3)	46%	74%	31%	63%	0%	75%	58%	44%	34%	64%
Maixiangji (1)	42%	47%	58%	58%	43%	38%	70%	73%	53%	54%
WangWang (1)	52%	64%	83%	79%	64%	92%	100%	100%	75%	84%
Lay's (3)	32%	100%	57%	36%	21%	73%	0%	87%	27%	74%
Cadbury (3)	2%	37%	6%	38%	0%	62%	36%	25%	11%	40%
Meiji (SC) (2)	22%	19%	51%	21%	67%	100%	92%	42%	58%	45%
Ferrero Rocher (3)	4%	4%	40%	33%	0%	0%	92%	59%	34%	24%
Dove (3)	9%	28%	27%	29%	35%	65%	43%	32%	29%	38%
Leconte (1)	19%	36%	53%	50%	10%	76%	15%	31%	24%	48%
Hershey’s (3)	14%	48%	35%	17%	0%	40%	50%	29%	25%	33%

	% Correct responses									
Brand/Ethnicity	BJ	BJ	SH	SH	CQ	CQ	GZ	GZ	Key Cities	Key Cities
	COO	COM	COO	COM	COO	COM	COO	COM	Average COO	Average COM
Lancome (3)	76%	74%	67%	63%	90%	70%	75%	75%	77%	70%
Chanel (3)	78%	76%	69%	69%	64%	43%	75%	77%	71%	66%
Gucci (3)	19%	20%	13%	0%	25%	63%	0%	0%	14%	21%
Kenzo (2)	70%	60%	0%	25%	67%	67%	67%	33%	51%	46%
Christian Dior (3)	32%	32%	33%	67%	0%	0%	33%	33%	25%	33%
Estee Lauder (3)	9%	0%	15%	0%	0%	0%	0%	0%	6%	0%
TCL (MP) (1)	77%	85%	80%	80%	83%	67%	100%	100%	85%	83%
Sony Ericsson (2/3)	17%	19%	54%	31%	43%	40%	29%	71%	36%	40%
Motorola (3)	27%	39%	53%	27%	34%	54%	69%	42%	46%	40%
Anycall SamsungLG (2)	98%	13%	67%	17%	76%	44%	100%	43%	85%	29%
Lenovo (1)	93%	93%	78%	88%	76%	76%	67%	75%	78%	83%
Nokia (3)	21%	58%	53%	29%	17%	28%	36%	51%	32%	41%
Eagle (1)	10%	40%	75%	75%	0%	0%	32%	35%	29%	38%
Arawana (1)	97%	98%	85%	89%	97%	97%	88%	88%	92%	93%
Knife (1)	19%	55%	75%	57%	0%	0%	65%	71%	40%	46%
Luhua (1)	99%	99%	92%	92%	91%	94%	100%	100%	95%	96%
Fulan (1)	100%	100%	90%	91%	98%	98%	97%	97%	96%	96%
Olivoila (3)	11%	11%	0%	0%	0%	0%	0%	0%	3%	3%
Meiji (IC) (2)	23%	10%	38%	47%	50%	86%	78%	83%	47%	56%
Appolo (1)	0%	8%	0%	38%	0%	0%	15%	65%	4%	28%
Nestle (3)	43%	41%	0%	64%	0%	79%	33%	76%	19%	65%
Mengniu (1)	99%	99%	99%	99%	94%	94%	95%	95%	97%	96%
Yili (1)	100%	100%	96%	97%	96%	98%	98%	98%	97%	98%
Walls (3)	2%	86%	1%	75%	0%	93%	31%	89%	9%	86%

	% Correct responses									
Brand/Ethnicity	BJ	BJ	SH	SH	CQ	CQ	GZ	GZ	Key Cities	Key Cities
	COO	COM	COO	COM	COO	COM	COO	COM	Average COO	Average COM
Agricultural Bank (1)	100%	n.a.	97%	n.a.	100%	n.a.	99%	n.a.	99%	n.a.
HSBC (3)	0%	n.a.	0%	n.a.	0%	n.a.	50%	n.a.	13%	n.a.
ICBC (1)	96%	n.a.	100%	n.a.	100%	n.a.	100%	n.a.	99%	n.a.
Citibank (3)	45%	n.a.	67%	n.a.	0%	n.a.	100%	n.a.	53%	n.a.
Bank of China (1)	99%	n.a.	100%	n.a.	100%	n.a.	100%	n.a.	100%	n.a.
Bank of Communications (1)	98%	n.a.	98%	n.a.	100%	n.a.	100%	n.a.	99%	n.a.
Park N Shop (1)	0%	n.a.	0%	n.a.	0%	n.a.	49%	n.a.	12%	n.a.
Hualian (1)	89%	n.a.	75%	n.a.	88%	n.a.	93%	n.a.	86%	n.a.
Carrefour (3)	94%	n.a.	82%	n.a.	85%	n.a.	79%	n.a.	85%	n.a.
Trustmart (1)	29%	n.a.	51%	n.a.	68%	n.a.	93%	n.a.	60%	n.a.
Walmart (3)	73%	n.a.	58%	n.a.	61%	n.a.	25%	n.a.	54%	n.a.
Average	50%	60%	52%	57%	44%	63%	61%	64%	52%	61%
(1) Indicates local brands as classified by COO, which are considered to be from mainland China including Hong Kong.										
(2) Indicates regional brands as classified by COO, which include Japan and Korea.										
(3) Indicates international brands as classified by COO, which are considered to be brands from Europe and North America.										
Grey cells indicate # of respondents is less than 10.										

Chi-Square tests were conducted using a two-way contingency table approach to determine whether there were differences with respect to knowledge of COO among consumers in key cities for all brands. The hypothesis of no relationship between correct brand knowledge and ethnicity is rejected and we conclude that there is a relationship between ethnicity and being able to correctly identify a brands country of origin ($\chi2= 1383.34$ [(4-1)x(70-1)=69,N=6312], $p<.001$, Cramer's $V=0.27$). Cramer's V coefficient indicates that the strength of the overall relationship between ethnicity and correctness is moderate.

Tests of comparisons between all combinations of ethnic groups were then conducted on COO knowledge and the results are summarized in Table 6.44 below. For each pair-wise comparison we conclude that there is a statistically significant difference in knowledge between consumers from the respective cities. Based on Cramer's *V*, the strength of the association between knowledge and city is moderate in every instance.

Table 6. 44 Two-way Contingency Table results between COO Knowledge and pairs of ethnicities for all summed product categories

H_0: There is no association between COO knowledge and ethnic pairings (d.f.= (12-1)(2-1)=11)				
Pair-wise comparison	**Sig.**	**χ2**	**N**	**Cramer's V**
Beijing-Shanghai	0.00	109.8	3511	0.177
Beijing-Chongqing	0.00	139.78	3201	0.209
Beijing-Guangzhou	0.00	192.57	3410	0.238
Shanghai-Chongqing	0.00	105.28	2916	0.190
Shanghai-Guangzhou	0.00	93.05	3125	0.173
Chongqing-Guangzhou	0.00	59.79	2815	0.146

The direction of the differences in COO knowledge for the brands examined was not consistent within or between brand categories. For example, between Beijing and Shanghai consumers, Beijing consumers tended to be more knowledgeable just slightly more than half the time. In contrast, between Beijing and Chongqing consumers, Beijing consumers were more knowledgeable about 66 percent of the time. Guangzhou consumers were more knowledgeable about 55 percent of the time when compared to Beijing consumers. In some categories, particularly the snack categories of potato chips and specialty chocolates, Guangzhou consumers had better COO knowledge in almost every instance than Beijing consumers. Shanghai consumers had better knowledge of country of origin 57 percent of the time compared to that of Chongqing consumers. Guangzhou consumers, who had the highest overall correct knowledge of COO at 64%, were able to correctly identify COO 69 percent more often than Shanghai consumers and 82 percent more often than Chongqing consumers. Overall, Guangzhou consumers have the most accurate knowledge of brands' country of origin while Beijing and Shanghai consumers have similar knowledge levels and the least accurate knowledge of country of origin is evident among Chongqing consumers.[42]

Additional analyses by product category also reveal significant relationships in 10 of 12 categories. Table 6.45 summarizes results of analyses of the association between ethnicity and correctness of brand origin by category. For each relationship tested, other than for perfume and banks, we reject the null hypothesis of no association and conclude that there is a statistically significant association between ethnicity and being able to correctly identify brand origin. Based on Cramer's *V*, the strength of the association between knowledge and city is low to high moderate in 10 of 12 product categories.

Table 6. 45 Two-way Contingency Table results of tests of differences in COO knowledge among four key cities by product category

(H$_0$: There is no association between ethnicity and being able to correctly identify brand origin d.f. = 15 except for potato chips and hypermarkets categories where d.f.=12)				
Category	**χ2**	**Sig.**	**N**	**Cramer's *V***
Household cleaners	41.47	0.00	139	0.315
Bottled water	102.62	0.00	894	0.196
Toothpaste	74.05	0.00	682	0.190
Appliances	63.03	0.00	530	0.199
Potato chips	91.64	0.00	784	0.197
Specialty chocolates	69.05	0.00	208	0.333
Perfume	14.01	**0.25**	157	0.172
Mobile phones	68.51	0.00	355	0.254
Cooking oil	80.43	0.00	716	0.194
Ice cream	150.07	0.00	560	0.299
Banks (ATMS)	14.55	**0.25**	1071	0.067
Hypermarkets	246.89	0.00	760	0.329

For product categories which showed significant differences further pair-wise tests were conducted as shown in Table 6.46. Of the sixty pair-wise tests conducted, fifty-one tests of association indicated significant differences. This result indicates that in most cases there are differences in COO knowledge depending on the ethnicity of consumers or alternatively, that there is a relationship between knowing a brand's country of origin and ethnicity. The strength of association as measured by Cramer's *V* indicates the strongest associations exist for household cleaners (minimum *V* of .306 among all pairings) and potato chips, with the exception of Beijing and Shanghai) as well as specialty chocolates (minimum *V* of 0.339 among all pairings). The three strongest measures of association, among all pairings, occurred for potato chips with respect to consumers between Chongqing and Guangzhou, hypermarkets between Beijing and Guangzhou, and household cleaners between Shanghai and Chongqing. The pairings Beijing and Chongqing as well as Chongqing and Guangzhou were different in every instance. For other pairings there were two or three product categories where no significant differences existed. For example, Beijing and Shanghai consumers have similar levels of brand origin of potato chips and cooking oil while Shanghai and Guangzhou consumers have similar brand origin knowledge of household cleaners and appliances. Again, as we expect, strong differences in knowledge of retail store origins were evident among all pairings likely in part due to relative accessibility of the store brands under investigation. Excluding this category from the analyses, however, would not significantly change the conclusions. Thus, we conclude that there is generally a significant relationship between a consumer knowing brand origin and ethnicity in China.

Table 6. 46 Chi-Square Tests of Differences in COO Knowledge by Product Category - Between pairs of ethnicities - Only those who have purchased (used) brand in last two years

d.f. = (r-1)(c-1)=(6-1)(2-1)=5# （α=0.05）

	Beijing-Shanghai				**Beijing-Chongqing**				**Beijing-Guangzhou**				**Shanghai-Chongqing**				**Shanghai-Guangzhou**				**Chongqing-Guangzhou**			
Category	$\chi2$	Sig.	N	Cramer's V	$\chi2$	Sig.	N	Cramer's V	$\chi2$	Sig.	N	Cramer's V	$\chi2$	Sig.	N	Cramer's V	$\chi2$	Sig.	N	Cramer's V	$\chi2$	Sig.	N	Cramer's V
HC	14.25	0.01*	102	0.374	12.93	0.02*	85	0.390	12.04	0.03*	86	0.374	20.78	0.00*	53	0.626	5.04	0.08	54	0.306	9.81	0.00*	37	0.515
BW	11.15	0.05*	460	0.156	11.71	0.04*	485	0.155	45.39	0.00*	427	0.326	9.19	0.10	467	0.140	36.59	0.00*	409	0.299	66.17	0.00*	434	0.390
TP	22.44	0.00*	357	0.251	14.2	0.01*	350	0.201	9.97	0.08	353	0.168	38.73	0.00*	329	0.343	40.93	0.00*	332	0.351	11.96	0.04*	325	0.192
AP	23.65	0.00*	357	0.257	26.53	0.00*	300	0.297	9.86	0.08	317	0.176	41.68	0.00*	213	0.442	9.53	0.09	230	0.204	26.46	0.00*	173	0.391
PC	7.52	0.18	190	0.199	22.96	0.00*	122	0.434	26.17	0.00*	112	0.483	33.34	0.00*	142	0.485	43.60	0.00*	132	0.575	47.89	0.00*	64	0.865
SC	15.9	0.01*	119	0.366	12.28	0.03*	46	0.517	36.32	0.00*	101	0.600	19.48	0.00*	107	0.427	18.6	0.00*	162	0.339	22.69	0.00*	89	0.505
MP	44.48	0.00*	240	0.431	10.8	0.06	190	0.238	21.85	0.00*	191	0.338	20.04	0.00*	164	0.350	9.38	0.09	165	0.238	20.98	0.00*	115	0.427
CO	7.34	0.20	393	0.137	8.32	0.14	370	0.150	35.71	0.00*	423	0.291	6.01	0.30	293	0.143	30.47	0.00*	346	0.297	37.63	0.00*	323	0.341
IC	24.42	0.00*	319	0.277	16.5	0.01*	265	0.250	56.29	0.00*	314	0.423	0.71	0.98	246	0.054	70.93	0.00*	295	0.490	51.33	0.00*	241	0.462
HM	36.36	0.00*	339	0.328	60.38	0.00*	371	0.403	170.14	0.00*	408	0.646	21.6	0.00*	352	0.248	74.66	0.00*	389	0.438	81.37	0.00*	421	0.440

d.f. for Potato Chips and Hypermarkets are equal to 4

Specific Research Question	Proposition	Research result
5.3.0: Are Chinese consumers from the four key cities knowledgeable about the country of origin for brands in a variety of product classes?	5.3.0: Chinese consumers are knowledgeable about the country of origin for brands in a variety of product classes.	Partially supported. Consumers tend to know domestic brands' origin but not international brands' origin.
5.3.1: Are Chinese consumers from the four key cities similar in their knowledge of their favorite brands' country of origin.	5.3.1: Consumers are similar in their knowledge of their favorite brands' country of origin.	Generally not supported. (51 of 60 categories indicate differences).

Proposition 5.3.0, which states that Chinese consumers from the four key cities are knowledgeable about the country of origin for brands in a variety of product classes, is partially supported. Consumers tend to know a majority of the brand origin for domestically derived brands but generally do not know the country of origin for international brands. Consumers are able to identify about half of the regional brands' origin examined.

Proposition 5.3.1, which states that Chinese consumers from the four key cities are similar in their knowledge of their favorite brands' country of origin, is generally not supported.

SRQ 5.4: COM Knowledge

R.O. 5.4: To determine if urban Chinese consumers are knowledgeable about the country of manufacture of their favorite brands.

R.O. 5.4.1: To determine if consumers are similar in their knowledge of country of manufacture.

Table 6.47 shows results of tests of hypotheses indicating that there is a difference with respect to COM knowledge among all ethnicities ($\chi2=259.56$, N=5605, Sig = <.001, V=0.125, d.f. = 27).

For each pair-wise comparison we conclude that there is a statistically significant difference in knowledge of country of manufacture between consumers from the respective cities. Based on Cramer's V, the strength of the association between knowledge and city is relatively moderate in every instance. The strongest level of association is between Beijing and Guangzhou consumers while the weakest level is between Chongqing and Guangzhou consumers. In general, Guangzhou and Chongqing consumers, on average, had a slightly better knowledge of country of manufacture than Beijing or Shanghai consumers.

Table 6. 47 Two-way Contingency Table results between COM Knowledge and pairs of ethnicities for all summed product categories

H_0: There is no association between ethnicity and COM knowledge. d.f.= (12-1)(2-1)=11				
Pair-wise comparison	Sig.	χ2	N	Cramer's *V*
Beijing-Shanghai	0.00	93.3	3212	0.170
Beijing-Chongqing	0.00	108.19	3871	0.167
Beijing-Guangzhou	0.00	143.41	3984	0.190
Shanghai-Chongqing	0.00	50.80	3452	0.121
Shanghai-Guangzhou	0.00	56.16	3565	0.126
Chongqing-Guangzhou	0.00	44.04	3367	0.114

Table 6.48 showed results of tests of proportions of consumer knowledge of COO and COM for brands in ten product categories. For 26 of 60 brands tested, COM knowledge was significantly better than COO knowledge while for 2 brands COO knowledge was better. Consumers tended to have similar knowledge in the perfume and cooking oil categories.

Table 6. 48 Tests of proportions of consumer knowledge of Brand Country-of-Origin and Country-of-Manufacture - Only those who have purchased (used) brand in last two years

H_0: $p1 \leq p2$;H_1: $p1 > p2$; z=1.65					
	Country-of-origin		Country-of-manufacture		
Brand	# Correct	Total Resp	# Correct	Total Resp	Tests of proportions (α=0.05);Calculated z
Household Cleaners					
Cellit *	68	128	91	128	-1.96*
Mr. Muscle	42	166	81	163	-4.57*
Walex	4	63	35	61	-6.11*
Kiwi	1	46	27	49	-5.65*
Dettol	13	158	90	158	-9.24*
Pledge	9	69	21	74	-2.25*
Bottled Water					
Nongfu *	346	358	344	357	0.21

H_0: *p1* ≤ *p2* ; H_1: *p1* > *p2*; z=1.65					
	Country-of-origin		Country-of-manufacture		
Brand	# Correct	Total Resp	# Correct	Total Resp	Tests of proportions (α=0.05);Calculated z
Watson's *	59	160	95	160	-4.02*
Evian	19	73	15	73	0.78
Wahaha *	219	229	221	230	-0.24
Nestle	18	200	150	201	-13.31*
Kangshifu *	233	249	241	251	-1.22
Toothpaste					
Lion Zact	4	47	38	47	-7.05*
Zhonghua *	265	268	266	268	-0.44
Colgate Total	93	307	259	305	-13.69*
Heimei *	113	127	116	126	-0.83
Crest	60	283	252	286	-16.03*
Tian Qi *	147	147	150	150	0
Household (White) Appliances					
TCL*	59	100	72	101	-1.82*
Haier *	185	192	188	192	-0.92
Whirlpool	1	33	20	35	-4.82*
Sanyo	32	46	16	47	3.42*
Samsung	116	146	48	145	7.97*
Midea *	143	170	154	175	-1.04
Potato Chips (Crisps)					
Wangzai *	53	82	56	82	-0.49
Pringles	59	147	75	147	-1.87*
Maixiangji *	25	48	27	50	-0.19
WangWang *	40	60	48	63	-1.17
Lay's	77	215	144	220	-6.18*
Packaged Specialty Chocolate					
Cadbury	7	116	45	117	-5.94*
Meiji	38	79	21	80	2.85*
Ferrero Rocher	58	122	42	122	2.08*
Dove	58	224	78	225	-2.02*

H_0: $p1 \leq p2$;H_1: $p1 > p2$; z=1.65					
	Country-of-origin		Country-of-manufacture		
Brand	# Correct	Total Resp	# Correct	Total Resp	Tests of proportions (α=0.05);Calculated z
Leconte *	25	120	56	118	-4.33*
Hershey's	22	83	26	88	-0.44
Perfume					
Lancome	56	73	53	73	0.57
Chanel	64	87	61	88	0.62
Gucci	7	45	4	45	0.96
Kenzo	11	19	10	20	0.49
Christian Dior	15	57	15	55	-0.11
Estee Lauder	21	47	0	46	5.15*
Mobile Phones					
TCL *	27	34	26	32	-0.18
Sony Ericsson	45	100	36	104	1.51
Motorola	58	148	58	144	-0.19
Anycall SamsungLG	106	121	28	119	9.99*
Lenovo *	48	57	49	57	-0.26
Nokia	79	242	107	245	-2.50*
Cooking Oil					
Eagle *	15	48	19	48	-0.85
Arawana *	274	298	274	294	-0.58
Knife *	29	61	40	64	-1.68*
Luhua *	205	212	209	215	-0.30
Fulan *	192	200	191	198	-0.24
Olivoila	1	32	1	36	0.08
Ice Cream Tubs					
Meiji	46	86	48	83	-0.56
Appolo *	10	52	15	54	-1.03
Nestle	43	191	119	195	-7.66*
Mengniu *	225	232	222	229	0.02
Yili *	225	231	231	235	-0.66
Walls	22	226	191	230	-15.68*

H_0: $p1 \leq p2$; H_1: $p1 > p2$; z=1.65					
	Country-of-origin		Country-of-manufacture		
Brand	# Correct	Total Resp	# Correct	Total Resp	Tests of proportions (α=0.05);Calculated z
* Greater China Brands, which includes Mainland China, Hong Kong, and Taiwan					

Specific Research Question	**Proposition**	**Research result**
5.4.0: Are Chinese consumers from the key cities knowledgeable about the country of manufacture of their favorite brands?	5.4.0: Chinese consumers are not able to determine the COM of their favorite brands.	Partially supported. On average about 60% of countries of manufacture are correctly identified.
5.4.1: Are consumers from the key cities similar in being able to determine the country of manufacture of their favorite brands?	5.4.1: Consumers are similar in their knowledge of their favorite brands' country of manufacture.	Not supported.
5.4.2: Are consumers more knowledgeable of COM than COO?	5.4.2: Consumers are more knowledgeable of the COM than COO.	Mainly Supported. For 28 of 60 brands tested COM correctness is significantly greater. In only 6 of 60 instances is COO correctness significantly greater.

Proposition 5.4.0, which states that Chinese consumers are not able to determine the COM of their favorite brands, is partially supported. On average about 60% of the countries of manufacture are correctly identified.

Proposition 5.4.1, which states that consumers are similar in their knowledge of their favorite brands' country of manufacture, is not supported. Follow-up pair-wise analyses further confirm differences among all cities.

Proposition 5.4.2, which states that consumers are more knowledgeable of the COM than the COO, is mainly supported. This proposition is supported for 28 of 60 brands tested.

In this section we have established that COO is an important consideration in many product category brand choices, however, at the same time, we have established that many consumers are misinformed as to the correct COO. Moreover, additional confusion exists with respect to COM. Perhaps academic researchers are not asking the correct question (i.e. "Is country of origin important in your purchase decision of product category 'X'?”) but instead we may better ask: "Is the fact that brand 'X' is of foreign brand origin important in your purchase decision?"

6.4 Other factors

Much of the study analyzes the relationship that ethnicity has with purchasing intentions and behavior. In many instances described in preceding sections we have found significant relationships between ethnicity and behavior. However, as the Saurazas study examined, it is possible that ethnicity differences may be confounded with other factors, in particular, other demographic factors. These include gender, age, household size, travel experience, education level, occupation, and perhaps most notably, income.

To test whether relationships between purchasing intentions and other demographic factors exists correlation coefficients were computed. Although the Saurazas study uses Kendall's *tau-b* to compute correlation coefficients for all demographic variables, we found that to be more precisely correct we should use Kendall's *tau-b* where data for both variables is at least ordinal (see Cooper, 2006; Malhotra, 2004) such as for the cases of age, household size, number of trips abroad, high school, and income. In the case where one of the variables is presented in nominal form, gender, ethnicity, and occupation, we used Cramer's *V*. A useful benefit of being able to use *tau-b* is that the direction of the association is clearly revealed in the correlation measure.

6.5 Summary

This chapter introduced the types of data analyses used and demonstrated the main survey construct’s reliability and validity. Data analyses were performed for each research question using the data obtained from the research questionnaires. Each proposition was explicitly stated, then tested, and conclusions were provided. A summary table for each research question was provided at the end of each of section.

7. Discussion of Results

7.0 Introduction
This chapter first reconciles findings from the depth interviews with findings from the main consumer survey. This is followed by a discussion of differences in purchasing intentions found among the populations studied. Intended and actual purchasing frequency is discussed in detail followed by an examination of brand choices and the reasons for brand choice. Reasons are examined within the context of the product category choice model used in the paper. Finally, country-of-origin effects are further discussed and several implications for managers are highlighted.

7.1 Reconciling Depth Interview Results with General Survey

7.1.1 Buying Domestic vs. Buying Imported (RQ 1.1.1)
When we asked the experts whether Chinese consumers had a tendency to prefer domestic or imported brands, the majority 65% (26/40) felt they preferred local while 25% felt they preferred foreign brands (10/40) [see Appendix III, Tables A3.1 and A3.2]. This result correlates very well to the quantitative results where we find that 73% of all consumers surveyed said they preferred domestic while about 10% said they preferred foreign brands. However, the expert responses to the modified question of Q3 (Other things being equal, which would they prefer) reveal that about half of them feel consumers would prefer foreign brands (19/40) while a minority of consumers would prefer domestic brands (12/40). It seems then that the implicit assumption as to brand preference on the domestic-foreign dimension is that domestic prices are cheaper, and thus preferred. But where that assumption is removed the preference for foreign brands becomes more pronounced. Another factor in the direction of the preference was the product category where there was a bias toward foreign brands where categories such as electronics and other higher technology products are concerned.

A previous study by Paproski (1990) also supports the results that the preference is based on the type of product being consumed. Chinese consumers felt that some products were definitely better if produced domestically, some were deemed to be basically the same, while other products were definitely produced better abroad. For example, coffee, footwear, clothing, refrigerators and music players were seen as better produced in foreign countries while toothpaste, medicine and pharmaceuticals, tea, and alcoholic beverages were thought to be better produced domestically (Paproski, 1990). A majority (86%) of respondents in the Paproski study disagreed to the suggestion that tea is better produced in foreign countries. Seventy-nine percent also disagreed with the assertion that toothpaste is better produced in foreign countries. [43]

Companies wishing to market products to China in such categories may find it more difficult to find success in the mass market. However, marketers who have developed niche markets for products considered to be ‘better produced’ in China have found success. For example, marketers of Twinings tea have found success in marketing exotic flavored teas to consumers. Consumers generally purchase the product as a luxury good.

Marketers, moreover, need to be wary of blindly using a *foreign culture positioning* strategy. Foreign culture positioning, with clues to the country of origin can be used, for example, to convey superior craftsmanship, technology and style. Underlying consumer ethnocentrism and cosmopolitanism, both influential and strong purchase decision factors in China, can be anticipated and made a part of product diffusion strategy (Horn, 2009). On the other hand, marketers do need to be careful in using this strategy because consumers in China also have strong national pride, so multinational companies could lose important segments by seeming too foreign (McKinsey Report, 2006). This recommendation is supported by the results in this section.

7.2.2 Like to try new brands (RQ 1.1.2)
An overall average of about 60 percent of consumers surveyed agreed that they like to try new brands. Experts were asked two related questions: "Do Chinese generally like to try new brands?" and "Are Chinese consumers slow in accepting new brands?". About half (19/40) of the experts felt Chinese liked to try new brands while 23 percent (9/40) felt they were slow to accept new brands [see Appendix III, Table A3.3]. Other experts felt that consumers were generally oriented to trying new brands but that it depended on the product class, with technology products cited as products where consumers sought to try new brands and variants. Results from both depth interviews and surveys are consistent. It is quite possible that given a single question on the subject that some consumers provided a somewhat neutral response where confusion over product category occurred. Some of the contingency factors (media exposure, product category, income, for example) cited by the experts can explain the moderate differences in expert opinion and consumer survey results.

7.2.3 Store loyalty (RQ 1.1.3)
Among all consumers surveyed, 64 percent (shop for groceries in more than three stores), 22 percent (prefer to shop in one department store), and 15 percent (prefer to shop for groceries in one store) agreed with the respective statements. In general, therefore, whether shopping for groceries or non-grocery items only a minority of consumers are loyal to a single store. Most shop at multiple stores over the course of a month. This finding contradicts, to some extent, experts' opinion where most felt that consumers in China are very loyal to the small repertoire of stores they patronize. Two-thirds of the experts had few or no reservations in responding positively while all the others agreed but attached a contingency to their affirmative response. It is possible that the method of framing the question creates the disparity given that two of the three related survey questions asked if they prefer to shop in just one store. For consumers who may indeed patronize a small repertoire of department stores they would have disagreed with this statement yet exhibit at least some degree of 'repertoire' loyalty.[44]

7.2.4 Purchase substitutes (RQ 1.1.4)
A majority, sixty five percent (26/40), of experts felt that consumers will generally substitute their *a priori* purchase choice for another brand while another thirty-three percent (13/40) felt that they generally would substitute but that it depended on the product category, the name of the substitute brand, or several other factors. Some felt that consumers were reticent to

substitute for their *a priori* choice in technology and luxury product categories but were more willing to substitute for frequently purchased daily necessities.

Expert opinion accorded with consumers surveyed as 56 percent of experts agreed with the first statement and 21 percent agreed with the second statement. Experts felt that consumers are willing to substitute within a brand repertoire and this correlates with consumer responses where only twenty-one percent of consumers surveyed would consider substituting their purchase choice with an unfamiliar brand.[45]

7.2.5 Pay premium for superior retail service (RQ 1.5.0)

Just ten percent (4/40) of experts felt unreservedly that Chinese consumers would pay a premium for above-average retail service [see Table A3.4]. Forty percent (16/40) felt unreservedly that they would not. Fifty percent felt that it depended on contingency factors including the consumer's income and the retailer's product area. Among consumers, fifty two percent of those surveyed felt that they would be willing to pay for service but a minority of Beijing and Chongqing consumers were not willing to pay for service, which accords more closely to the experts' consensus of opinion.

In the expert interview a price premium of 20% was cited as a reference point on which to make the determination. This was not included in the main survey and was left to the interpretation of the respondent. Overall, we may conclude that not more than half of consumers are willing to pay such a premium for above-average service. Clearly, consumers must be able to see a differential service benefit before they would be willing to pay a premium price at a store that provides above-average service.[46]

7.2.6 *a priori* Purchase (RQ 1.4.0)

Twenty percent of the experts felt that consumers generally have *a priori* brand choices in mind while about fifty-five percent felt it depended on gender, product class, and absence or presence of in-store marketing activity [see Appendix III, Table A3.5]. The question did not ask whether consumers actually purchased the brand they originally had in mind prior to shopping. Just 23 percent of the experts felt that consumers generally do not have a brand in mind. In contrast, 63 percent of all consumers surveyed felt they generally have a brand in mind prior to going shopping. Given the definitive nature of the survey question that consumers "always have a certain brand" in mind, we note only a slight divergence between experts and consumers. Factoring in contingency responses, a majority of experts felt that consumers at least some, or much of, the time plan to purchase a specific brand of product.

7.2.7 Attraction to loyalty programs (RQs 1.2.3,1.2.4,1.2.5)

Sixty-five percent of consumers surveyed preferred stores with loyalty programs and 70 percent often used such programs. This was quite close to the experts' opinions with 75 percent feeling that consumers are attracted to loyalty programs [see Appendix III, Table A3.6]. This result seems to bode well for the plethora of venues that offer programs that reward loyalty and repeat business. Only ten percent of experts felt that consumers were not attracted to loyalty programs. Fifteen percent felt certain contingencies were relevant. It is not surprising to see that consumers tend to be somewhat less pronounced in their responses because of the more definitive nature of the survey question ("attracted to loyalty programs" is a stronger statement than "I prefer to shop at a store where I have a store discount card" or "prefer to shop at a store with a membership card”).

7.3 General Purchasing Intentions and Actual Purchasing Frequency (GRQ 1.0. RQ 1.1.1~1.1.5, RQ 4.0)

Purchasing intentions and comparison to actual purchasing behavior were studied to determine:

- if similarities exist among the four ethnic groups with respect to a variety of purchasing intentions statements,
- if ethnic groups were similar in their purchasing conservatism, and
- if the frequency of purchasing intentions and actual purchase frequency are similar.

7.3.1 Similarities in purchasing intentions related to situational factors (GRQ 1.0)

Of the seven general purchasing intentions statements related to situational factors (Q11, Q12, Q15, Q16, Q17, Q20, Q22) similarities among ethnic groups were found for two (see Section 6, Table 6.3 and Table 6.5). No significant differences among all ethnicities were found with respect to willingness to pay an above-average price for a known brand or for having a certain brand in mind when going shopping. However, in examining pair-wise differences between ethnicities a number of differences were found. Significant differences were found with respect to willingness to pay for a known brand between Beijing and Chongqing consumers and between Beijing and Shanghai consumers. Beijing and Shanghai consumers were also different with respect to having a brand in mind when going shopping.

Differences among ethnicities were found in general purchasing intentions including willingness to pay for better customer service, frequently finding price differences, preferring to shop where benefits cards can be used, shopping at stores with a credit card facility, and using store-benefits cards. However, no differences were found between Shanghai, Chongqing, and Guangzhou consumers with respect to preferring a store where a benefits card can be used. Shanghai consumers were most likely to find price differences while Guangzhou consumers were least likely to find price differences. Chongqing consumers were least likely to choose a store just because they could pay with a credit card. No significant differences between Shanghai and Guangzhou consumers were found with respect to store choice and the store possessing a credit card facility. Beijing and Chongqing consumers were similar in their intentions to use a benefits card when shopping while Guangzhou consumers were significantly more likely to use a benefits card than the other three ethnicities.

Overall, in examining the six combinations of ethnic pairings with respect to the seven relevant statements we find that the largest number of significant differences, seven, were found between Beijing and Shanghai consumers. The fewest significant differences occurred between Beijing and Chongqing (3) and Shanghai and Guangzhou (3) consumers. Chongqing and Guangzhou consumers' intentions differed on six of the seven statements. Overall the following numbers of significant differences were found as follows: Beijing-Shanghai (7), Beijing-Chongqing (3), Beijing-Guangzhou (4), Shanghai-Chongqing (4), Shanghai-Guangzhou (3), and Chongqing-Guangzhou (6).

7.3.2 Conservatism of Purchasing Intentions (RQs 1.1.1~1.1.5)
There is a lack of empirical work comparing the level of "conservatism" of purchasing intentions between ethnic groups, generally, and in particular between ethnic groups in China. Conservatism in purchasing intentions is manifest in terms of relative perceptions of risk in purchasing. This perception of risk in purchasing is in turn manifest in a variety of consumer behaviors. To identify preponderances in these behaviors related purchasing intentions statements were included.

Ethnocentrism and COO influences, willingness to try new products, the extent of others' influence, and the extent of store and brand loyalties were significantly different among ethnicities on each statement studied. In other words, we can confidently claim that there are differences in levels of consumer "conservatism" among ethnicities in China. However, it is useful to examine pairs of ethnicities for additional insight.

With respect to the first conservatism dimension, Shanghai and Guangzhou consumers have similar levels of interest in purchasing Chinese brands as well as foreign brands. Beijing consumers were found to most prefer to buy domestic brands where possible. Only Chongqing consumers agreed less often than the other three ethnicities with respect to preferring to buy foreign brands (see Chapter 6, Table 6.3).

With respect to the second conservatism dimension, Beijing, Shanghai, and Chongqing consumers were similarly disagreed that they wait for a recommendation before buying a new product on the market. Of the three related purchasing statements (like to try new brands, buy new products or variants, and wait for recommendation before buying new products) each pairing was significantly different. Guangzhou consumers were most likely to want to try new brands which may be reflective of their superior purchasing power or a stronger curiosity in trying something new. Chongqing consumers were least likely to try new brands and were least likely to try new product variants which are reflective of a more austere mindset. These results generally accord to experts' opinions.

Analyses of the extent of others' purchase influence, finds that Beijing and Chongqing consumers had similar levels of agreement that their friends make purchases after seeing them buy it. Shanghai and Guangzhou consumers had higher levels than Beijing and Chongqing consumers with Guangzhou consumers agreeing to the statement significantly more often than the other three ethnicities. Shanghai and Chongqing consumers reported that they generally did not feel pressured to buy things their friends recently had while Guangzhou consumers were most likely to agree that they did with Beijing consumers second among the four ethnicities studied. Overall, Guangzhou consumers seem to feel the greatest pressure to ''keep up with the Joneses'' than other Chinese consumers. These findings agree with experts' opinions' mildly but experts seemed to feel that Beijing consumers were most impacted by the influence of others. The consensus of experts' opinions that Chongqing consumers are least influenced by others (i.e. by peer pressure) is supported by the survey findings (refer to Appendix III).[47]

With respect to the fourth dimension, the extent of store loyalty, Shanghai and Chongqing consumers are least likely to be loyal to a single grocery or department store. Guangzhou consumers are significantly more likely to shop for groceries in more than three stores in a month. Beijing consumers display the highest degree of store loyalty among the four ethnicities with less than half of consumers shopping for groceries in more than three stores and about one-quarter shopping in only one department store in a month. This result fits with experts' comments that the physical largesse of Beijing makes it more inconvenient to shop, generally.

With respect to the fifth dimension, the extent of brand loyalty, Shanghai and Chongqing consumers are similar with respect to five of the six related survey questions: purchase familiar substitute, buy certain favorites, purchase unfamiliar substitute, purchase favorite regardless of price, and pay a premium for a known brand. They are significantly more loyal to brands based on each of the six purchasing intentions statements. Among ethnicities Beijing and Guangzhou consumers are least brand loyal. Guangzhou consumers will buy favorites but only if the price is not too expensive and are most willing to purchase an unfamiliar substitute. Beijing consumers are the least likely to purchase the brand they most prefer.

Taking a composite view of the relative levels of "conservatism" by using frequency data, the 16 purchasing intention statements that relate to one or more aspects of the dimension were examined (see Table 7.1). Analyzing the most and least conservative frequency scores for each statements shows that each city was most conservative on four statements (with one tie). Guangzhou had the highest number of least conservative scores, seven, while Beijing had two. The findings do not intend to ascribe relative weightings of conservatism with respect to each of the purchasing intentions statements but instead intend to give additional insight as to an overall conservatism orientation. The results show, therefore, that while statistically significant differences exist between ethnicities on most of the purchasing statements there is not a clearly more "conservative" ethnic group of consumers overall. Additional research on this area would be needed to establish additional conclusions.

Table 7. 1 Analyses of frequencies of purchasing intentions statements related to "conservatism"

	# of times a city had the MOST conservative response by frequency score	**# of times a city had the LEAST conservative response by frequency score**
Beijing	4	2
Shanghai	4	4
Chongqing	4	3
Guangzhou	4	7

7.3.3 Frequency of purchasing intentions and actual purchase frequency (RQ 4.0)

Differences in frequency of purchasing intentions between ethnicities were established in Section 6 (see Table 6.29 and Table 6.30). We noted that there was generally a weak to medium level of association between ethnicity and intended purchase frequency among categories. Those with the weakest association tended to be either luxury-type products (perfume and mobile phones) or mundane purchases such as cooking oil and household cleaners. The strongest associations were found among snacks and toothpaste. To some extent the frequency of purchasing snacks may be partly culturally determined. We found that for example, 51 percent of Shanghai consumers intended to purchase snacks 7 or more times per year in contrast to Beijing (33%), Chongqing (17%), and Guangzhou (25%) consumers. This result supports information reported in the qualitative study suggesting that Shanghai consumers tend to like sweet tastes and food. Chongqing consumers, on the other hand, intend to make significantly fewer snack purchases which accords to experts' opinion that they are, in general, more austere consumers.

Where association between intended frequency and ethnicity was particularly low, such as in the mobile phones and perfumes categories, the nature of the category can explain the minimal difference. With respect to intended purchase frequency of mobile phones only a small percentage of consumers among ethnicities intended to purchase one or more times per year: Beijing (20%), Shanghai (26%), Chongqing (13%), and Guangzhou (9%). Similarly a minority of consumers intended to purchase perfume one or more times in a year: Beijing (19%), Shanghai (17%), Chongqing (11%), and Guangzhou (9%). It is possible that consumers are able to 'consume' the product over a longer period of time and thus do not have a need for more frequent purchases. This is similar for home appliances where a low level of association also was found.

In the category for which the strongest association was found, toothpaste, 63 percent of Guangzhou consumers intended to purchase six or fewer times per year. This contrasts with consumers from Beijing (33%), Shanghai (47%), and Chongqing (40%). This finding contrasts with some experts' opinion who felt that Guangzhou consumers tend to shop more frequently in general.

The disparity in frequency intention of bottled water may be explained on the basis of geography. Sixty-six percent of Guangzhou consumers intended to purchase bottled water more than 12 times per year, compared to Shanghai (58%), Chongqing (46%), and Beijing (40%). Among the four cities, Guangzhou has the highest annual temperature while Beijing has the coolest. Some differences in purchase frequency intentions were also found with respect to cooking oil where 58% of Chongqing consumers intended to purchase seven or more times in a year compared to consumers from Beijing (43%), Shanghai (27%), and Guangzhou (34%). Two explanations may account for this: the usage amount of cooking oil used in cooking, or differing package sizes. Store observations in the four cities did not reveal any systematic packaging size bias. Although other reasons may account for this difference, Sichuan cuisine is well known to require relatively larger amounts of cooking oil when used with the chilli peppers popular in the cuisine.

Population density likely accounts for the usage intention frequency of banks (ATMs) among the cities. Shanghai and Guangzhou intend to use banks (ATMs) more frequently than Beijing or Chongqing consumers. Sixty-eight percent of Shanghai consumers and sixty-nine percent of Guangzhou consumers intend to use a bank (ATM) more than 12 times per year in contrast to consumers in Beijing (30%) and Chongqing (25%). With very dense populations it is more feasible for Shanghai and Guangzhou banks to offer more branches and ATMs making it relatively convenient to use them in these two cities.

Results also show that more Guangzhou consumers (55%) intend to patronize a hypermarket more than 12 times per year in comparison to consumers in Beijing (20%), Shanghai (40%), and Chongqing (25%). This may partially be explained by the greater access to large-scale shopping centers in and around Guangzhou as well as the frequent trips that many Guangzhou consumers take to Hong Kong primarily for shopping purposes.

Overall, Shanghai consumers intended to make the most frequent purchases (6 of 12 categories) while consumers from Guangzhou (3 of 12), Beijing (2 of 12) and Chongqing (1 of 12) intended to make less frequent purchases.

Differences among ethnicities were also found with respect to actual purchasing frequencies. From Section 6, Table 6.29 we found significant differences between ethnicities for all categories. The association between ethnicities and actual purchase frequency showed the strongest association in the snack categories, a similar finding to purchasing intentions. We saw that Shanghai and Guangzhou consumers were most similar on this dimension and contrasted with Beijing and Chongqing consumers, who were also relatively distinct from each other. This was particularly true for snack categories and Cell 4 (high functionality/high representationality) categories. In general, the strength of associations between ethnicities and actual category purchase frequencies was uniformly stronger (9 of 12 categories) when compared to the strengths of association between intended purchase frequency and ethnicity.

If we look at average actual purchase frequencies in each cell we found that Guangzhou consumers purchase their favorite brands most frequently for Cell 1 categories, Shanghai consumers most frequently for Cell 2 and Cell 4 categories, and Beijing consumers for Cell 3 categories. Purchase frequency of favorite brands was lowest among Chongqing consumers.

Table 7.2 shows a comparison between intended and actual purchase frequencies. Among Beijing consumers there is a general, positive correlation between actual and intended purchases. In nine of twelve categories there was a strong positive relationship between intended and actual purchase frequencies. For example, 78 percent of Beijing consumers said they intended to purchase bottled water seven or more times per year while 87 percent of Beijing consumers said they purchased their favorite brand seven or more times per year. Intention to purchase and actual purchase frequencies were similar for mobile phones, perfume, banks (ATMs), hypermarkets, toothpaste, and ice cream. A comparison of the frequency consisting of seven or more purchases per year highlights major differences as follows: household cleaners (22% intended vs. 35% actual), cooking oil (43% intended vs. 55% actual), appliances (3% intended vs. 22% actual), and most notably potato chips (35% intended vs. 65% actual) and specialty chocolates (26% intended vs. 63% actual).

Among Shanghai consumers there was a strong positive correlation between intended and actual purchase frequencies for 8 of 12 categories. In particular the categories consisting of bottled water (74% intended vs. 78% actual), cooking oil (23 % intended vs. 27% actual), toothpaste (52% intended vs. 50% actual), and hypermarkets (71% intended vs. 72% actual) had strongly similar frequency intentions when considering those purchasing 7 or more times per year. Four categories were distinctly different with respect to purchasing seven or more times per year including household cleaners (12% intended vs. 30% actual), specialty chocolates (43% intended vs. 76% actual), ice cream (33% intended vs. 56% actual) and mobile phones (3% intended vs. 32% actual). Of these, we can postulate that situational factors may come into play interrupting the actual purchase frequency. For example, a product display may bring to mind a latent desire to consume chocolates or ice cream resulting in greater actual purchase frequencies. Peer pressure, for instance, may explain why consumers may more frequently change their mobile phones than they otherwise intended.

Chongqing consumers were more apt to differ in their intentions and behavior purchase frequencies. In six of twelve categories intentions were highly correlated with behavior: household cleaners, potato chips, ice cream, appliances, perfume, and mobile phones. In six of twelve other categories intentions and behavior differed significantly. A comparison of the percentage of consumers in the more than seven purchases per year category is as follows: bottled water (72% intended vs. 48% actual), cooking oil (38 % intended vs. 58% actual), specialty chocolates (39 % intended vs. 9% actual), toothpaste (37% intended vs. 61% actual), banks (ATMs) (49% intended vs. 87% actual), and hypermarkets (48% intended vs. 62% actual).

Among Guangzhou consumers, consistency between intentions and actual purchase frequencies were high in eight of twelve categories. In four of twelve other categories intentions and behavior differed significantly. A comparison of the percentage of consumers in the more than seven purchases per year category is as follows: cooking oil (34% intended vs. 52% actual), potato chips (22 % intended vs. 57% actual), specialty chocolates (11% intended vs. 56% actual), and ice cream (41% intended vs. 24% actual), banks (ATMs) (49% intended vs. 87% actual), and hypermarkets (48% intended vs. 62% actual).

Overall, among all ethnicities and all cells the products most likely to show differences between intention and behavior relate to snack items: potato chips, chocolates, and ice cream. As discussed above, differences between purchasing intentions and actual behavior may be the result of situational influences. Belk (1974) refers to situational factors as factors that impact behavior at a particular time and place and which have a demonstrable and systematic effect on current behavior. Such factors would include marketing activities, availability, product displays, usage occasion, mood, and variety seeking (Saurazas, 2000). As Saurazas (2000) indicated several studies have examined the relationship between purchasing intentions and purchase behavior (Adams, 1974; Pickering and Isherwood, 1974; Gormley, 1974; Zhuang *et al*

2006; Wakefield and Inman, 2003; Engel *et al* 1995). Saurazas (2000) observed that Chinese consumers had different perceptions of appropriate food consumption in situations where business associates were present versus those where parents were present. Intended use was also a factor observed by industry experts interviewed whereby they noted that when purchasing wine or spirits for gifts, consumers would purchase more premium brands than for self-consumption. This was previously supported by Belk (1975) and Solomon *et al* (2008) who identified a gift purchase as more involving than a personal-use purchase perhaps because of the desire for *face* or appreciation from the intended recipient. In general, the observed relationship between intentions and behavior is positive and significant. Table 7.4 compares actual purchase frequency of the brand most often purchased and intended purchase frequencies.

Table 7. 2 Comparison of Intended and Actual Purchase Frequency of Brand Bought Most Often - All Ethnic Groups by category and frequency

	Beijing Intended				Beijing Actual				Shanghai Intended				Shanghai Actual				Chongqing intended				Chongqing Actual				Guangzhou Intended				Guangzhou Actual			
Category/ Frequency of Purchase*	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)	<1 (%)	1-6 (%)	7-12 (%)	>12 (%)
Household cleaner	62	16	11	11	29	36	18	17	52	36	10	2	25	45	25	5	53	25	20	1	49	33	16	3	43	34	22	1	18	51	14	17
Bottled water	6	16	38	40	1	12	32	55	13	7	22	58	7	19	23	51	11	17	46	26	26	27	32	16	4	9	22	66	3	25	20	52
Cooking oil	21	36	32	11	14	31	25	30	33	41	22	5	8	69	20	3	23	20	45	13	20	41	31	7	32	34	20	14	4	44	40	12
Avg - Cell 1	**30**	**23**	**27**	**21**	**15**	**26**	**25**	**34**	**33**	**28**	**18**	**22**	**13**	**44**	**23**	**20**	**29**	**21**	**37**	**13**	**32**	**34**	**26**	**9**	**26**	**26**	**21**	**27**	**8**	**40**	**25**	**27**
Potato chips	28	37	18	17	5	31	40	25	34	25	18	23	7	41	24	28	68	13	19	1	50	28	19	3	63	15	9	13	10	33	26	31
Specialty chocolate	33	41	19	7	5	31	37	26	40	18	20	23	1	23	25	51	83	9	8	1	24	38	30	9	68	22	5	6	6	38	29	27
Ice cream	25	33	31	11	11	36	35	18	16	15	19	50	5	38	32	24	62	15	16	8	52	30	17	1	30	29	10	31	39	37	19	5
Avg - Cell 2	**29**	**37**	**23**	**1**	**7**	**33**	**37**	**23**	**30**	**19**	**19**	**32**	**4**	**34**	**27**	**34**	**71**	**12**	**14**	**3**	**42**	**32**	**22**	**4**	**54**	**22**	**8**	**17**	**18**	**36**	**25**	**21**
Toothpaste	4	29	30	37	3	25	27	44	8	41	46	6	12	39	44	6	18	22	40	21	25	38	28	9	23	40	18	19	7	54	25	14
Appliance	84	13	3	0	55	24	5	17	63	31	7	0	44	54	1	1	84	15	2	0	77	16	5	1	94	6	0	0	81	13	2	5
Banks (ATMs)	17	21	32	30	7	23	27	42	5	2	25	68	8	9	16	64	5	8	47	40	22	29	33	16	2	12	17	69	1	27	37	36
Avg - Cell 3	**35**	**21**	**22**	**22**	**22**	**24**	**20**	**34**	**25**	**25**	**26**	**25**	**21**	**34**	**20**	**24**	**36**	**15**	**30**	**20**	**41**	**28**	**22**	**9**	**40**	**19**	**12**	**29**	**30**	**31**	**21**	**18**
Hypermarket	16	30	34	20	4	26	40	30	4	25	31	40	3	25	21	51	9	29	37	25	22	30	29	19	0	10	35	55	0	21	32	47
Perfume	81	16	1	2	44	44	8	5	83	11	5	1	46	35	14	5	88	4	6	1	64	26	6	4	92	9	0	0	69	15	0	15
Mobile phones	80	16	3	1	59	26	4	11	74	23	3	0	71	25	31	1	89	10	2	1	82	15	2	1	91	9	0	0	71	23	0	5
Avg - Cell 4	**59**	**21**	**13**	**8**	**36**	**32**	**17**	**15**	**54**	**20**	**13**	**14**	**40**	**28**	**22**	**19**	**62**	**14**	**15**	**9**	**56**	**24**	**12**	**8**	**61**	**9**	**12**	**18**	**47**	**20**	**11**	**22**
Average	**38**	**25**	**21**	**13**	**20**	**29**	**25**	**27**	**35**	**23**	**19**	**23**	**20**	**35**	**23**	**24**	**49**	**16**	**24**	**12**	**43**	**29**	**21**	**7**	**45**	**19**	**13**	**23**	**26**	**32**	**20**	**22**

* Frequency refers to purchase, usage, or patronage per year.

NB: Totals may not add to 100 due to rounding.

7.4 Brand Choice (RQ 2.0)

This section discusses two aspects of brand choice: brand loyalty, and the reasons for the purchase of specific brands.

As part of the analysis of conservatism in section 7.3.1, we discussed brand loyalty. Although, a reasonably significant amount of research has dealt with brand loyalty, loyalty patterns are not well discussed from a cross-cultural perspective. This research extends current theory beyond what has been reported and examines loyalty patterns within and between different sub-cultural groups.

The concept of brand loyalty refers to a non-random purchase selection. It can be thought of as a preference or propensity to purchase a brand on repeated occasions (Saurazas, 2000). Some consumers are loyal to a single brand which Sharp *et al* (2002) say is characteristic of a *subscription* pattern. Most commonly, consumers are loyal to a repertoire of brands or are what may be called polygamous brand users (Sharp *et al,* 2002; Ehrenberg *et al*, 2004). Having a brand repertoire does not mean that purchase frequencies are evenly split among brands because, for example, a consumer may purchase his favorite brand 50 percent of the time, purchase his second favorite 30 percent of the time, and purchase his third favorite 20 percent of the time. Many factors impact the size and composition of brand repertoire such as the frequency and timing of the main shopping trip, brand availability and stock outs, and by pantry 'stuffing' from promotional purchases (Sharp *et al*, 2002), among other factors. It is possible to model the patterns in purchasing a brand choice which includes the frequency of purchase, and the size and composition of brand repertoire.[48]

Analyses showed that there were evident differences in the brand repertoires used over the last two years among ethnicities. Eleven of twelve brand categories showed significant differences in brand repertoires among ethnicities. In the sole category where no significant differences exist, perfume, results indicated that among consumers who purchased perfume in the last two years the brands they purchased were largely similar. Additional analyses for the categories where significant differences were found indicate that the purchase repertoires had commonalities in many categories. In household cleaners, a minimum of 24 percent in each ethnic group had purchased Mr. Muscle as part of a repertoire. In the bottled water category a minimum of 83 percent had purchased Nongfu, a minimum of 30 percent had purchased Kangshifu, and a minimum of 31 percent had purchased Wahaha brand. A strongly similar purchasing repertoire was found in the toothpaste category where a minimum of 66 percent in each ethnicity had purchased Colgate, 58 percent Zhonghua, and 63 percent Crest. A strongly similar repertoire also was found in the bank (ATM) category where a minimum of 72 percent of each ethnicity had used the Agricultural Bank, 56 percent had used the Bank of China, and 55 percent had used HSBC.

A reduced, but still substantial, repertoire similarity was found in the comfort foods areas: potato chips, specialty chocolates, and ice cream. A minimum of 20% in each ethnicity had purchased Oishi and 28% had purchased Lay's potato chips. A minimum of 33 percent had purchased Dove chocolates. A minimum of 37 percent had purchased Mengniu ice cream, 37 percent had purchased Yili ice cream, and 25 percent had purchased Walls ice cream.

Some brand commonalities were also found in mobile phones where Nokia had been purchased by a minimum of 34 percent among all purchasers. In the cooking oil category Arawana was purchased by a minimum of 66 percent, Fulan 30 percent, and Luhua 34 percent. In the hypermarkets category a minimum of 63 percent in each ethnicity had patronized Carrefour and 25 percent Hualian. In the appliance category the main brand in the purchase repertoire was Haier which was purchased by a minimum of 27 percent in each ethnicity.

Beijing and Shanghai consumers shared the most favorite brand in 7 of 12 categories: household cleaners, bottled water, appliances, potato chips, specialty chocolates, mobile phones, and cooking oil. Chongqing consumers shared the same favorite with Shanghai consumers in five product categories: perfume, cooking oil, ice cream, banks (ATMs) and hypermarkets.   Guangzhou consumers shared favorite brands with Beijing consumers in six categories: bottled water, appliances, specialty chocolates, mobile phones, cooking oil, and banks (ATMs). Guangzhou also shared favorite brands with Shanghai consumers in eight categories.

As we discussed in Section 4, we can classify the two main reasons for brand purchases as either functional or representational (de Chernatony, 1991). Table 7.3 indicates consumers' reasons for purchasing their favorite brands by involvement level.   The result shows that on average "quality" was the reason given by most consumers in three out of four cells, while "family likes it" was stated for the high functionality/high representationality cell. We can also see that "quality" was cited as the main reason for the purchase of favorite brands in 6 of 12 categories by the highest percentage of consumers (38.3%), followed by family members like it (19.4%). Perfume and potato chips were purchased primarily for representational (emotional) reasons. This was a finding similar to Saurazas' (2000) United Arab Emirates study of three ethnicities where quality was cited by an average of 33 percent of consumers in an analysis of similar product categories. As in the UAE, also a developing country, this study supports the notion that consumers generally make purchases for rational reasons. In contrast to that study, however, where 28 percent cited "value" as the main reason, only 12.8 percent of Chinese urban consumers cited that as the main reason.

Table 7. 3 Reasons for purchasing favorite brand by category

(%of total respondents)													
	Cell 1			Cell 2			Cell 3			Cell 4			
Category / Main Reason	House hold Cleaner	Bottled Water	Cooking Oil	Specialty Chocolates	Potato Chips	Ice Cream	Tooth paste Cell 3	Appliances Cell 3	Banks (ATMs)	Perfume	Mobile Phones	Hyper markets/ Departme nt Stores	Avg
It is good value.	28%	20%	9%	11%	6%	8%	14%	18%	4%	13%	11%	12%	12.80%
It is readily available	9%	20%	8%	13%	3%	15%	11%	3%	43%	3%	2%	38%	14.00%
It is of a consistent quality	43%	34%	52%	14%	24%	21%	40%	65%	38%	30%	67%	31%	38.30%
Family members like it	15%	16%	28%	40%	36%	32%	29%	9%	4%	9%	6%	9%	19.40%
It makes me feel good	4%	9%	3%	18%	37%	21%	7%	4%	9%	40%	8%	5%	13.80%
My friends also buy it	2%	1%	0%	3%	5%	4%	0%	1%	2%	5%	7%	3%	2.80%

An additional substantial influence on purchase choice was family influence which was cited by about 20 percent as being the main reasons for purchase. In a previous study (Paproski, 1990) on Chinese consumer behavior it was found that the main family influencer was product category dependent. Male adults were the main influencers in electronic and household appliances categories, while female adults were the main influencers in clothing and footwear, personal care and household necessities [see Table 7.4].

Table 7. 4 Who Influences Brand Choices?

	Male Adult	Female Adult	Children	Other
Electronic Products	51%	17%	28%	4%
Household Appliances	51%	20%	24%	5%
Clothing & Footwear	3%	44%	42%	11%
Personal-Care	9%	46%	35%	10%
Household Necessities	15%	56%	19%	10%

Source: Paproski (1990), pp.8-9.

Table 7.5 summarizes the main reasons given by cell. In the high functionality quadrants the main reason given was quality, which points to the desire to purchase a serviceable product. In the low functionality/high representationality quadrant family and personal (feels good) considerations are given more weight by consumers. A certain degree off hedonic consumption is evident in the high functionality/low representationality quadrant with 'feels good' being given significant weight in addition to the pragmatic quality/value justification.

Table 7. 5 Reasons for purchasing favorite brand by Cell

(Average of total respondents)

Functionality	Reason	Representationality: Low	Representationality: High
High	Value	12%	12%
	Availability	19%	14%
	Quality	48%	43%
	Family likes	14%	8%
	Feel good	40%	18%
	Friends buy	1%	5%
Low	Value	19%	8%
	Availability	12%	10%
	Quality	43%	20%
	Family likes	20%	36%
	Feel good	5%	25%
	Friends buy	1%	4%

7.5 COO/COM Effects & Knowledge (RQ 5.0)

Chapter 6 established that country of origin was a significant influence on brand choice in 10 of 12 categories with the exceptions being ice cream and hypermarkets choice. The country-of-origin influence was different among ethnicities with Beijing consumers being least influenced, Shanghai consumers being most influenced, and Chongqing and Guangzhou consumers equally influenced. Melewar *et al* (2004) similarly found that there is an association between COO and brand behavior in China but felt the association to no longer be absolute. He argued that Chinese consumers, like consumers around the world, are exhibiting increasingly sophisticated behavior and consider COO as just one, often less relevant, factor in brand choice. This behavior was evident in Sony's sales of televisions in China. News reports that a number of consumers purchased defective Sony televisions caused a drop in sales causing Sony to launch a rescue program that offered free replacement for any defective televisions sold (Melewar *et al*, 2004). A more recent example was Toyota's car sales in China which came under world-wide pressure amid quality concerns about its gas pedals and other parts causing massive world-wide recalls throughout 2010.

Table 7.6 shows that for Beijing consumers they are least influenced by COO with three of four cells not significant. The only other cell category that was not significant among the other ethnicities was Cell 2 for Guangzhou consumers. Chongqing consumers felt COO was slightly more important on three of four cells in relation to Shanghai consumers; yet these differences were not statistically significant.

Table 7. 6 Overall Cell test of importance of Country-of-Origin by Ethnicity

(H_0: Cell $\mu \geq 3$)								
Importance of C-O-O by Category								
		Cell 1		Cell 2		Cell 3		Cell 4
Beijing	Cell Avg	2.86		3.00		2.91		2.96
N=300	Cell SD	1.11		0.94		1.08		1.02
	t-stat	-2.18		0.0		-1.4		-0.7
	Sig.	0.05		N.S.		N.S.		N.S.
Shanghai	Cell Avg	2.49		2.70		2.32		2.43
N=321	Cell SD	0.96		0.92		1.08		1.07
	t-stat	-9.52		-5.84		-11.3		-9.54
	Sig.	0.00		0.00		0.00		0.00
Chongqing	Cell Avg	2.52		2.80		2.45		2.61
N=306	Cell SD	1.02		0.78		1.01		0.96
	t-stat	-8.2		-4.49		-9.53		-7.11
	Sig.	0.00		0.00		0.00		0.00
Guangzhou	Cell Avg	2.57		2.97		2.37		2.44

(H_0: Cell μ≥3)								
Importance of C-O-O by Category								
		Cell 1		Cell 2		Cell 3		Cell 4
N=315	Cell SD	0.99		0.71		0.99		0.96
	t-stat	-7.71		-0.75		-11.3		-10.4
	Sig.	0.00		N.S.		0.00		0.00
1=Strong agree; 2=agree; 3=neutral;4=disagree;5=strongly disagree								

From Chapter 6, Table 6.37 we saw that average overall knowledge of brands bought in the last two years was modest. We established that there were significant differences in both COO and COM knowledge between ethnicities with Guangzhou consumers the most knowledgeable overall. Chongqing consumers' overall COO knowledge was weakest while Shanghai consumers' overall knowledge of COM was weakest.

We found further from Table 6.41 that consumers were better able to identify COO for domestic brands than for foreign brands. For example, some local brands had near universal COO recognition such as Nongfu (97%) and Wahaha (96%) bottled waters, Zhonghua toothpaste (99%), Arawana cooking oil (92%), and all domestic banks while others had strong recognition such as Cellit floor cleaner (57%), TCL Appliances (66%), and Lenovo computers (78%). Some foreign brands enjoyed high universal recognition primarily in the mobile phone and hypermarket categories but others generally had very low COO recognition. Quite clearly foreign brand manufacturers have not been able to take advantage of COO as a positive purchase cue on a uniform basis.

Table 7.7 reveals that, overall, COM knowledge (61%) was better than COO knowledge (52%) but in general COM knowledge was likely correct by happenstance rather than real knowledge since Chinese tended to feel most products available in the domestic market were manufactured in China. Some examples to support this theory are Nestle where 19% correctly identified the COO versus 65% who correctly identified COM. Colgate (30% versus 86%), Crest (21% versus 77%), Samsung appliances (65% versus 35%) and Mr. Muscle (26% versus 51%) are other examples of where respondents tended to guess China as both COO and COM.

Table 7. 7 Overall brand knowledge among consumers who have purchased brand in last two years

	Average over all brands purchased (used) last two years)	
Key City	% identifying correct COO	% identifying correct COM
Guangzhou	61	64
Chongqing	44	63
Shanghai	52	57
Beijing	50	60

7.5 Implications for Marketing in China

The following sections provide a summary of the key findings with respect to brands most often purchased and brand repertoires in each category based upon survey results and industry information which together provide useful information to marketing managers.

7.5.1 Household cleaner

Of consumers purchasing within the past two years, Beijing (51% most often purchased) and Shanghai (30% most often purchased) consumers' favorite brand of household cleaner was Dettol while Cellit was the favorite among Chongqing (23% most often purchased) and Guangzhou (23% most often purchased) consumers. Beijing consumers tended to have a repertoire of three brands (Cellit, Mr. Muscle, and Dettol). Shanghai consumers preferred Mr. Muscle along with Dettol. Cellit and Mr. Muscle were the two mainstays in Chongqing consumers' repertoire while Cellit and Dettol were the two main brands in Guangzhou consumers' purchasing repertoire. Dettol was able to increase its market share significantly during and after the SARS epidemic that began in China in 2003 by successfully positioning itself as an anti-bacterial cleaner.

7.5.2 Bottled Water

In the bottled water category, Kangshifu was the favorite brand of Beijing (44%) and Chongqing (45%) consumers while Nongfu was the favorite brand among Shanghai (36%) and Guangzhou (36%) consumers. Brand repertoires were slightly larger in this category among consumers as most of the brands as well as others not listed were purchased by consumers over the past two years. Nongfu, Wahaha, Nestle, and Kangshifu make up the majority of Beijing consumers' purchasing repertoire. Nongfu and Nestle and to a lesser extent Kangshifu represent Shanghai consumers' key repertoire brands. Nongfu and Kangshifu and to a lesser extent Wahaha make up Chongqing consumers' main repertoire, while Nongfu and to a lesser extent Watson's brands are the primary components of Guangzhou consumers' repertoire. The Chinese brands tend to compete on price and distribution and while Nestle-brand bottled water has broad distribution its price is ten to fifteen percent higher than domestic brands.

7.5.3 Toothpaste

In the toothpaste category Zhonghua toothpaste, a Unilever brand, was the favorite of Beijing consumers (39%). Colgate toothpaste was the favorite of Shanghai (41%) and Guangzhou (33%) consumers while Crest was the favorite among Chongqing consumers (28%). The toothpaste purchase repertoires were common among all ethnic consumers consisting of Zhonghua, Colgate, and Crest. Zhonghua toothpaste, which is produced by a local manufacturer under license, has been successful by retaining its "local" status. Colgate and Crest, the world leaders in toothpaste have been able to become market leaders in China on the basis of mass advertising combined with broad distribution throughout the country.

7.5.4 White appliances

In the white appliances category, Midea, a domestic brand, was favored by 49% of Beijing consumers. Haier, a domestic brand, was favored by consumers in each of the other three cities: Shanghai (35%), Chongqing (38%), and Guangzhou (37%). Purchasing repertoires differed somewhat in the appliances category with Beijing and Guangzhou consumers choosing most often amongst Haier, Samsung, and Midea. Shanghai consumers chose most often among TCL, Haier, and Samsung. Chongqing consumers chose mainly amongst Haier and Midea. Common to all repertoires was Haier, one of the most well-known domestic brands in China. One of the comparative advantages enjoyed by Haier is its superior cost advantage. Its appliances are produced almost entirely in China in long-established factories that have been updated and supported by the central, provincial, and municipal governments. It also was one of the first Chinese brands to adopt an international standard advertising and promotion support campaign. Midea, which has been run as a private enterprise after originally being run as a village-owned cooperative, has also managed to compete well in the market based on a combination of low price and reasonable quality. Companies like Midea have sought after, and obtained, ISO9000 International Quality Certification and have been able to achieve exemption from national products examination programs. These achievements have helped position the brand as a successful value brand.

7.5.5 Specialty chocolates

China's chocolate market is now the second largest in the world and is dominated by a handful of foreign brands (Zhang, 2008). Of specialty chocolate buyers, a clear favorite amongst Beijing (60%), Shanghai (66%), and Guangzhou (44%) consumers was Hershey's brand. Chongqing consumers preferred Ferrero Rocher (44%). The size of the specialty chocolate purchasing repertoires also seemed to be narrower. In addition to purchasing their favorite the majority of time, Beijing consumers also purchased Meiji and Ferrero Rocher brands albeit to a much lesser extent. Aside from Hershey's, Shanghai consumers also purchased Meiji brand to a limited extent. Chongqing consumers spread their specialty chocolate purchases more evenly around brands with Cadbury and Hershey's also quite strong in the category. Guangzhou consumers favored Ferrero Rocher in addition to their main preference, Hershey's. Overall, this category is dominated by brands of foreign origin very much likely due to superior quality considerations. Key players in the general chocolate sector are Dove, Cadbury, and Hershey which account for 70 percent of the market. It appears to be a difficult market for Chinese manufacturers to enter now as the world's top 20 chocolate companies have all entered China, and there are more than 70 imported or joint venture chocolate brands in today's Chinese market (Zhang, 2010).

7.5.6 Potato Chips

In contrast to chocolate, in the potato chips category, foreign brands face dominant domestic competitors. The favorite chips brand amongst all ethnicities was Maixiangli. The brand was favored by 43 percent of Beijing consumers, 42 percent of Shanghai consumers, 60 percent of Chongqing consumers, and 51 percent of Guangzhou consumers. The purchasing repertoire among Beijing and Chongqing consumers also included another domestic brand Wang Wang. Shanghai consumers also bought Pringles and Oishi, two foreign brands, in addition to their overall favorite, Maixiangli. Guangzhou consumers also bought Oishi and Wang Wang as part of their repertoire. Whereas the quality of chocolate is likely a determining factor in brand purchase in the specialty chocolates category, the taste factor is one of the dominant factors in the potato chips category brand selection. A recent industry survey in China revealed that the top three factors for consumer purchase decisions of processed potato products are: taste, price, and brand. Other factors include novel package, nutrition, advertisement, food safety, and friends' recommendation (Beckman *et al*, 2010). In recent year's Lay's brand has made inroads into the Chinese market with the launching of new flavors such as Beijing duck, cucumber, blueberry, and other flavors. Lay's superior distribution network, first class packaging, and new adapted flavors may help it gain further penetration and share in this growing market segment.

7.5.7 Perfume

The favorite perfume among all ethnicities was Chanel brand but the purchasing repertoires were more evenly split in this category. Beijing consumers purchased Lancome, Chanel, Christian Dior, and Estee Lauder at similar levels. Shanghai consumers favored both Chanel and Estee Lauder evenly and also purchased numerous other brands. Chongqing consumers purchased Chanel and Estee Lauder among many others. Guangzhou consumers' favorite brand was Chanel and they also included Lancome and Gucci in their perfume repertoire. Foreign brand names clearly dominated this category but unlike some of the other product categories studied such as specialty chocolate or potato chips there was not an overwhelming category preference but rather a desire for trying something different given the number of brands that were purchased. It is not uncommon to see a variety of brands of perfume still in their original packaging on display in the homes of Chinese as a kind of status symbol. This view is supported by perfume industry experts who say "the concept of perfume is so new that a lot of Chinese consumers are, in fact, not buying a perfume but rather the brand to which a bottle of perfume happens to be attached" (Burr, 2008). The overall market size is considered very small in relation to its population with the prestige fragrances market valued at US$120 million in 2008 but is growing rapidly at between 20 and 40 percent (Burr, 2008). With this in mind it will be quite difficult for domestic perfume producers to make inroads into this market and particularly the high-end perfume market without major, long term investment in brand building.

7.5.8 Mobile Phones

The favorite brand in the mobile phones category was Nokia among Beijing (56%), Shanghai (48%), and Guangzhou (62%) consumers. Motorola was favored among Chongqing (31%) consumers. Like the perfume category, mobile phones preference was dominated by foreign-origin brands. The main brand repertoire included foreign brands exclusively leaving out TCL and Lenovo, two strong domestic competitors in other product categories. Beijing consumers' repertoire also included Motorola and Samsung brands while Shanghai consumers chose mainly amongst Sony Ericsson, Motorola and Samsung in addition to Nokia. Chongqing consumers had a similarly broad repertoire including Nokia, Samsung, and Lenovo in addition to their favorite, Motorola. Guangzhou consumers had a similar repertoire to Shanghai consumers choosing among SonyEricsson and Motorola along with their favorite Nokia. The level of competitiveness in the mobile phone market is evident with four Japanese mobile phone suppliers exiting the China market in the mid 2000s: NEC, Toshiba, Panasonic, and Mitsubishi (Myers and Lin, 2006).

7.5.9 Cooking Oil

The cooking oil category is dominated by traditional domestic competitors partly due to the tariff quotas in place prior to 2005. To meet their World Trade Organization commitments, on January 1, 2006 China began to implement an automatic licensing system on vegetable oil importers which opened the market to some extent to foreign entry (Hu, 2006). Olivoila is the only foreign competitor with any sizeable distribution in China and focuses mostly on the olive oil subcategory. The main cooking oils consumed in China are soybean, palm, rapeseed, and peanut oil (Hu, 2006). Beijing (31%) and Guangzhou (39%) consumers' favorite brands were evenly split between Arawana and Luhua brands. Beijing consumers were generally split between Arawana, Luhua and Fulan brands. Shanghai consumers repertoire included mainly Arawana (45%) and Fulan (30%) and to a lesser extent Luhua. A majority of Chongqing (53%) consumers preferred Arawana with Luhua and Fulan making up much of the remaining repertoire choice. Guangzhou consumers were split between Arawana (39%) and Luhua (39%) while Knife was a minor player in their cooking oil purchasing repertoire.

7.5.10 Ice Cream Tubs

Ice cream industry experts estimate that Chinese people annually consume 2 liters of ice cream per capita, a significantly smaller amount than Americans, for example, who each consume 19 liters a year (China Business, 2007). Yili brand of ice cream tubs was the favorite among Beijing (36%) and Chongqing (36%) consumers while Walls was the favorite among Shanghai (41%) and Guangzhou (42%) consumers. Consumers tended to have relatively large ice cream tub purchasing repertoires. Beijing consumers also regularly bought Nestle, Mengniu, and Walls in addition to their favorite. Shanghai consumers also bought Mengniu, Nestle, and Yili regularly. Chongqing consumers also bought Nestle and Mengniu regularly while Guangzhou consumers' repertoire also consisted of Nestle to a significant extent and also Meiji and Mengniu to lesser extents. In general foreign brands have had difficulty competing with domestic brands in China at the low-end market which forced some of the multinational brands such as Nestle and Walls to sell low-priced, lower-end brands in order to capture market share (China Business, 2007). This may have been partly because they lacked the powerful distribution network enjoyed by domestic brands and partly because they failed to cater to local market tastes (China Business, 2007). Over the last couple of years, however, Walls and Nestle have introduced new flavors to help advance their market shares and have improved distribution to include even the smallest retailers.

7.5.11 Banks (ATMs)

The favorite bank among most consumers tended to be the ICBC bank followed by the Bank of China. Beijing consumers had a co-favorite with thirty-three percent choosing the Agricultural Bank as their favorite while thirty-three percent chose the ICBC bank as their favorite. To a lesser extent Beijing consumers used Bank of China as part of their banking services repertoire. Forty-one percent of Shanghai consumers' favorite bank was the ICBC Bank while many also used the Bank of China and to a lesser extent Agricultural Bank and the Bank of Communications. Guangzhou consumers' favorite bank, similar to Shanghai consumers, was ICBC. A significant number of Guangzhou consumers also cited the Bank of China (33%) as their favorite bank while the Agricultural Bank was a minor part of their banking services repertoire. HSBC has the biggest profile among foreign banking entities with both branch banking and ATM points while Citibank also has a broad market presence mainly through its ATM network.

7.5.12 Hypermarkets/Shopping Malls

There is a large plethora of malls and shopping centers in China. Hypermarkets were first established in the mid 1990s with the market entry of Carrefour leading the way. Although there are many domestically-managed shopping malls there are not many well-established hypermarkets or all-in-one stores among domestic retailers. Foreign hypermarkets such as Carrefour, Metro, Walmart, and Tesco currently lead the market. Shanghai and Chongqing consumers' favorite hypermarket/shopping mall was Carrefour with about one-quarter of their consumers choosing Carrefour. Thirty-two percent of Beijing consumers cited Walmart as their favorite shopping venue while its subsidiary, Trustmart, was the favorite of forty-five percent of Guangzhou consumers. Beijing consumers also favored Hualian and Carrefour to significant extents. Shanghai consumers tended to have a large repertoire of hypermarkets favoring Hualian, Park'n Shop, Trustmart, among many others, in addition to their favorite Carrefour. Chongqing consumers also cited Trustmart and Walmart among their favorites along with many others. Guangzhou consumers' most preferred Carrefour and Trustmart along with Park'n Shop to a lesser extent.

7.5.13 Implications for Management

We find that some product categories which were either closed or restricted to foreign competition tend to be dominated by local brands. At the same time, we also find that in most categories, with the possible exception of cooking oil, foreign marketers are able to develop markets for their brands in China. The keys are to put resources in developing sufficient distribution channels, focusing on quality, and putting adequate resources into marketing communications and in particular advertising and promotions. We also observe that in product categories where foreign brands have been successful they have been willing to adapt their products meaningfully to the Chinese market while retaining their foreignness. This is evidenced from the strong market shares held by China's potato chip and ice cream manufacturers where Chinese tastes need to be considered in product and package design.

From the information gathered from industry experts and consumers we find that Chinese consumers, particularly urban consumers, are sophisticated and not easy to please. While they possess some elements of brand and store loyalty, these loyalties are fleeting. Chinese are ultimately quality-centric shoppers. For years they were forced to tolerate second class products but in a very short period of twenty years they have developed a desire for quality. Yet, they also want value at the low-and medium-ends of the market. They are willing to pay premium prices for premium brands but in general they want good quality at low prices.

Another important implication for international marketers is to understand that Chinese products in general have evolved. Melewar *et al* (2004) pointed out that *Made in China* no longer means low quality. Judging by the massive numbers of Chinese-made products found in stores around the world it seems that consumers also accept this. Chinese consumers have also changed their attitudes in part due to the realities of real product quality improvements but also owing in part to major government campaigns that have both pushed and enforced better quality production and have promoted and awarded companies producing quality products in a variety of industries. Thus, this western country advantage is rapidly withering away and, in the very near future, delivering perceived value must be a priority, particularly at the medium- and high-end sectors of a product class. This is going to create an even more competitive dynamic for foreign brand marketers in China because they will not be able to rely indefinitely on positive country of origin effects as a main basis for brand preference.

One area of potential competitive advantage is customer service as applied to the product or brand. Walmart's no question’s asked return policy and Carrefour's lowest price match policy and free storage lockers have helped them obtain customer confidence and satisfy consumers. Our research indicates that consumers are willing to pay a small premium for "better service" but they need to be convinced as to what that superior service is and how it creates a greater value product.

7.6 Summary

This chapter reconciles industry experts’ opinions of differences among the four ethnicities and survey results. It also considers the results of the analyses in the previous chapter in light of the China market and the four ethnicities which are the focus of this study. Consumers’ actual brand purchasing behavior in terms of the most often brands purchased and the repertoires of the twelve product categories are discussed in conjunction with industry information and their relevance to marketing in China. Differences in COO and COM knowledge are discussed and the relative differences in knowledge by product category and ethnicity are discussed. The chapter concludes by highlighting several of the implications of the findings for managers working in China.

8. Summary, Implications, and Conclusions

8.0 Introduction

This chapter provides a summary of the key research findings and discusses them with respect to the general research questions. It discusses the contributions that the research has made in terms of advancing knowledge of some standard consumer behaviors from the perspectives of academics and managers. It also presents limitations of the research, discusses possible alternative approaches, and identifies some of the many possible areas for further research.

8.1 Summary of Results

Significant findings from the research include the following:

8.1.1. General purchasing intentions

- Chinese consumers from key cities differ with respect to their purchasing intentions.
- Urban Chinese consumers are moderate "trailblazers". Most consumers only moderately like to try new brands or try new brand variants.
- Peer pressure is evident in the purchasing intentions of urban Chinese consumers. Chinese consumers moderately agree that others often go out to buy something after seeing them buy it, but they do not see themselves pressured to purchase products their friends have recently bought.
- Urban Chinese consumers appear to be brand loyal. Most aim to buy certain favorite brands, seem to be less willing to purchase substitute brands, or are only willing to buy a substitute brand that is familiar to them, are generally willing to pay more for a known brand rather than pay less for an unknown brand, and tend to agree that they will buy their favorite brand at any price. Moreover, if a product is not too expensive, they are virtually all the more likely to buy the brand they most prefer.
- While urban Chinese consumers appear to be brand loyal they do not seem to be creatures of habit when it comes to choosing shopping venues. Most consumers shop for groceries in more than three stores in a month and few agree that they prefer to shop for groceries in just one store.
- Discount or membership cards seem to enhance store loyalty which is consistent with a broad-based use of store discount or membership cards. Store loyalty seems to be enhanced by their willingness to pay for customer service.
- Based on five measures of conservatism, Beijing and Shanghai consumers exhibit more conservative consumption behaviors than Chongqing and Guangzhou consumers.
- Chongqing and Guangzhou consumers are more likely than consumers in Shanghai and Beijing to wait for a friend's recommendation before buying a new brand.
- Beijing and Guangzhou consumers are more likely than consumers in Shanghai and Chongqing to shop in only one department store in a month.
- Having a credit payment option is important in store choice in China but the level of importance differs by ethnicity.
- Shanghai consumers tend to find price differences on the same brands in different stores more than other urban consumers.

- Consumers from the key cities studied tend to have a certain brand of product in mind when they go shopping. There are no significant differences between *a priori* purchase intent between the ethnicities.
- Shanghai and Chongqing consumers are more willing to pay a higher price for better customer service than Beijing or Guangzhou consumers.
- For most product categories, with the exception of mobile phones and perfume, the intended frequency of purchase is influenced by ethnicity.
- Ethnicity shows a better association with purchasing intentions than income. Differences in income are generally not associated to purchasing intentions.

8.1.2. Brand choices

- Beijing consumers intend to be more ethnocentric in their purchasing behavior in comparison to consumers from other key cities. Beijing consumers intend to purchase Chinese brands to a greater extent than consumers from other key cities.
- Intention to buy domestic brands is not consistent with actual purchase behavior is some cases. Examining the favorite brand by category (most often purchased) reveals that in 5 of 12 categories Beijing, Chongqing, and Guangzhou consumers purchase a foreign brand while Shanghai consumers most often purchased a foreign brand in 7 of 12 categories.
- There is some association between ethnicity and brand purchase repertoire in most product categories.
- The favorite brand in each city was purchased by more than 25% of all consumers in that city in 32 of 48 instances. This indicates that leading brands tend to hold large market shares and that market shares are concentrated among category leaders.
- A low to high level of association exists between ethnicity and favorite brands. The association is strongest in toothpaste, ice cream tubs, perfume, and banks (ATMs) categories.
- Shanghai and Guangzhou consumers have the highest number of shared favorite brands among ethnicities with 10 of 12 categories sharing the same favorite. In contrast, Shanghai and Chongqing as well as Chongqing and Guangzhou share favorites in only five categories.

8.1.3. Reasons for purchase

- In general there was no significant relationship between ethnicity and the reason for selecting brands. Consumers most often cite quality as the main reason for purchase. Quality was cited as the main reason particularly for low functionality/low representationality and high functionality/low representationality categories.
- Aside from quality another often cited reason for purchase is "family likes it" which indicates that consumers tend to consider family desires in their purchase decision. This is especially true for low functionality/high representationality product categories.
- When arranged by Cell, the reasons for purchase are not significantly different between ethnicities except in the case of Cell 2 product categories (specialty chocolates, potato chips, and ice cream tubs). In Cell 2 product categories Shanghai and Guangzhou consumers exhibit some substantial differences in reason for purchase.

8.1.4. Actual purchase frequency

- Beijing consumers made more than twelve purchases (uses) more often than other consumers in half the categories studied.
- Chongqing consumers tend to purchase favorite brands less frequently than consumers from other key cities.
- Snack items such as potato chips, ice cream, and chocolates are quite frequently purchased with about half of consumers purchasing them more than six times per year. Ice cream tubs are a particular favorite with 27 percent of consumers purchasing the product more than once a month on average.
- Perfume was the least frequently purchased product among categories studied.

8.1.5. Importance of country of origin to purchasing Intentions and knowledge of COO and COM

- For most product categories (9 of 12 studied) country of origin is an important consideration in the purchase decision.
- For Beijing consumers, country of origin as a purchase cue is less important than for consumers in the other key cities under investigation.
- Country of origin is a more important purchasing cue for high functionality/low representationality (Cell 3) categories (toothpaste, white appliances, banks/ATMs) than for other cells. Country of origin is not an important consideration with respect to Cell 2 categories (potato chips, specialty chocolates, and ice cream tubs).
- Chinese consumers are better able to identify foreign regional brands (Japan/Korea) than brands from USA/Europe.
- Chinese are generally able to correctly identify brand origin of domestic brands.
- In comparison to knowledge of country of origin, knowledge of country of manufacture is superior in most product categories (8 of 10 examined).
- Knowledge of brand origin in the high functionality categories (Cells 3,4) is highest.
- Of the ten product categories analyzed, brand origin knowledge of household cleaners and packaged chocolates is lowest and highest for mobile phones, appliances, vegetable oil, and perfume.
- For the majority of brands (45 of 70) there were no significant differences in the proportions of recent purchasers and general consumers who knew the country of brand origin. In other words, for many brands users and non-users had the same level of knowledge of brand origin.
- Guangzhou consumers have the most accurate knowledge of brands' country of origin while Beijing and Shanghai consumers have similar knowledge levels and the least accurate knowledge of country of origin is evident among Chongqing consumers.

8.2 Contribution of the Research and Implications

This study has some useful implications for managers involved in managing markets in China as well as marketing academics. It is one of just a few studies that have made an attempt to measure differences in purchasing intentions between any of the ethnicities in China. With China emerging as perhaps the world's most important market a deeper understanding of consumer behavior is needed amongst its vast regional populations.

A contribution has been made with respect to understanding differing levels of consumer conservatism in China. Shanghai consumers have traditionally been typecast as the most modern and fashionable consumers in China but our results support the argument that there is either no statistically significant difference on most of the "conservatism" dimensions or that in some cases Shanghai (as well as Beijing) consumers exhibit *more* conservative behavior than Chongqing or Guangzhou consumers. Peer pressure continues to play a role in their purchasing behavior largely due, according to experts interviewed, to *Confucian face*. Moreover, it is somewhat surprising that Beijing consumers seemed less affected by *Confucian face* considerations than, for example, Shanghai or Guangzhou consumers, as is often the stereotype.

We have also established that urban Chinese consumers tend to be brand loyal but only within certain parameters. Based on initial expert opinion it is surprising that consumers seem to be as brand loyal as the results suggest; however, as the results show Chinese are not afraid to try new brands or variants.

On the other hand it is of no surprise that for consumers the main reason for purchasing in the vast majority of categories is quality. The quality concern is driven by publicized media examples of poor quality products as well as concern for a lack of enforcement of uniform quality standards, ongoing copying of established brands using low-quality counterfeit products, and a history of poor-quality products produced under the centrally-planned system, among other concerns.

Ethnicity is related to favorite brand choice in most product categories. The research also established a difference between intended and actual behavior with respect to preference to purchasing domestic brands, where possible. Beijing consumers were most likely to intend to buy domestic but their actual behavior revealed that they "purchase foreign brands most often" to the same extent as Chongqing and Guangzhou consumers. In the case of Shanghai consumers, they intended to purchase domestic brands less often than other consumers, generally, and their actual behavior demonstrates that in the majority of product categories examined their favorite brand is a foreign brand.

A key contribution of this research is the finding that ethnicity, a demographic variable, was more significantly related to behavior than income, a most commonly used demographic variable. Many of the experts interviewed felt that differences in income were the key explanatory variables in looking at differences in behavior but this opinion was not supported by the quantitative research results. While the interactive effects of income and ethnicity were not explicitly examined, marketers are cautioned to address ethnicity as an explicit variable in their segmentation and targeting strategies. That is to say, it would be injudicious to assume that urban consumers with similar income levels behave in the same way without considering the implications of differences in ethnicities.

Of interest to both academics and managers is the contribution to the notion that Chinese consumers, with comparatively lower levels of income than their Western counterparts, are also willing to pay for service as an added product value. As part of a value-added product, consumers are attracted to loyalty programs such as points programs or membership discount programs. At the same time, a consensus view among experts was that Chinese consumers are sophisticated enough to determine if "real" value from the loyalty program is evident or not. For marketing managers, the most impactful loyalty program appears to be one that provides a meaningful, obvious, and distinct discount to members. It is also somewhat surprising to see that Shanghai consumers are the most dedicated loyalty card users given that Guangzhou consumers are considered by experts to be the most frugal of all Chinese.

This study also contributes to knowledge of the COO cue in brand choice and makes an important contribution to understanding the level of importance that Chinese consumers place on brand origin. We found that COO is a more important purchasing cue for high functionality/low representationality categories (containing appliances, toothpaste, and banks (ATMs)) than for other cells. On the other hand, COO influence was lowest for low functionality/high representationality product categories (potato chips, specialty chocolates, and ice cream tubs). We, therefore, cannot blindly overemphasize the relationship to product class representationality and COO. This somewhat surprising finding is important to both academics and managers. It indicates that we should assume there are broad-based category influences but that while brand origin may be important for some products it is less important for others. Marketers need to identify the strength of the influence in their own categories. Moreover, we also found that the strength of the influence also differs by ethnicity; thus, marketers need to assess not only the strength of the influence but also if there are differential influences between ethnic market segments.

Further complicating the country-of-origin assessment is the fact that brand origin knowledge is imperfect in China. The study reveals that, while country of brand origin is important, many urban consumers are incorrect in their actual knowledge of COO. Although this study focused on limited urban ethnicities it is highly likely that brand origin knowledge among rural consumers is less than that of their urban counterparts. For marketers, the challenge is to understand the COO cue by examining the country perceptions being ascribed to his/her brand. In fact, it may be that some effort needs to be made in correcting incorrect perceptions or that no effort should be wasted on promoting brand origin because it is not important in the first place.

Indeed, there appears to be an "origin paradox" evident among urban consumers in China. That is to say, while Chinese seem to care about a brand's COO, they do not seem to care as much about where it is manufactured. In fact, consumers tended to accept that most products are "Made in China" but that it is more or less okay for them to be manufactured in China. This study did not measure the perceptions of product quality of foreign-origin brands produced in China versus the same brand imported into China. Further study in this area is needed to help understand any possible perceptual distinctions.

Also of interest to managers and academics is the finding that the main reason for the purchase of favorite brands differs to a limited extent by ethnicity. Quality is the main reason for selecting brands in most categories for Beijing consumers, about half for Guangzhou consumers, and for a minority of categories studied for Shanghai and Chongqing consumers. Venue accessibility and a brand the family likes are also major reasons for brand selection for Shanghai and Chongqing consumers.

Finally, this study also contributes to our understanding of purchase frequency in China. Beijing consumers appear to shop more often in more product categories and Chongqing consumers shop least often. Shopping frequency has implications for marketers in that package size, product displays, and other in-store promotions become a relevant issue. Package sizes in Chongqing may be sized to reflect a less frequent shopper - for example, larger sizes - while in Beijing product displays and other inducements to purchase may need to be updated and made more impactful in order to attract frequent shoppers.

8.3 Limitations of the study

This section discusses limitations of the research considering both general limiting factors as well as the limitations of the survey method. General limiting factors include those affecting performing research in China, while limitations relating to the survey method are specific to this research.

8.3.1 General Limiting Factors

English language background information on China related to marketing, industry information, and market segments is limited. The available English-language material tends to be available on a subscription basis which makes it difficult for academic researchers to access as well as assess. A lack of information made obtaining some background information about category brands more difficult. This limitation was overcome by undertaking a pre-test on brands as well as through interviewing a variety of marketing experts in the locations where the research was to take place.

Another general limiting factor is a lack of academic research specifically about consumer behavior and marketing in China. Much of the secondary information is written in the form of "Doing Business in China" and the like. Information from such sources is often anecdotal and lacks generalizability.

8.3.2 Limitations of the Survey Method

Several flaws were found in the final questionnaire pertaining to COO. In the case of Oishi brand potato chips the correct COO was the Philippines, which was mistakenly left off the questionnaire checklist.

Ideally the main person responsible for shopping decisions in the household should be selected to complete the survey. However, this requires a self-assessment by potential respondents. It may be the case that some respondents were contributing shoppers in the household but were not the main shopper in the family. To some extent, this compromises respondents' recall. Asking respondents to recall the most often purchased brand over a previous time period is subject to the respective fallibilities of respondents' memory. Fortunately, we can reasonably assume that no systematic bias would have occurred with respect to memory bias among respondents.

In order to obtain deeper understanding of the motivations for purchase as well as other purchasing intentions another interviewing method may be more appropriate. The main purpose of this study was to compare differences in consumer behavior among ethnicities but the study is limited in its explanatory value as to why the differences exist.

Another possible limitation relates to the selection of product categories and brands within each category. Categories were selected according to various functionality and representationality cells. In addition, for some product categories commonly purchased brands were excluded from the study choices due to a desire to minimize the number of alternatives possible. It is possible that another selection of categories and brands within the cells may produce results that differ from this study. However, it is hoped that the breadth of category and brand selection enhances the robustness and generalization of the study findings.

The survey is temporal in nature. Ideally a longitudinal study should be conducted to track changes in purchasing intentions, importance of various factors, and knowledge.

The Saurazas study focused on three ethnic groups while this study focused on four. This created additional iterations in several research questions which added to the volume of analyses required.

Nearly all studies of consumer behavior in China consist of a sample of consumers from major cities. Moreover, more often than not, samples tend to consist largely of students most likely because of the accessibility and low cost of obtaining their responses to survey instruments. Yet, while most studies acknowledge this limitation they still draw their conclusions from the data derived from those samples. To truly have representative samples the onus is on researchers to survey the hard to access respondents. Too often we tend to lump rural residents and farmers, for example, into one common classification as if we did not expect significant differences in their behavior as it relates to marketing issues. This is a mistake. Moreover, we also tend to consider those with lower levels of formal education as "uneducated" and again we often lump them into a common category of the "uneducated class". This is also fallacy. The reality is that many kinds of education occur in China and the country is replete with examples of people educated by family and society under traditional forms of education that contribute to a level of sophistication that we assume is not there. Astute marketers will understand that this rural class is indeed complex and will target appropriate products to them within their economic means.

Without a more comprehensive, representative sample of both rural and urban consumers we cannot fairly conclude that results of this study can be generalized to the overall national population in China. Indeed, care has been taken to state that this survey is limited to ethnic consumers of the four cities studied. Moreover, further study is needed to confirm whether or not research results apply to the respective ethnicities not residing in the four cities. Therefore, results do not intend to apply to a consumer, for example, who is from the countryside of Sichuan, near Chongqing or a consumer who moved to Guangzhou and is currently resident there, speaks Cantonese but who was otherwise born and raised in northern Guangdong.

8.3.3 Marketing Experts' Survey

The purpose of the marketing experts' survey was to obtain additional information not available in the literature with respect to consumer behavioral tendencies as well as to obtain insight into some of the perceived behavioral differences among Chinese consumers.

Although the target sample of 40 marketing experts was reached, there were only eight from Chongqing which may have caused a greater weighting of opinion amongst managers in one or more of the other cities on any of the questions.

With respect to the survey questions, it was found that Q3.1 and Q3.2 were unnecessarily duplicated. The responses produced generally similar information and seemed, to some extent, to be a "trick" question given that a positive answer for one should have resulted in a negative answer to the other. After several interviews it was found that questions 3.1 (desire to buy local if available) and 3.2 (try to buy foreign if possible) created an ambivalent response or required a qualifying remark such as "… if affordability is not an issue". A consideration of likely responses may have provided insight into whether or not there was a need to ask the question with greater specificity on the interview form. Notwithstanding this oversight, for subsequent interviews a verbal qualifier was generally added to the question particularly where the interviewee expressed that the preference would likely be related to the income level of the household.

Although it led to some additional insight, to some extent Q3.3 was redundant or otherwise nonsensical to some interviewees. The reason is that many interviewees could not conceive of Chinese brands having the same quality, price, and service levels as foreign brands. The feeling is that if price were the equal who would NOT choose a foreign brand!

As a note for future research with respect to depth interviews, we observe that it is very important to be consistent with probing for reasons why interviewees feel they way they do about an answer. In some cases interviewees gave an answer which was recorded but no reason was given explicitly for the answer. This may be partly due to the reason being implied yet one cannot then state definitively that the actual reason is the implied reason. For example, in Q3.3 one interviewee stated that for daily necessities Chinese prefer to purchase domestic brands. The implied reason is that domestic manufacturers are able to better understand the Chinese condition and therefore are able to offer more suitable products than their foreign counterparts; yet, the interviewee may in fact have a very different reason for his coming to his determination.

Q3.5 illustrates the difficulty of asking a double-barreled question even in a depth interview. The purpose of asking whether consumers were slow to accepting new brands or brand variants was to get some idea of Chinese consumers' overall interest in trying out something new and different. Yet, some respondents provided a positive response in the one case and a negative one in the other. As a future suggestion it might be clearer to ask the questions separately or narrow the specificity of the question to one or the other.

A somewhat similar issue occurred with the probes for some questions. Q3.6 from the depth interview questionnaire attempts to discover if generally speaking Chinese consumers are loyal to the stores at which they shop. This question attempted to get some relative sensitivity as to whether they prefer to shop at the same repertoire of stores religiously or, conversely, whether they purposely seek out stores that they haven't shopped at in order to find something new; or, simply to otherwise change their shopping routine. While many respondents were able to form general conclusions for this question some assessed loyalty based on the product categories probed.

Conducting depth interviews with busy managers carries with it the frustration of trying to obtain deeper insight into answers and trying to maintain interview time within agreed limits. In addition, language is also a challenge as dialect differences are in many cases marked.

Another limitation was that the interviews took place with managers who had differing levels of responsibility for marketing functions and differing levels of cross-country experience. Some of the managers had spent their entire career working in just one city and their insight into behavior from consumers from other cities often depended on second-hand information, stereotypes, or hearsay. Although their opinions were recorded and collated we cannot reliably accept them as being based on objective facts.

8.4 Alternative Research Approaches

The primary data for this study was obtained through survey research. A variety of alternative approaches to obtaining this data could have been utilized including qualitative studies, consumer panels, scanner data, experimentation, observational research, as well as through other survey designs.

8.4.1 Focus Groups

An alternative approach could utilize multiple focus groups of consumers in the cities studied. This would enable additional depth of understanding and detail with respect to the motivations behind many of the purchasing intentions and at the same time contribute to explaining responses. Such an approach would result in a better understanding of behavior with respect to a few categories and brands but would lack the breadth of coverage that a general survey can provide. Weaknesses of such an interviewing technique would also be apparent so that, for example, the extroverts in the group may sway the group opinion or otherwise stifle the input of others. This issue could be minimized perhaps by using an online focus group. A focus group approach may thus provide insight for the majority but fail to provide additional insight from subsets of consumers within an ethnicity. The key weakness of this technique is that focus groups do not constitute a representative sample, and therefore findings cannot be generalized reliably to the populations of interest (Burns and Bush, 2006; Malhotra, 2007).

8.4.2 Consumer Panels

It is also possible to obtain data on actual purchases by either conducting regular in-house audits or by asking respondents to keep a diary panel of purchases. Given the private nature of Chinese consumers and the security placed around most residential complexes, in-home audits for a random sample would be difficult to obtain. On the other hand, asking Chinese respondents to maintain a record of purchases, purchase motivations, and other purchasing intentions via diary would be somewhat cumbersome. Perhaps with a monetary incentive it may be possible to obtain reliable purchase data but the amount of information that could be obtained would be limited. For example, it would be difficult to determine if their actual purchase was an *a priori* choice, a most preferred brand choice, or a substituted choice.

8.4.3 Scanner Data

Automated scanner data could have been used if available because it captures data at the point of purchase. Such data can be analyzed in conjunction with changes in marketing strategies to identify changes in behavior. For example, changes in behavior resulting from tactical changes in in-store promotions or prices could indicate which ethnicities are more sensitive to the tactical changes. An added service component could be combined with a brand and a price increase to measure sensitivity to service to determine if consumers are willing to pay a higher price for better service. In general, while it is not immediately possible to indicate ethnicity from the data, obtaining the data from stores from the respective cities under investigation could mitigate this limitation. A major limitation of such a method is the difficulty in tracking other influences on brand selection.

8.4.4 Experimentation

An experimental approach could have been used to evaluate ethnocentrism and pricing relationships as well as effects of recommendations from others, for example. Experimentation could also be used to isolate the COO effects and determine brand choice based on actual trial. As Saurazas (2000) pointed out the experimental approach is sometimes used in country-of-origin studies. Such an approach could have first asked consumers for country-of-origin information followed by some questions and then where incorrect, could have informed them of the correct origin followed by the same questions. In this way consumer's differential responses could have been recorded. The experimentation method, however, may have masked differences in the market context such as product or brand availability causing skewed results.

8.4.5 Observation

Observation of behavior could take place through physical observation of consumers in stores or, less likely, through installed video camera. Observation research could help in obtaining very robust data and help track responses to changes in marketing variables such as in-store promotions and marketing, differences in shelf placement, and other useful variables to marketers. Marketers could also observe, for example, how consumers respond to country-of-origin displays about particular brands. On the other hand, permission for both of these approaches would be difficult to receive due to a fear of violating shoppers' privacy. In addition, motivations to purchase would still be open to interpretation by the researcher even if, for example, more shoppers choose a brand that was just put on discount. Without being able to understand motivations, attitudes, intentions, and other internal conditions (Burns and Bush, 2006), this form of research would have been less useful to achieving the study objectives.

8.4.6 Other survey designs

An ideal survey method would be to conduct a fully representative face-to-face survey among a sample of all consumers in China. Such a survey would likely need to be a large size sample in order to capture nuances between consumers. Alternative survey deliveries could include online or telephone interviews.

A longitudinal survey could otherwise have been conducted in order to reveal patterns and trends in behaviors. While longitudinal studies have the benefit of looking at changes in purchasing intentions over time or changes in the importance of COO, for example, such studies demand a longer time frame which was not available for this study's context.

8.5 Further Research

This study delved into a limited area of consumer behavior and at the same time highlights the need for a variety of future research to delve deeper into the black box of Chinese consumer behavior. Several suggestions for further study are provided below.

8.5.1 The effect of loyalty programs in China

One area for further research is to study the relative impact that different types of loyalty programs may have on retail venue selection. Further, studies need to be made to determine what level of benefits would be required to actually influence behavior.

8.5.2 Size and composition of brand repertoire

The size and extent of an average consumer's brand repertoire within each targeted segment is an important question to marketers. Examination of the repertoire may consider whether or not consumers retain brands of differing quality levels in their repertoire. For example, will they include a brand of medium quality among brands of higher quality and then engage in brand switching behavior. Are the sizes of the brand repertoire the same among all Chinese consumers? Are there differences? Are there strategies that can be implemented to *reduce* the number of brands in a repertoire so that, for example, consumers switch between fewer brands and thereby purchase the marketer's brand more often?

8.5.3 Relationship between knowledge of COO and COM

Another interesting preliminary finding was that in cases where consumers correctly determined that a brand was of foreign origin but manufactured domestically they seemed to ascribe the same "heuristics package" to that brand. In other words, they seemed to feel that issues around quality control, materials sourcing, and overall production quality were not compromised by being locally produced. Thus, to the extent that COO served as a decision heuristic, the strength of the heuristic did not seem to be reduced even when the brand was known to be manufactured domestically. This current study did not explicitly investigate this preliminary finding, however, and further research should be carried out to determine if consumers do in fact have differing perceptions of a brand if it is either produced locally or imported from the originating country or, possibly, a third country.

8.5.4 Importance of COM

Is China coming full circle with respect to consumers' preconceived assumptions as to the quality of products manufactured in China? The *colonial* mentality was that everything imported was good and everything manufactured domestically was inferior. But with a growing realization that China is the world's factory for products in almost every conceivable industry there is an awakening that the quality of goods produced now approaches world standards. While it might still be that there is a preference for foreign COO there seems to be less and less concern for COM. This is an important area for future study because marketing strategies should presumably reflect the outcomes of such research. If in fact COM does not matter to consumers but COO does, then focus should be on design and style elements rather than quality. But if COM is still a concern, marketing communications may still need to address the manufacturing quality concern.

8.5.5 Relationship between frequency and size of brand repertoire

Saurazas surmised that the intended frequency level has implications for marketers to the extent that the more frequently consumers purchase a product the more likely they are to switch between brands. This is a potential area for further study because marketers may need to know the average frequency of purchase as well as the number of brands in a given consumers repertoire so that they can adjust their marketing strategies to defend or take advantage of the behavior.

8.5.6 Urban versus rural consumer behavior dichotomy

Our study noted a key distinction in behavior among large city urban and rural consumers. Further research is needed to understand if differences do exist. Furthermore, any such differences in behavior need to be tracked longitudinally to see if such differences are being maintained over time or if differences are being reduced and behaviors converging. This is particularly important to marketers because the likely response to marketing activity, while currently sharply different, could become more or less predictable.

8.5.7 Consumer behavior differences among urban tiers within a single ethnic area.

It is useful to look at both a regional breakdown and a breakdown within a region. For example, within Sichuan it would be useful to research large, medium, and small cities. The results could be compared to similar-sized cities in other regions. Then similarities and differences can be compared. Therefore, both regional similarities and difference can be studied as well as differences within different levels of economic development within a region as evident from tier-one, tier-two, and tier-three distinctions.

8.5.8 Situational factors impacting purchasing intentions
Research on situational influences on buying behavior in the context of a study comparing intended to actual purchase frequency and choice is needed. In the context of China, research is particularly needed to identify situational factors that inhibit intended purchase behavior.

8.5.9 Distinctions between ethnic consumers and immigrant consumers
It may be a subject of a further study to examine consumer behavior distinctions between ethnic consumers and immigrant resident consumers of key cities. For example, differences between ethnic Beijingers and *transplanted* Beijingers could be studied.

8.5.10 Purchase frequency and product category knowledge
Saurazas (2000) asserts that the purchase frequency intention at product category level has implications for marketers to the extent that the more frequently that consumers purchase a product, the more likely they are to switch between brands. This may be a subject for further study because we could investigate the frequency of purchase with the number of brands in a given consumer's repertoire. We might also hypothesize that increased purchase frequency tends to be associated with just wanting a change for the sake of change.

8.6 Concluding Remarks
The primary purpose of this research was to determine if differences in consumer behavior are significant in China. Few studies, if any, have attempted to analyze generalizable samples of data among more than one or two ethnicities. Many of the studies that have examined consumer behavior aspects, moreover, have limited their samples to college students and therefore lack external robustness.

To achieve the objective while capturing results that are generalizable among the respective populations studied, a survey-based approach was adopted. One of the key reasons is that quantitative studies, which are able to meet the key assumptions of statistics, offer the flexibility and breadth to capture multiple insights. Other research approaches are more properly complementary with respect to this study's objective.

8.7 Summary
This chapter summarized the key research findings discussing them with respect to the general research questions. Contributions that the research has made in terms of advancing knowledge of some standard consumer behaviors from the perspectives of academics and managers were outlined. In addition, the chapter described limitations of the research, possible alternative research approaches, and concluded with an identification of a few of the many possible areas for further research.

References

Aaker, D. A. (1991) *Managing Brand Equity*, New York: The Free Press.

Aaker, J. L. (1997) Dimensions of Brand Personality, *Journal of Marketing Research*. 34(3) (August), pp. 347-356.

Acock, A. and Stavig, G. (1979) *A Measure of Association for Nonparametric Statistics.* University of North Carolina Press. 57(4) June, pp. 1381-1386.

Adorno, T.W., Frenkel-Brunswik, E., Levinson, D.J., and Sanford, R.N (1950) *The Authoritarian Personality*, New York, Harper and Row Publishers, Incorporated.

Ahmed, S. and d'Astous, A. (1993) Cross-National Evaluation of Made-in concept Using Multiple Cues. *European Journal of Marketing*. 27(7), p.39.

Ahmed, A.S., d'Astous, A. & Eliabri J. (2002) The Impact of Technological Complexity on Consumers' Perceptions of Products Made in Highly and Newly Industrialized Countries. *International Marketing Review*. 19(4/5), p.387.

Ahmed, Z.U., Johnson, J.P, Yang, X., Fatt, C.K., Teng, H.S. & Boon, L.C (2004) Does country of origin matter for low involvement products? *International Marketing Review*. 21(1) pp.102-120.

Ajzen, I. (1985) From intentions to actions: a theory of planned behavior. In: Kuhl, J. and Beckmann, J. (eds), *Action control: From Cognition to Behaviour*. Heidelberg, Springer, pp. 22-39.

Ajzen, I. (1988) *Attitudes, Personality and Behavior.* Chicago, Dorsey Press.

Ajzen, I. and Fishbein, M. (1977) Attitude-behavior relations: A theoretical analysis and review of empirical research. *Psychological Bulletin*. 84(5) (September), pp.888-918.

Alba, J. and Hutchinson, J.W. (1987) Dimensions of consumer expertise. *Journal of Consumer Research.* 13(4), pp. 411-415.

Alderson, W. (1975) *Marketing Behavior and Executive Action*. Homewood, Illinois, Richard D. Irwin Incorporated.

Allport, G.W. (1935) Attitudes. In: Liu, Wen-Ling (2002) Advertising in China: product branding and beyond. *Corporate Communications: An International Journal.* 7(2), pp.117-125.

Al-Sulaiti, K.L. and Baker M.J. (1998) Country of Origin Effects: A Literature Review. *Marketing Intelligence & Planning*. 16(3), p.150.

Anderson, D.R., Sweeney, D.J. & Williams, T.A. (2008) *Statistics for Business and Economics, 10th edition*. Mason, USA, Thomson South-Western.

Arnold, D. (1992) *The Handbook of Brand Management*. Don Mills, Ontario: Addison-Wesley Publishing Company.

Arthur, T.E., Reeves, I., Morgan, O., Cornelius, L.J., Booker, N.C., Brathwaite, J., Tufanor, K., Allen & Donato I. (2005) Developing a cultural competence assessment tool for people in recovery from racial, ethnic and cultural backgrounds: the journey, challenges and lessons learned. *Psychiatric Rehabilitation Journal*. Winter, pp.243-250.

Assael, H. (1987) *Consumer Behavior and Marketing Action*, 3rd ed., Melbourne: PWS - Kent Publishing Company.

Atsmon, Y., Dixit, V., Magni, M., and St-Maurice, I. (2010) China's new pragmatic consumers. *McKinsey Quarterly*. (October) [Internet] Available from:< https://www.mckinseyquarterly.com/Chinas_new_pragmatic_consumers_2683> [Accessed 10 October 2010].

Bagozzi, R. P. and Warshaw, P. R. (1990) Trying to Consume. *Journal of Consumer Research*. 17(2) September, pp.127-140.

Bailey II, I.W. and Schechter, A.H. (1994) The corporation as brand: an identity dilemma. *Chief Executive*, Vol. 98, pp.42-45.

Balabanis, G. and Diamantopoulos, A. (2004) Domestic Country Bias, Country-of-Origin Effects, and Consumer Ethnocentrism: A Multidimensional Unfolding Approach. *Journal of the Academy of Marketing Science*. 32(1) January, pp. 80-95.

Balabanis, G., Diamantopoulos, A., Mueller, R.D. & Melewar, T.C. (2001) The Impact of Nationalism, Patriotism and Internationalism on Consumer Ethnocentric Tendencies. *Journal of International Business Studies*. 32(1) March, pp. 157-175.

Baldinger, A. L. and Joel R. (1996) Brand Loyalty: The Link between Attitude and Behavior. *Journal of Advertising Research*. 36(6), pp.22-34.

Balestrini, P. and Gamble, P. (2006) Country-of-origin effects on Chinese wine consumers, *British Food Journal.* 108(5), pp.396-412.

Baker, M.J. and Michie, J. (1995) *Product Country Images: Perceptions of Asian Cars*, University of Strathclyde, Department of Marketing, Working Paper Series No. 95/3.

Bandurka, H., Gregson, C., Stevens, R., and Yu, R. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Barczak, G., Ellen, P.S., and Pilling, B.K. (1997) Developing typologies of consumer motives for use of technology based banking services. *Journal of Business Research.* 38(2), pp.131-139.

Beckman, C., Zhang, L. and Zhang, F. (2010) *China - Peoples Republic of Post: Beijing Potato and Potato Products Annual 2010*, USDA Foreign Agricultural Service Gain Report (August 16th), pp. 1-11.

Bei, L. T. and Widdows, R. (1999) Product Knowledge and Product Involvement as Moderators of the Effects of Information on Purchase Decisions: A Case Study Using the Perfect Information Frontier Approach. *Journal of Consumer Affairs*. 33(1) Summer, pp.165-186.

Belk, R.W. (1975) Situational variables and consumer behavior. *Journal of Consumer Research*. 2(3) December, pp.157-164.

Bello, D.C. and Holbrook, M.B. (1995) Does an Absence of Brand Equity Generalize Across Product Classes? *Journal of Business Research*. 34(2), pp.125-131.

Bennett, P.D. and Harrell, G.D. (1975) The Role of Confidence in Understanding and Predicting Buyers' Attitudes and Purchase Intentions. *Journal of Consumer Research.* 2(2) September, pp. 110-117.

Bennett, P.D. and Kassarjian, H.H. (1972) *Consumer Behavior*, Englewood Cliffs, Prentice-Hall.

Benetton, L. (1994) Franchising: how brand power works. In: Stobart, P. (1994) *Brand Power,* Basingstoke, Macmillan Publishing.

Berger, I.E. and Mitchell, A.A. (1989) The Effect of advertising on attitude accessibility, attitude confidence and the attitude behavior relationship. *Journal of Consumer Research.* 16(3), pp.269-279.

Berger, I.E., Ratchford, B.T., and Haines, G.H. (1994) Subjective product knowledge as a moderator of the relationship between attitudes and purchase intentions for a durable product. *Journal of Economic Psychology*. Vol. 15, pp.301-314.

Bernstein Global Wealth Management (2010) China Electricity Infrastructure**.** *Black Book – Bernstein Industrial: Chinese Infrastructure – Causes, Potential & Implications.* New York, pp.91-137.

BCR (Best Country Reports) (2010) China Superstitions and Folklore [Internet] *World Trade Press*. Available from: <http://www.bestcountryreports.com/Id=Soci_China_Superstitions_Folklore.html> [Accessed 4 July 2010].

Bettman, J.R. (1970) Information processing models of consumer behavior. *Journal of Marketing Research.* 7(3) August, pp.370-376.

Bettman, J.R., and Jones, J.M. (1972) Formal models of consumer behavior: A conceptual overview. *The Journal of Business.* 45(4) October, pp.544-562.

Beverland, M. and Lindgreen, A. (2002) Using Country of Origin in Strategy: The Importance of Context and Strategic Action. *Journal of Brand Management*. 10(2), p.147.

Bhuian, S.N. (1997) Saudi Consumers' Attitudes towards European, US and Japanese Products and Marketing Practices. *European Journal of Marketing*. (31)7, pp.467-486.

Bian, X. and Veloutsou, C. (2007) Consumers' attitudes regarding non-deceptive counterfeit brands in the UK and China. *Journal of Brand Management.* 14,(3) February, p.211.

Bilkey, W.J. and Nes, E. (1982) Country-of-Origin Effects on Product Evaluations. *Journal of International Business Studies*. 13(1) p.89-99.

Blacksacademy.net (2010) *Japanese invasion of Manchuria*, September 1931 [Internet] Available from: <http://www.blacksacademy.net/content/3112.html> [Accessed 5 July 2010].

Bonnor, A. and Bi, Z., (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Boztu, Y. and Reutterer, T. (2008) A combined approach for segment-specific market basket analysis. *European Journal of Operational Research.* 187(1) May, p. 294.

Bradley, Marissa and Lu Qiu, Daini (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Brouthers, L., O'Donnell, E. & Hadjimarcou, J. (2005) Generic product strategies for emerging market exports into triad nation markets: A mimetic isomorphism approach. *Journal of Management Studies.* 42(1), pp.225-45.

Browaeys, M. and Price, R. (2008) *Understanding Cross-Cultural Management***.** FT Prentice-Hall.

Brown, L.C. (1994) New 'mental models' for credentialing and peer review. In: de Cheratony, L. and Dall'Olmo Riley, F. (1998) Modelling the Components of the Brand. *European Journal of Marketing*. 32 (11/12), pp.1074-1090.

Brown, S.P. and Stayman, D.M. (1992) Antecedents and Consequences of Attitude Toward the Ad: A Meta-Analysis. *Journal of Consumer Research.* 19(1) June, pp.34-51.

Brucks, M. (1985) The effects of product class knowledge on information search behavior, *Journal of Consumer Research*, 12(1), pp.1-16.

Buckley, C. (2010) *China Internet population hits 384 million,* Reuters, (January 15) [Internet]. Available from: <http://www.reuters.com/article/idUSTOE60E06S20100115> [Accessed 2 July 2010].

Burns, A. and Bush, R. (2006) *Marketing Research*, 5th edition, Pearson Education Incorporated.

Burr, C. (2008) Fragrance Market Is Establishing a Foothold in China [Internet]. *New York Times.* Available from: <http://www.nytimes.com/2008/05/10/business/worldbusiness/10perfume.html> Accessed [9 September 2010].

Business Monitor International (BMI) (2009) *Business Monitor International's Legal Framework Ratings* [Internet]. Available from: <http://www.businessmonitor.com > [Accessed 8 June 2010].

Byansi, R., Jankowski, K., Todesco, T., and Cheung, K. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Carey, W.P. (2010) *China's Controlled Currency* [Internet]. Available from <:http://knowledge.wpcarey.asu.edu/article.cfm?articleid=1873> [Accessed 2 June 2010].

Cateora, P.R. (1987) *International Marketing*. Homewood, Illinois, Richard D. Irwin.

Cateora, P.R., Gilly, M.C. & Graham, J.L. (2009) *International Marketing*, *14th edition*. McGraw-Hill Irwin.

Celsi, R.L. and Olson, J.C. (1988) The Role of Involvement in Comprehension Processes. *Journal of Consumer Research.* 15 (September), pp. 210–224.

Chan, H. (1998) A Study on Consumer Behavior of the Department Store on Taiwan, Hong Kong, and Shanghai - Application on Fuzzy Set and Gray Theory. *Master's Thesis,* Soochow University (Taipei). p.76.

Chan, T.S., Cui, G., and Zhou, N. (2009) Competition between foreign and domestic brands: A Study of Consumer Purchases in China. *Journal of Global Marketing*. 22(3), pp.181-197.

Chang, L.C. and Huang, C.C. (2005) A Study of the Culture Differences between Consumer Behaviors in Taiwan and Mainland China. *The Business Review.* 4(1) Summer, p. 131-136.

Chao, P. (1993) Partitioning Country of Origin Effects: Consumer Evaluations of a Hybrid Product. *Journal of International Business Studies*. 24(2), pp.291-306.

Chen, C.H. and Zimitat, C. (2006) Understanding Taiwanese students' decision-making factors regarding Australian Higher International Education. *The International Journal of Educational Management*. 20(2), pp. 91-100.

Chen, M. and Diubaldo, E. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Cheng, F. (2008) *Retail Strategy in China*. Speech by Trustmart China Vice President, Shanghai Lixin University of Commerce, May 5, 2008.

Cheung, K.Y and Ping, L. (2004) Spillover effects of FDI on innovation in China: Evidence from the provincial data. *China Economic Review*. Vol. 15, pp.25– 44.

China Business (2007) China Screams for Ice Cream. *Asia Times Online* [Internet]. Available from: http://www.atimes.com/atimes/China_Business/IC16Cb01.html [Accessed 9 September 2010].

China Daily (2008a). Editorial Comment. *China Daily*. July 23, p.7.

China Daily (2008b) Karma Alert: Do right when marketing in China, or suffer the wrath of its netizens. Just ask Christian Dior. *China Daily*. June 30-July 6, p.7.

China Daily (2008c) Nestle Provides Pick-Me-Up. *China Daily*. August 1, p.22.

China Daily (2010) Comment in Editorial. *China Daily*, April 24-25.

China Today (2010) *Cities of China* [Internet]. Available from: <http://www.chinatoday.com> [Accessed 17 April 2010].

Chiou, J.S. (2000) Antecedents and moderators of behavioral intention: Differences between U.S. and Taiwanese students. *Genetic, Social & General Psychology Monographs.* 126, (1) (02), p. 105.

Chiou J.S. (2003) The Impact of Country of Origin on Pretrial and Post Trial Product Evaluations. *Psychology & Marketing*. 20(10), October, p.935.

Chiou, J.S., Huang, C.Y. & Chuang, M.C. (2005) Antecedents of Taiwanese adolescents' purchase intention toward the merchandise of a celebrity: The moderating effect of celebrity adoration. *Journal of Social Psychology.* 145(3), pp.317-32.

Choi, R. (2010) *Interview with Richard Choi, Executive Director, Canadian Chamber of Commerce in Shanghai* (May 5, 2010).

ChinatownConnection.com (2010) *Chinese Superstitions* [Internet]. Houston Chinatown Portal. Available from: <http://www.chinatownconnection.com/chinese-superstitions.htm> [Accessed 4 July 2010].

Chu, G.C. (1985) The changing concept of self in contemporary China. In: Marsella, A.J., DeVos, G. & Hsu, F.L.K. (eds) (1985) *Culture and Self: Asian and Western Perspectives*. New York: Tavistock Publications, pp. 252–277.

CIA World Factbook (2010). *East & Southeast Asia: China* [Internet]. Available from: <https://www.cia.gov/library/publications/the-world-factbook> [Accessed 2 February 2010]

Coleman, D.(2010) *China Country Profile*. CountryWatch [Internet]. Available from: http://www.countrywatch.com. [Accessed 15 April 2010]

Cook, M. and Leung, E. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Cooper, D.R. and Schindler, P.S. (2006) *Marketing Research.* McGraw-Hill Irwin.

Cosmas, S.C. and Sheth, J.W. (1980) Identification of Opinion Leaders Across Cultures: An Assessment for Use in the Diffusion of Innovations and Ideas. *Journal of Intercultural Business Studies.* (Spring/Summer), pp.66-73.

CountryWatch (2010) *China Country Profile*. CountryWatch [Internet]. Available from: http://www.countrywatch.com. [Accessed 5 May 2010].

Craig, C.S. and Douglas, S.P. (2006) Beyond national culture: implications of cultural dynamics for consumer research. *International Marketing Review*. 23(3), pp.322-342.

Cronbach, L. J. (1951) Coefficient alpha and the internal structure of tests. *Psychometrika*. 16(3) September, pp.297-334.

CTR (2010) *CTR Reports China Advertising Expenditures Grew 13.5% in 2009* (Jan. 28) [Internet] CTR China. Available from <http://www.ctrchina.cn/ctrwebsite/en/News_Article.php?articleid=266> [Accessed: 29 July 2010].

Cui, G. and Liu, Q.M. (2000) Regional Market Segments of China: Opportunities and Barriers in a Big Emerging Market. *Journal of Consumer Marketing*. 17 (1), pp.55-72.

Cultural Revolution (2008) *The Columbia Encyclopaedia*, *6th edition* [Internet]. Available from <http://www.encyclopedia.com/topic/Cultural_Revolution.aspx> [Accessed 5 July 2010].

Czinkota, M.R. and Ronkainen, I.A. (1994) *International Marketing Strategy: Environment Assessment and Entry Strategies*. Toronto, The Dryden Press.

Dai, W. and Eubank, A. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

d'Astous, A. and Sadrudin, A. A. (1999) The Importance of Country Images in the Formation of Consumer Product Perceptions. *International Marketing Review*. 16 (2), pp.108-25.

Datamonitor (2008) *China-Country Analysis – In-depth PESTLE Insights*. June, pp.1-94.

de Chernatony, L. (1991) Formulating Brand Strategy. *European Management Journal*. Vol. 9 (June), pp. 194-200.

de Chernatony, L. (1993a) The Seven Building Blocks of Brands. *Management Today.* (March), pp.66-68.

de Chernatony, L. (1993b) Categorizing Brands: Evolutionary Processes Underpinned by two Key Dimensions. *Journal of Marketing Management*. Vol. 9, pp. 173-188.

de Chernatony, L. (1996) Integrated brand building using brand taxonomies. *Marketing Intelligence & Planning*. 14(7), p.40.

de Chernatony, L. (2001a) A model for strategically building brands. *Journal of Brand Management*. 9 (1), pp.32-44.

de Chernatony, L. (2001b), Succeeding with brands on the internet. *Journal of Brand Management*. 8(3), pp.268-74.

de Chernatony, L. and Cottam, S. (2006) Internal brand factors driving successful financial services brands. *European Journal of Marketing*. 40(5/6), pp.611-633.

de Chernatony, L. and Dall'Olmo Riley, F. (1998) Modelling the Components of the Brand. *European Journal of Marketing*. 32 (11/12), pp.1074-1090.

de Chernatony, L., Harris, F. and Dall'Olmo Riley, F. (2000). Added value: its nature, roles and sustainability. *European Journal of Marketing. 34*(1/2), pp.39-56.

de Chernatony, L. and McDonald, M. (1992) *Creating Powerful Brands*. Jordan Hill, Oxford: Butterworth-Heinemann Limited.

de Chernatony, L. and McWilliam, G. (1989) The strategic implications of clarifying how marketers interpret 'brands'. *Journal of Marketing Management*. Vol. 5, pp.153-71.

de Chernatony, L. and McWilliam, G. (1990) Appreciating brands as assets through using a two dimensional model. *International Journal of Advertising.* 9(2), pp.111-19.

de Mooij, M. (2004) *Consumer Behavior and Culture: Consequences for Global Marketing and Advertising.* Thousand Oaks, Sage Publication Incorporated.

de Mooij, M. (2006) *Consumer Behaviour and Culture.* Thousand Oaks: Sage Publications.

Dichter, E. (1962) The world customer. *Harvard Business Review*. 40(4), pp.113-122.

Dickson, M., Lennon, S., Montalto, C. Shen, D. & Zhang, L. (2004) Chinese consumer market segments for foreign apparel products. *Journal of Consumer Marketing.* 21(5), pp.301-17.

Dictionary.com (2010) [Internet] Available from: <http://dictionary.reference.com/browse/feng+shui> [Accessed 4 July 2010].

Ding, Q.F. (2008) *China Business Weekly*, June 30th, p.7.

DMB&B (1994) *A New Strategy for Leadership*, DMB&B, London.

Dong, L.C. and Helms, M.M. (2001) Brand name translation model: A case analysis of US brands in China. *Journal of Brand Management*. 9(2), pp.99-115.

Doran, K. (2000) *Information search and use in consumer decision making: An in-depth study of Chinese and North American consumers*. Ph.D. Thesis, McGill University.

Drucker, P.F. (1958) Marketing and Economic Development. *Journal of Marketing*. 22(3) January, pp. 252-259.

East, R. (1997) *Attitude, beliefs, intentions and behavior, Consumer Behavior: Advances and Applications in Marketing,* London, Prentice-Hall.

Eckhard, G. and Cayla, J. (2003) *Brand strategies in emerging markets* [Internet] Issue 3, pp. 22-24. Available from: <http: www.agsm.edu.au> [Accessed 10 July 2009].

Economic Indicators (2007) *Economic Indicators* [Internet] Available from: <http://www.fita.org/countries/thailand.html> [Accessed 19 May 2007].

Economy, E and Lieberthal, K. (2007) Scorched Earth: Will Environmental Risks in China Overwhelm its Opportunities? *Harvard Business Review*. 85 (6), pp. 88-97.

Edelman Public Relations and Communications Consulting Company (Edelman) (2008) *Good Purpose Study* [Internet] November. Available from: <http://www.goodpurposecommunity.com/study.html> [Accessed 10 April 2010].

Ehrenberg, A., Goodhardt, G. & Barwise, P. (1990) Double Jeopardy Revisited. *Journal of Marketing*. 54(3) July, pp.82-91.

Ehrenberg, A., Uncles, M., and Goodhardt, G. (2004) Understanding brand performance measures: Using Dirichlet benchmarks. *Journal of Business Research*. 57(12) December, pp.1307-1325.

Elbashier, A.M. and J.R. Nicholls (1983) Export Marketing in the Middle East: The Importance of Cultural Differences. *European Journal of Marketing*. 17(10), pp.68-81.

Elliot, H.G. (2006) A Less-Developed Country Perspective of Consumer Ethnocentrism and "Country of Origin" Effects: Indonesian Evidence. Asian Pacific Journal and Logistics, (18)2, p.79.

Engel, J.F., Kollat, D., & Blackwell, R.D. (1968) *Consumer Behavior*. New York, Holt, Rinehart & Winston, p.40.

Engel, J.F., Kollat, D., and Blackwell, R.D. (1982) *Consumer Behavior, 4th edition*. Taipei, DongHwa Bookstore Publications.

Engel, J.F., Blackwell, R.D., and Miniard, P.W. (1993) *Consumer Behavior*, *7th edition*. Taipei, DongHwa Bookstore Publications, p. 53.

Engel, J. Blackwell, R.D., and Miniard, P.W. (1995) *Consumer Behavior, 8th edition*. New York, The Dryden Press.

Erickson, G.M., Johansson, J.K. & Chao, P. (1984) Images variables in multi-attribute product evaluations: country of origin effects. *Journal of Consumer Research*. Vol. 11, pp.694-699.

Ettenson, R. (1993) Brand name and country of origin effects in the emerging economies of Russia, Poland and Hungary. *International Marketing Review.* 10(5), pp.14-36.

Evans, M., Jamal, A., and Foxall, G. (2009) *Consumer Behaviour, 2nd edition.* John Wiley and Sons Limited.

Export Development Canada (EDC)(2007) *Exporting to China: A Guide for Canadian Business*.

Export Development Canada (EDC)(2010) *Exporting to China: A Guide for Canadian Business* [Internet]. Government of Canada. Available from: <www.edc.ca> [Accessed 24 April 2010].

Fan, J.X. and Xiao, J.J. (1998) Consumer Decision-Making Styles of Young-Adult Chinese. *Journal of Consumer Affairs.* Vol. 32(2), pp.275-294.

Fishbein, M. (1963) An investigation of the relationship between beliefs and an object and the attitude toward that object. *Human Relations*. 16(3), pp. 233-239.

Fishbein, M. and Ajzen, I. (1975) *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*. Reading, MA, Addison-Wesley Publishing Company.

Ford, G.T., Scheffman, D.T., & Weiskopf, D.A. (2004) Application of Research on Consumer Complaint Rates to The Estimation of The Financial Impact of Prospective Product Defects, *Journal of Satisfaction, Dissatisfaction and Complaining Behavior*. Issue 17, pp.130-141.

Frankenstein, P. (2010) The Birth of Modern China [Internet]. *Condensed China*. Available from: <http://condensedchina.com/china4.html> [Accessed 5 July 2010].

Frumkin, S., Thapa, N. & and Gencalioglu, A. (2006) A proposed strategy for introducing moderately priced American brand merchandise in China. *Journal of Fashion Marketing and Management*. 10(2), pp.227-337.

Fu, Rocky (2010a) China Internet Statistics 2009 Summary (Jan. 20) [Internet] *China Internet Watch*. Available from <http://www.chinainternetwatch.com/562/china-internet-statistics-2009-2/> [Accessed 30 July 2010].

Fu, Rocky (2010b) China Online Display Advertising Reaching 18 Billion in 2009 (Jan. 15) [Internet]. *China Internet Watch*. Available from <http://www.chinainternetwatch.com/544/china-internet-advertising-report-2009/> [Accessed 30 July 2010].

Galvin, P. and Li, W. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Ger, G., Belk, R.W. and Lascu, D.N. (1993) The development of consumer desire in marketing and developing economies: the case of Romania and Turkey. *Advances in Consumer Research*. Vol. 20, pp. 102-107.

Giese, J.L. and Joseph A.C. (2000) Defining Consumer Satisfaction. *Academy of Marketing Science Review.* Issue 1.

Global Market Briefings (2003) *Doing Business with China*. Reuvid, J and Yong, L. (eds.) 4th edition.

Global Luxury Survey (2007) China, India, Russia. *Time*, Vol. 170, pp. 108-115.

Glock, C. and Nicosia, F. (1964) Uses of Sociology in Studying "Consumption" Behavior. *Journal of Marketing*. 28(3) July, pp.51-54.

Goffman, E. (1967) Interaction Ritual: Essays on Face to Face Behavior. Anchor. [In Li, J.J. and Su, C. (2007) How *Face* Influences Consumption. *International Journal of Market Research* [Internet]. 49(2), pp.237-256. Available from: <http://web.ebscohost.com/ehost> [Accessed April 1, 2010].

Good, L.K. and Huddleston, P. (1995) Ethnocentrism and the Eastern European consumer: Are feelings and intentions related? *International Marketing Review*. 12(15), pp.35-48.

Goodhardt, G.J., Ehrenberg, S.C., and Chatfield, C. (1984) The Dirichlet: A Comprehensive Model of Buying Behaviour. *J.R. Statistical Society*, 147, Part 5, pp.621-655.

Goodyear, M. (1993) Reviewing the Concepts of Brands and Branding. *Marketing and Research Today.* 21(2) May, pp. 75-79.

Gordon, W. and Corr, D. (1990) The…Space….Between….Words: The Application of the New Model of Communication to Quantitative Brand Image Measurement. *Journal of the Marketing Research Society*, 32(3) July, pp.409-434.

Gu, Sabrina (2008). Interview with Sabrina Gu Marketing Manager: Disney China. May 5th.

Gurhan-Canli, Z. and Maheswaran, D. (2000) Nation Equity: Incidental Emotions in Country-of-Origin Effects. *Journal of Consumer Research.* 21(2), pp 354-365.

Halliburton, C. and Hunerberg, R. (1993) Pan-European Marketing-Myth or Reality? *Journal of International Marketing*. 1(3), pp.77-91.

Halstead, D., Droge, C, & Cooper, M.B. (1993) Product warranties and post-purchase service: A model of consumer satisfaction with complaint resolution. *The Journal of Services Marketing*. *7*(1), p. 33.

Hamel, G. and Prahalad, C. (1994) Competing for the Future. *Harvard Business School Press*. In: de Chernatony, L. (1996) Integrated brand building using brand taxonomies. *Marketing Intelligence & Planning*. 14(7), p.40.

Hamzaoui, L. and Merunka, D. (2006) The Impact of Country of Design and country of Manufacture on Consumer Perceptions of Bi-National Products' Quality. *The Journal of Consumer Marketing.* 23(3), p.145.

Han, C.M (1989) Country Image: Halo or Summary Construct? *Journal of Marketing Research.* 26(2), p.222.

Hankinson, G. and Cowking, P. (1993) *Branding in Action*. London, McGraw-Hill Book Company Europe.

Hanssens, D.M and Johansson, J.K. (1991) Rivalry as Synergy? The Japanese Automobile Companies' Export Expansion. *Journal of International Business Studies*. 22(3), p.503.

Hatcher, L. (1994) *A step-by-step approach to using the SAS(R) system for factor analysis and structural equation modeling.* Cary, NC, SAS Institute.

Helgeson, J.G., Kluge, E.A., Mager, J., and Taylor, C. (1984) Trends in consumer behavior literature: A content analysis. *The Journal of Consumer Research.* 10(4) March, pp.449-54.

Helou, M. and Caddy, I. (2007) Marketing Model Innovations in the Contextualisation of Consumer Behaviour and Service Recovery: The case of China. *Innovative Marketing*. 3(1), pp. 31-43.

Heppell, A. and Ma, T. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Hester, S.B. and Huen, M. (1987) The Influence of Country of Origin on Customer Attitude and Buying Behavior in The United States and Canada. *Advances in Consumer Research.* Vol., 14, pp.583-542.

Higginson, T., Shen, T. & Yarmack, D. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Hirschman, E.C. (1981) American Jewish Ethnicity: Its Relationship to Some Selected Aspects of Consumer Behavior. *Journal of Marketing.* Vol. 45, Summer, pp.102-110.

Hiu, A. S., Siu, N. Y., Wang, C. C. & Chang, L. M. (2001) An investigation of decision-making styles of consumers in China. *The Journal of Consumer Affairs*. 35(2), pp.326-346.

Hoeffler, S. and Keller, K.L. (2003) The marketing advantage of strong brands. *Journal of Brand Management*. 10(6), August, pp.421-445.

Hofstede, G. (1980) *Culture's Consequences: International Differences in Work-Related Values*. Beverly Hills, CA, Sage Publications.

Hofstede, G. (1983) National Cultures in four Dimensions: A Research-Based Theory of Cultural Differences Among Nations. *International Studies of Management and Organizations*. 13(1,2), pp.46-74.

Hofstede, G. (1985) The Interaction Between National and Organizational Value Systems. *Journal of Management Studies.* 22(4), pp.347-357.

Hofstede, G. (1991) *Culture and Organizations: Software of the Mind*. London, McGraw-Hill Book Company.

Hofstede, G. (2001) *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations, 2nd edition*.Thousand Oaks, California, Sage Publications.

Hofstede, G. and Bond, M.H. (1984) Hofestede's Cultural Dimensions: An independent validation using Rokeach's Values Survey. *Journal of Cross-Cultural Psychology*. Vol. 15, pp.417-433.

Hofstede, G. and Bond, M.H. (1988) The Confucious Connection: From Cultural Roots to Economic Growth. *Organization of Cross-Cultural Psychology*. 15(4), pp. 417-433.

Hofstede G. (2010) *China Geert Hofstede Cultural Dimensions* [Internet]. Itim international. Available from: <http://www.geert-hofstede.com/hofstede_china.shtml> [Accessed on 4 June 2010].

Hong Kong Trade Development Corporation (HKTDC) (2010) *Practical Guide to Brand Promotion in China* [Internet]. HKTDC. Available from <http://www.hktdc.com/info/mi/a/pgbp/en/1X005EO6/1/Practical-Guide-To-Brand-Promotion-In-China/2-2-Advertising-Promotion.htm> [Accessed July 29, 2010].

Hong Kong Trade Development Corporation (HKTDC) (2005) *Practical Guide to Distribution in China* [Internet]. HKTDC. Available from: http://www.hktdc.com/info/mi/a/pgd/en/1X005FN4/1/Practical-Guide-To-Distribution-In-China/1-1-Major-Channels-Of-Product-Distribution.htm> [Accessed 3 August 2010].

Hong, S.T. and Kang, D.K. (2006) Country of Origin Influences on Product Evaluations: The Impact of Animosity and Perceptions of Industriousness Brutality on Judgments of Typical and Atypical Products. *Journal of Consumer Psychology*. (16)3, p.232.

Horn, S.A. (2009) Product adoption and innovation diffusion: the case of Japanese marketing to China. *Asia Pacific Business Review*. 15(3) July, pp.389-409.

Horn, S.A. (2009b) *Burandingu in Chaina [Branding in China*]. Y. Yamashita, ed. Tokyo: Toˆyoˆ Keizai Shinpoˆsha, 75–108).

Howard, J.A. (1989) *Consumer Behavior in Marketing Strategy*. Prentice Hall.

Howard, J.A. and Sheth, J.N. (1969) *The Theory of Consumer Behaviour*. John Wiley & Sons Inc., New York, p.63.

Hu, J.L. (2006) *China's Vegetable Oil Market after Her Accession into the WTO.* Presentation by Director General for Chongqing Municipal Grain Administration (15 June 2006) [Internet] Available from: http://www.iasc-oils.org/word%20docs/chinavegoilmkt.pdf [Accessed 9 September 2010].

Hu, H. (2008). *Interview with Harry Hu*. Managing Director, Shanghai New Founder Market Consulting Company Ltd (21 July 2008).

Hu, Y.Y. (2010) Ad spending rises 13.5% in 2009 [Internet]. *China Daily (January 30, 2010)*. Available from: <http://www.chinadaily.com.cn/bizchina/2010-01/30/content_9401660.htm> [Accessed July 29, 2010].

Huang, C.L. (1993) Simultaneous-Equation Model for Estimating Consumer Risk Perceptions, Attitudes, and Willingness-to-Pay for Residue-Free Produce. *Journal of Consumer Affairs.* Winter, 27(2), pp.377-396.

Huber, J. and McCann, J. (1982) The impact of Inferential Beliefs on Product Evaluation. *Journal of Marketing Research*. 19(3) August, p.324-333.

Huddleston, P., Good, L. K. & Stoel, L. (2000) Consumer ethnocentrism, product necessity and quality perceptions of Russian consumers. *International Review of Retail, Distribution and Consumer Research*. 10(2), pp. 167-181.

Hugstad, P.S. and Durr, M. (1986) A Study of Country of Manufacturer Impact on Consumer Perceptions. *Developments in Marketing Science*. 9(1), pp.115-119.

Hult, G.T.M. and Keillor, B.D. (1994) The impact of a social desirability bias on consumer ethnocentrism research: a cross-national perspective. *The Journal of Marketing Management*. 4(2), Fall/Winter, pp.48-55.

Hynes, N. and Lo, S. (2006) Innovativeness and Consumer Involvement in the Chinese Market. *Singapore Management Review*. (28)2, pp.31-46.

Incitez China (2010a) Chinese internet users reached 404 million (May 3) [Internet]. *China Internet Watch*. Available from :<http://www.chinainternetwatch.com/634/china-internet-users-reached-404-million/> [Accessed 30 July 2010].

Incitez China (2010b) China Q1 Online Payment Exceeded 212 Billion Yuan (May 25) [Internet]. *China Internet Watch*. Available from: <http://www.chinainternetwatch.com/648/q1-online-payment-2010/> [Accessed 30 July 2010].

Incitez China (2010c) China Online Advertising Summary in Q1 2010 (May 25) [Internet]. *China Internet Watch*. Available from: <http://www.chinainternetwatch.com/651/top-5-online-advertising-media-q1-2010/> [Accessed 30 July 2010].

Incitez China (2010d) Over 117 million internet forum users in China (July 27) [Internet]. *China Internet Watch*. Available from :<http://www.chinainternetwatch.com/> [Accessed 30 July 2010].

Insch G.S. (2003) The Impact of Country-of-Origin Effects on Industrial Buyers' Perceptions of Product Quality. *Management International Review*. 43(3), p.291.

Insch, G.S. and Mcbride, B. (1998) Decomposing the Country of Origin Construct: An empirical test of country of design, country of parts and country of assembly. *Journal of International Consumer Marketing*. 10(4), p.69.

Jacoby, J, Johar, G.V. and Morrin, M. (1998) Consumer Behavior: A Quandrennium. *Annual Review of Psychology*. Vol. 49.

Jamal, A. and Goode, M.H. (2001) Consumers and brands: A study of the impact of self-image congruence on brand preference and satisfaction. *Marketing Intelligence & Planning*. Issue *19* (6/7), pp.482-492.

Jap, W. (2010) Confucius Face Culture on Chinese Consumer Consumption Values toward Global Brands. *Journal of International Management Studies*. 5(1) April, pp.183-192.

Jenkins, M. (1999) *Sanitation Promotion in Developing Countries: Why the latrines of Benin are few and far between.* Ph.D. dissertation, University of California (Davis).

Jevons, C., Gabbott, M. & de Chernatony, L. (2005) Customer and brand manager perspectives on brand relationships: a conceptual framework. *The Journal of Product and Brand Management*. 14(4/5), pp.300-309.

Jiang, J.J. (2008) *China Business Weekly*, June 23-29, p.1 [Internet]. Available from: < www.businessweekly.cn> [Accessed 7 July 2010].

Jin, Z; Chansarkar, B. and Kondap, N,M.(2006) Brand Origin in An Emerging Market: Perceptions of Indian Consumer. *Asia Pacific Journal of Marketing and Logistics*. (18)4, p.283.

Johansson, J.K., Douglas, S.P., and Nonaka, I. (1985) Assessing the impact of country of origin on product evaluations: A new methodological perspective. *Journal of Marketing Research.* Vol. 22 November, pp.388-396.

Johansson, J.K., Ronkainen, I.A.,and Czinkota, M.R. (1994) Negative country of origin effects: the case of the new Russia. *Journal of International Business Studies*. 25(1), pp.157-176.

Johnson, E.J. and Russo, J.E. (1984) Product familiarity and learning new information. *Journal of Consumer Research*. 11(1), pp.542-50.

Joy, A. (2001) Gift giving in Hong Kong and the continuum of social ties. *Journal of Consumer Research.* 28(2), pp.239–256.

Kapferer, J.N. (1992) *Strategic Brand Management: New Approaches to Creating and Evaluating Brand Equity*. London, Kogan Page Limited.

Kapferer, J.N. (1997) *Strategic Brand Management: New Approaches to Creating and Evaluating Brand Equity, 2nd edition*. London, Kogan Page Limited.

Kardes, F.R. (1999) *Consumer Behavior: Managerial Decision Making*. Reading, MA, Addison-Wesley.

Katz, D. (1960) The Functional Approach to the Study of Attitudes. *Public Opinion Quarterly*. Vol.24 Summer, pp.163-204.

Kay, A. and Sang, V. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Kaynak, E., and Kara, A., (2002) Consumer perceptions of foreign products: An analysis of product-country images and ethnocentrism. *European Journal of Marketing*. *36*(7/8), pp.928-950.

Keller, K.L. (1993) Conceptualization, Measuring, and Managing Customer-Based Brand Equity. *Journal of Marketing*. Vol. 57 January, pp.1-22.

Keller, K.L. (1998) *Building, Measuring, and Managing Brand Equity*. Prentice Hall.

Keillor, J.F., Bruce, D. & Fields, D.M. (1996) Perceptions of a Foreign Service Offering in an Overseas Market: The Case of Fast Food in Hong Kong. *Journal of International Consumer Marketing*. 9(1), pp.83-104.

Kim, Y. (2006) *Do South Korean Companies Need to obscure their Country of Origin Image? A Case of Samsung*. Corporate Communications, (2)126, p.126.

Kindel, T (1983) A Partial Theory of Chinese Consumer Behavior: Marketing Implications. *Hong Kong Journal of Business Management*. Vol.1, p.2.

Kinna, M. and Cheng, L. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Klein, I.G., Ettenson, R. & Morris, M.D. (1998) The animosity model of foreign product purchase: An empirical test in the People's Republic of China. *Journal of Marketing.* Vol. 62(1), pp.89-100.

Kleppe, I., Iversen, N. & Stensaker, G. (2002) Country images in marketing strategies: Conceptual issues and an empirical Asian illustration. *Brand Management*. 10(1), pp. 61-74.

Kluckhohn, C. and F.L. Strodtbeck (1961) Variations in Value Orientations. [In Pecotich, A. and Yang, S. (2001) *Traditional Chinese Culture and Socialist Ideology in Personal Selling: An Exploratory Evaluation* [Internet]. Available from: <http://smib.vuw.ac.nz:8081/WWW/ANZMAC2001/anzmac/AUTHORS/pdfs/Pecotich.pdf>. [Accessed 3 August 2010].

Knight G.A and Calantone R.J. (2000) A Flexible Model of Customer Country-of-Origin Perceptions a Cross-Cultural Investigation. *International Marketing Review*. 17(2), p.127-145.

Knight, G.A. (1999) Consumer Preferences for Foreign and Domestic Products. *The Journal of Consumer Marketing*. 16(2), p.151-162.

Knox, S., Walker, D. & Marshall, C. (1994) Measuring consumer involvement with grocery brands: model validation and scale reliability test procedures. *Journal of Marketing Management*. Vol. 10, pp.137-52.

Kollat, D.T., Engel, J. F., and Blackwell, R.D. (1970) Current problems in consumer behavior research. *Journal of Marketing Research.* 7(3) August, pp.327-332.

Kotler, Philip (2006) *Principles of Marketing*, *6th Canadian edition*. Pearson Prentice-Hall.

Krugman, H.E. (1965) The impact of Television Advertising: Learning without Involvement. *Public Opinion Quarterly.* Vol. 29 Autumn, pp.349-356.

Krugman, H.E. (1967) The Measurement of Advertising Involvement. *Public Opinion Quarterly* Vol. 30 Winter, pp. 583-596.

Kumar, R. (2003) Branding strategies in a changing marketing environment (Indian context), *Journal of Brand Management*. 11(1) September, pp.48-62.

Kwak, Y. (2004) Muttsu no Senryaku kara Manabu Chuˆgoku Shinsutsu Kigyoˆ no tame no Bijinesu Moderu [Selecting from three strategies: business models of China market investors]. Tokyo: Yuigaku Shoˆboˆ. In: Horn, S.A. (2009) Product adoption and innovation diffusion: the case of Japanese marketing to China. *Asia Pacific Business Review*. 15(3) July, pp.389-409.

Kwan, C.Y., Yeung, K.W. & Au, K.F. (2003) A statistical investigation of changing apparel-retailing environment in China. *Journal of Fashion Marketing and Management*. 7(1), pp. 87-100.

Kwok, S., Uncles, M. & Huang, Y. (2006) Brand Preferences and Brand Choices among Urban Chinese Consumers: An Investigation of Country of Origin Effects. *Asia Pacific Journal of Marketing and Logistics*. 18(3), p.163-172.

Laforet, S. and Li, X.Y (2005) Consumer's attitudes toward online and mobile banking in China. *The International Journal of Bank Marketing.* 23(4/5), pp.363-379.

Lai, K.C, Yer,V.H, Hing, P.L, & Siu, K.T (2003) Customer Satisfaction Index: New Practice and Findings. *European Journal of Marketing*. Issue 37(5/6), pp.872-909.

Langton, N. and Robbins, S. (2007) *Organizational Behaviour, Fifth Canadian Edition*. Toronto, Pearson Prentice Hall.

Laroche, M., Papadopoulos, N., Heslop, L. & Mourali, M. (2005) The Influence of Country Image Structure on Consumer Evaluation of Foreign Products. *International Marketing Review*. 22(1), p.96-115.

Laurent, G. and Kapferer, J (1985) Measuring Consumer Involvement Profiles. *Journal of Marketing Research*. 22(2), pp.41-53.

Leclerc, F., Schmitt, B. & Dube, L. (1994) Foreign branding and its effects on product perceptions and attitude. *Journal of Marketing Research*. 31, pp.263-270.

Leek, S. and Kun, D. (2006) Consumer confusion in the Chinese personal computer market. *Journal of Product and Brand Management*. 15(3), pp.184–193.

Lei, X. (2010) Understand Stark Realities. *China Daily*. May 28, p.8.

Lenard, C. and Dana, L. (1998) An Investigation of Consumer Response to Sales Promotions in Developing Markets: A Three-Country Analysis. *Journal of Advertising Research.*38(3) May/June, pp.47-57.

Leo, C., Bennett, R., and Härtel, C. (2005) Cross-Cultural Differences in Consumer Decision-Making Styles. *Cross Cultural Management*. (12) 3, pp. 32-62.

Leung, K., Bhagat, R.S., Buchan, N.R., Erez, M. & Gibson, C. (2005) Culture and international business: recent advances and their implications for future research. *Journal of International Business Studies*. 36(4), pp.357-78.

Leung, L. (1998) Lifestyles and the Use of New Media Technology in Urban China. *Telecommunications Policy*. No. 9, pp.781-790.

Liebman B. (2009) Assessing China’s Legal reforms. *Columbia Journal of Asian Law*. New York, Vol.23, pp.17-33.

Lien,T.B and Yu, C.C. (2001) An integrated model for the effects of perceived product, perceived service quality, and perceived price fairness on consumer satisfaction and loyalty. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*. Issue 14, pp.125-140.

Li, J.J. and Su, C. (2007) How Face Influences Consumption [Internet]. *International Journal of Market Research*. 49(2), pp. 237-256. Available from: <http://web.ebscohost.com/ehost> [Accessed April 1, 2010].

Lim, K. and O'Cass, A. (2001) Consumer Brand Classifications: An Assessment of Culture-of-Origin versus Country-of-Origin. *The Journal of Product and Brand Management.* 10(2), p.120-136.

Lin, L.W. and Sternquist, B. (1994) Taiwanese consumers; perceptions of product information cues: country of origin and store prestige. *European Journal of Marketing*. 28(1), pp.5-18.

Lin, L.Y., and Chen, C.S. (2006) The influence of the country-of-origin image, product knowledge and product involvement on consumer purchase decisions: An empirical study of insurance and catering services in Taiwan. *The Journal of Consumer Marketing.* 23(5), pp. 248-265.

Lin, L.Y. and Zhen, J.H. (2005) Extrinsic product performance signaling, product knowledge and customer satisfaction: an integrated analysis – an example of notebook consumer behavior in Taipei city. *Fu Jen Management Review.* 12(1), pp. 65-91.

Lind, D.A., Marchal, W.G., Wathen, S.A. & Waite, C.A. (2004) *Basic Statistics for Business and Economics*. McGraw-Hill Ryerson, p.343.

Liu, F., Murphy, J., Li, J.Y. & Liu, X.P. (2006) English and Chinese: The role of consumer ethnocentrism and country of origin in Chinese attitudes towards store signs. *Australasian Marketing Journal.* 14(2), p. 5-16.

Liu, J. (2008) Smart Money. *China Daily Business Weekly.* July 21-29, p.2.

Liu, W.L. (2002) Advertising in China: Product branding and beyond. *Corporate Communications: An International Journal*. 7(2), pp.117-125.

Louviere, J. J., Hensher, D.A. & Swait, J.D. (2000) *Stated choice methods: Analysis and applications*. New York, NY, Cambridge University Press.

Lu, S. (2010) Understanding China's Retail Market [Internet]. *The China Business Review (May-June)*. Available from: <http://www.chinabusinessreview.com/public/1005/lu.html> [Accessed 3 August 2010].

Lutz, R. (1985) Affective and cognitive antecedents of attitude toward the ad: a conceptual framework. In: Alwitt, L. and Mitchell, A. (eds) (1985). *Psychological Processes and Advertising Effects.* Erlbaum, Mahwah, pp.45-63.

Lynch, J. and de Chernatony, L. (2004) The power of emotion: Brand communication in business-to-business markets. *Journal of Brand Management*. 11(5) May, pp.403-419.

MacKenzie, S. and Lutz, R. (1989) An empirical examination of the structural antecedents of attitude-toward-the-Ad in an advertising pretesting context. *Journal of Marketing*. Vol. 53 April, pp.48-65.

Madden, T.J., Ellen, P.S. & Ajzen, I. (1992) A comparison of the theory of planned behavior and the theory of reasoned action. *Personality and Social Psychology Bulletin*. 18(1), pp.3-9.

Madden, N. (2007) Nokia tries to be cool with ncool, a site for Chinese trendsetters. *Advertising Age.* 78(49) (12/10), p.22.

Malhotra, N. (2007) *Marketing Research: An applied orientation, 5th edition*. Pearson Prentice Hall.

Malhotra, N. and Peterson, M. (2006) *Basic Marketing Research: A Decision-Making Approach, 2nd edition.* Pearson Prentice Hall.

Market Potential Index (2008) *Market Potential in Emerging Markets* [Internet]. Available from: <http://globaledge.msu.edu/resourceDesk/mpi.asp. > [Accessed 25 May 2010]

McCubbing, R. (2010) *Interview with Robert McCubbing, Trade Commissioner*. Canadian Consulate in Shanghai. April 28th, 2010.

McDonald, W.J. (1998) The ban in China: how direct marketing is affected. [Internet] *Direct Marketing*. (June 1). Available from: <http://www.allbusiness.com/legal/laws-government-regulations-business/681998-1.html> [Accessed 19 July 2010].

McEwen, W., Fang, X., Zhang, C., Burkholder, R. (2006) Inside the mind of the Chinese consumer [online]. *Harvard Business Review*. March. Available from: < http://search.ebscohost.com/login.aspx?direct¼true&db¼ bth&AN¼19707486&lang¼fr&site¼bsi-live> [Accessed 8 January 2007].

McKinsey & Associates (2009) Annual Chinese Consumer Study: Part II: One Country, Many Markets – Targeting the Chinese Consumer with the McKinsey ClusterMap. *McKinsey Asia Consumer and Retail*.

McKinsey Report (2006) Understanding the Chinese consumer. *McKinsey Quarterly.* August.

McKinsey Report (2006b) Marketing to China's hinterland. *McKinsey Quarterly.* August.

McKinsey Report (2006c) Understanding China's teen consumers. *McKinsey Quarterly.* August.

McKinsey Report (2010) A Consumer Paradigm for China [Internet]. McKinsey Quarterly. March. Available from:

<https://www.mckinseyquarterly.com/Economic_Studies/Country_Reports/A_consumer_paradigm_for_China_2429> [Accessed 3 April 2010).

McShane, S. (2008) *Canadian Organizational Behaviour*, *7th ed*ition. McGraw Hill Ryerson.

McWilliam, G. and de Cheratony, L. (1989)Branding Terminology - The Real Debate. *Marketing Intelligence & Planning*, 7 (7/8), pp.29-32.

Melewar, T.C., Meadows, M., Zheng, W.Q. & Rickards, R. (2004) The influence of culture on brand building in the Chinese market: A brief insight. *Journal of Brand Management*. 11(6) July, pp.449-461.

Miniard, P.W. and Cohen, J.B. (1983) Modeling Personal and Normative Influences on Behaviour. *Journal of Consumer Research.* Vol.10 September, pp. 169-80.

Mitchell, V.W., Walsh, G. and Yamin, M. (2004) Toward a conceptual model of consumer confusion. Paper presented at the ACR Conference, Portland, OR, 7-10 October. In: Leek, S. and Kun, D. (2006) Consumer confusion in the Chinese personal computer market. *Journal of Product and Brand Management*. 15(3), pp.184–193.

Mo, P.H. (2008) The Nature of Chinese Collective Values: Formation and Evolution. *China Insights Today*. 1(1) January-March, pp.252-253.

Mokhtarian, P. L. and Salomon, I. (1997) Modeling the Desire to Telecommute: The Importance of Attitudinal Factors in Behavioral Models. *Transportation Research.* A, 31(1), pp.35-50.

Montgomery, C.A. and Wernerfelt, B. (1992) Risk reduction in umbrella branding. *Journal of Business*. 65(1), pp.31-40.

Mooij, M.D. (2004) *Consumer Behaviour and Culture: Consequences for Global Marketing and Advertising*. Thousand Oaks, CA, Sage Publications.

Moore, J. (1993) Building Brands Across Markets: Cultural Differences in Brand Relationships Within the European Community. In: Aaker, D.A. and Biel, A.L. (eds.) (1993) *Brand Equity and Advertising: Advertising's Role in Building Strong Brands.* Hillsdale, New Jersey: Lawrence Erlbaum Associates, pp.32-49.

MSU-CIBER (2010) *Market Potential Index* [Internet]. Available from:< http://globaledge.msu.edu/resourceDesk/mpi.asp> [Accessed 10 August 2010].

Mullen, M.R. (1995) Diagnosing measurement equivalence in cross-national research. Journal of International Business Studies. 26(3), pp.573–596.

Myers, S. and Lin, Y. (2006) China's Mobile Phone Market: Market Barriers for Japanese Vendors [Internet]. *THT Research.* Available from: <http://www.thtresearch.com/WhitePapers/THTResearchWhitePaper_%20ChinaMobilePhoneMarket.pdf> [Accessed 9 September 2010].

Nagashima, A. (1970) A comparison of Japanese and US attitudes toward foreign products. *Journal of Marketing.* Vol. 345, pp. 68-74. In: Peng, S. and Zou, Y. (2007) The moderating effects of multicultural competence on brand-of-origin effect. *International Management Review.* 3(3), pp.57-65.

Nargundkar, R. and Bajaj, C. (2002) International Marketing Strategy for Indian Companies: Value, Image and Other Issues. *ICFAI Journal of Marketing*. 1(1) November, pp.67-73.

Naroll, R. (1970) The culture-bearing unit in cross-cultural surveys. In: Craig, C.S. and Douglas, S.P. (2006) Beyond national culture: implications of cultural dynamics for consumer research. *International Marketing Review*. 23(3), pp.322-342.

NBSC (2010a) (National Bureau of Statistics of China) *Main Population Data in China 2009* [Internet]. Available from: < http://www.stats.gov.cn/english/statisticaldata/yearlydata> [Accessed 14 April, 2010].

NBSC (2010b) (National Bureau of Statistics of China) *Population and Its Composition in China,* 1978-2008
[Internet]. Available from: <http://www.stats.gov.cn/english/statisticaldata/yearlydata> [Accessed 14 April, 2010].

NBSC (2010c) (National Bureau of Statistics of China) *Gross Domestic Product* [Internet]. Available from: <http://www.stats.gov.cn/english/statisticaldata/yearlydata> [Accessed 14 April, 2010].

News Power (2010) China Post Direct Mailing Service [Internet]. *News Power*. Available from: < http://www.newspower.com.hk/services/marketing/directmarketing/chinapostmailing.asp> [Accessed 30 July 2010].

Nicosia, F.M. (1966) *Consumer Decision Process - Marketing and Advertising Implications.* Englewood Cliffs, New Jersey, Prentice Hall, p. 156.

(NSK, 2005a) Nikkei Shinbun Koˆkoku Guide(2005), Chuˆgoku Bijinesu ni okeru Otoshiana to Chansu [Internet]. In: Horn, S.A. (2009) Product adoption and innovation diffusion: The case of Japanese marketing to China. *Asia Pacific Business Review.* 15(3) July, pp.389-409.

(NSK 2005b) Nikkei Shinbun Koˆkoku Guide (2005). Nihon Keizai Shinbunsha [Internet]. September. Available from: http://www.nikkei-ad.com/cb/corporate_brand/topic0508_2.html.In: Horn, S.A. (2009) Product adoption and innovation diffusion: The case of Japanese marketing to China. *Asia Pacific Business Review.* 15(3) July, pp.389-409. [Accessed 17 Jan 2007].

Nunnally, J.C. (1978) *Psychometric theory*. New York: McGraw-Hill.

Nunnally, J.C. and Bernstein, I.H. (1994) *Psychometric Theory, 3rd edition*. Sydney, McGraw-Hill.

Nystedt, D. (2010) China Nears 800 Million Mobile Phone Subscribers [Internet] *PCWorld*. Available from: <http://www.pcworld.com/businesscenter/article/200036/china_nears_800_million_mobile_phone_subscribers.html> [Accessed 2 July 2010].

O'Cass, A. and Lim, K. (2002) Understanding the younger Singaporean consumers' views of western and eastern brands. *Asia Pacific Journal of Marketing and Logistics.* 14(4), January, pp.54-79.

OECD (2007) *Chongqing Municipality's Development Strategy* [Internet]. Available from: <www.oecd.org/dataoecd/14/13/40061625.pdf [Accessed 15 September 2010].

Ohmae, K. (1989) The Global Logic of Strategic Alliances. *Harvard Business Review.* 67(2), March/April, p.143.

Okechuku, C. (1994) The importance of product origin: a conjoint analysis of the United States, Canada, Germany and The Netherlands. *European Journal of Marketing.* 28(4), pp.5-19.

Okechuku, C. and Onyemah,V. (1999) Nigerian Consumer Attitudes toward Foreign and Domestic Products. *Journal of International Business Studies*. 30(3), p.611-622.

Oliver, R. L., and Bearden,W.O. (1985) Crossover effects in the theory of reasoned action: A moderating influence attempt. *Journal of Consumer Research*. 12(3) December, pp.324–340.

Olson, J.C. and Jacoby, J. (1972) Cue Utilization in The Quality Perception Process. *Proceedings of the Third Annual Conference of the Association for Consumer Research*. pp.167-179.

Ordonez de Pablos, Patricia and Lytras, Miltiadis eds. (2008a) An interview with Andrew Leung. *China Insights Today*. 1(1) January-March, pp.58.

Ordonez de Pablos, Patricia and Lytras, Miltiadis eds. (2008b) An interview with Joe Eng. *China Insights Today.* 1(1) January-March, pp.2-103.

Osgood, C. E., Suci, G. J. & Tannenbaum, P. H. (1957) *The Measurement of Meaning*. University of Illinois, Urbana, IL.

Ozsomer, A. and Cavusgil S. (1991) Country-of-origin effects on product evaluations: a sequel to Bilkey and Nes review. AMA Educators Proceedings, Vol. 2, pp.269-277. In: Peng, S. and Zou, Y. (2007) The moderating effect of multicultural competence in brand-of-origin effect. *International Management Review.* 3(3), p.57-65.

Paine, Lynn S. (2010). The China Rules. *Harvard Business Review*. 88(6), pp.103-108.

Papadopoulos, N. and Heslop, L.A. (1993) National Stereotypes and product evaluations in a socialist country. *International Marketing Review*. 7(1), pp.32-47.

Paproski, D. (1990) How important is brand name to mainland Chinese consumers? *Databank Review*. (October) (in Mandarin), pp.8-9.

Park, C.W., Mothersbaugh, D.L., and Feick, L. (1994) Consumer Knowledge assessment. *Journal of Consumer Research*. 21(1) June, pp.71-82.

Paswan, A and Sharma, D. (2004) Brand-country of origin (COO) knowledge and COO image: investigation in an emerging franchise market. *The Journal of Product and Brand Management.* 13(2/3), p.144.

Pecotich, A., and Rosenthal, M.J. (2001) Country of origin, quality, brand and consumer ethnocentrism. *Journal of Global Marketing*. 15(2), pp.31-60.

Pecotich, A. and Yang, S. (2001) Traditional Chinese Culture and Socialist Ideology in Personal Selling: An Exploratory Evaluation [Internet]. Available from: <http://smib.vuw.ac.nz:8081/WWW/ANZMAC2001/anzmac/AUTHORS/pdfs/Pecotich.pdf>. [Accessed 3 August 2010].

Peng, S. and Zou, Y. (2007) The moderating effect of multicultural competence in brand-of-origin effect. *International Management Review.* 3(3), p.57-65.

Pennington, R. (2002) Critical Issues in Chinese Market Communication Development. In: Helou, M. and Caddy, I. (2007) Marketing Model Innovations in the Contextualisation of Consumer Behaviour and Service Recovery: The case of China. *Innovative Marketing*. 3(1), pp. 31-43.

People's Daily Online (2004) *Direct marketing to make a comeback* (Nov. 10) [Internet]. Available from: <http://english.peopledaily.com.cn/200411/10/eng20041110_163399.html> [Accessed 29 July 2010].

People's Daily Online (2009) *China Boosts Rural Consumption* (February 1) [Internet]. Available from: <http://english.peopledaily.com.cn/90001/90776/90884/6583194.html> [Accessed 2 July 2010].

Perrin, R. and Gong, Y. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Peter, J.P. and Olson, J.C. (2002) *Consumer Behavior and Marketing Strategy, 6th edition*. McGraw-Hill/Irwin .

Peterson, D.K., and Pitz, G.F. (1988) Confidence, uncertainty, and the use of information. *Journal of Experimental Psychology: Learning, Memory and Cognition*. Vol. 14, pp.85-92.

Peterson, R.A., and Jolibert, A. (1995) A meta-analysis of country of origin effects. *Journal of International Business Studies*. 26(4), pp.883-900.

Pharr, J.M. (2005) Synthesizing Country-Of-Origin Research from the Last Decade: is The Concept Still Salient in an Era of Global Brands? *Journal of Marketing Theory and Practice*. 14(3) Fall, pp.34-44.

Phau, I. and Suntornnond, V. (2006) Dimensions of Consumer Knowledge and its Impacts on Country of Origin Effects among Australian Consumers. *The Journal of Consumer Marketing*. 23(1), pp.34-42.

Pickard, B. and Li, Y. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Piron, F. (2000) Consumers' perceptions of the country-of-origin effect on purchasing intentions of (in) conspicuous products. *The Journal of Consumer Marketing*. (17)4, p.308-321.

Pollay, R.W., Tse, D.K. and Wang, Z.Y. (1990) Advertising, propaganda, and value change in economic development. *Journal of Business Research*. Vol.20, pp.83-95.

Port Focus (2010) *Ports Harbours and Marinas Worldwide* [Internet] Available from: http://portfocus.com/china/index.html [Accessed 2 July 2010].

Porter, M.E. (1990) *The Competitive Advantage of Nations*. London, The MacMillan Press Ltd.

Powers, P. (2001) Distribution in China: The end of the beginning [Internet]. *China Business Review.* July-August. Available from: <http://www.chinabusinessreview.com/public/0107/powers.html> [Accessed 3 August 2010].

Punj, G.N. and Stewart, D.W. (1983) An interaction framework of consumer decision making. *The Journal of Consumer Research.* 10(2) September, pp.181-96.

Qiang, X. (2010) Shanghai GDP in 2009 Surpasses Hong Kong [Internet] *China Daily Online*. Available from: <www.chinadaily.com.cn/bizchina/2010-03/08/content_9555487.htm [Accessed 15 September 2010].

Quester, P.G., McGuiggan, R.L., McCarthy, E.J. & Perrealt, W.D. (2001) *Basic Marketing: A Managerial Perspective, 3rd Australasian edition.* The McGraw-Hill Companies, Incorporated.

Restall, C. and Gordon, W. (1993) Brands - The Missing Link: Understanding the Emotional Relationship. *Marketing and Research Today*. May, pp.59-67.

Report Buyer (2010)*China Infrastructure Report Q2 2010* [Internet] Available from: <http://www.reportbuyer.com/countries/asia_pacific/china/china_infrastructure_report_q2_2010.html> [Accessed 2 June 2010].

Richins, M.L. (1994) Valuing things: the public and private meanings of possessions. *Journal of Consumer Research.* 21(3) December, pp.534-547.

Robbins, S., Coulter, M. & Langton, N. (2006) *Management, 8th edition.* Toronto, Pearson Prentice Hall.

Robertson, T.S. (1971) *Innovative Behavior and Communication.* New York, Holt, Rinehart, and Winston.

Rogers, E.M. (1983) *Diffusion of Innovation*. New York, Free Press.

Rokeach, M. (1973) *The Nature of Human Values*. New York, Free Press.

Roth, M. S. (1995) The Effects of Culture and Socioeconomics on the Performance of Global Brand Image Strategies. *Journal of Marketing Research*. 32(2) May, pp.163-175.

Roth, M.S. and Romeo, J.B. (1992) Matching product category and country image perceptions: a framework for managing country of origin effects. *Journal of International Business Studies*. Vol. 23 Fall, pp.61-73.

Rothchild, M.L. (1979) *Advertising Strategies for High and Low Involvement Situations*. American Marketing Association.

SACU (2010) Festivals in China [Internet]. *Society for Anglo-Chinese Understanding*. Available from: <http://www.sacu.org/festivals.html> [Accessed 4 July 2010].

Saidan, Z. and Hayes, L.A. (2005) Hofstede Theory and Cross Cultural Ethics Conceptualization, Review, and Research Agenda. *Journal of American Academy of Business*. Cambridge, 6(2) March, pp.10-15.

Salomon, I. and Ben-Akiva, M. (1983) The Use of the Life-style Concept in Travel Demand Models. *Environment and Planning A*. Vol.15, pp.623-638.

Samiee, S. (1994) Custumer evaluation of products in global market. *Journal of International Business Studies*. Vol.25, pp.579-604.

Samli, A.C. (1995) *International consumer behavior: Its impact on marketing strategy development*. London,Quorum Books.

Samli, A.C. and Kaynak,E. (1984) Marketing Practices in Less-Developed Countries. *Journal of Business Research*. Vol.2 March, pp.5-18.

Santos, R.A. (1999) Cronbach's Alpha: A Tool for Assessing the Reliability of Scales. In: Schmitt, B. (1997) Who Is the Chinese Consumer? Segmentation in the People's Republic of China. *European Management Journal*. 15(2), pp.191-94.

Saurazas, Julia (2000) *Purchasing Intentions and Behaviour in a Developing Country: A Comparison of Western, Asian and Arab Consumers in the United Arab Emirate*s, Ph.D. Thesis, University of Bradford.

Schiffman, L.G. and Kanuk, L.L. (2001) *Consumer Behaviour, 4th ed*ition. Prentice Hall.

Schmitt, B. (1997) Who Is the Chinese Consumer? Segmentation in the People's Republic of China. *European Management Journal*. 15(2), pp.191-94.

Schütte, Helmut (1998) *Maslow's Hierarchy: The Asian Equivalent, Consumer Behavior in Asia*. New York: New York University Press, p.23.

Selame, E. (1993) Commentary: Unlocking the Brand Asset Vault. *Journal of Products & Brand Management*. 2(1), pp.20-28.

Semenik, R. J. and Tao, D. (1993) Chinese managers' attitudes towards advertising: before and after the Tiananmen Square incident. *International Journal of Advertising*. Vol.13, pp.243-55.

Shankarmahesh, M. (2006) Consumer Ethnocentrism: An Integrative Review of its Antecedents and Consequences. *International Marketing Review*. (23)2, p.146-172.

Sharma, S., Shimp, T.A. and Shin, J. (1995) Consumer ethnocentrism: A test of antecedents and moderators. *Journal of the Academy of Marketing Science*. 23(1), pp.26-37.

Sharp, B., Wright, M. & Goodhardt, G. (2002) Purchase Loyalty is Polarised into Either Repertoire or Subscription Patterns. *Australasian Marketing Journal*. 10(3), pp.7-20.

She, Y. (2002) WTO Shakes the Chinese retail sector. *US&FCS Market*.

Sheppard, B. H., Hartwick, J., & Warshaw, P. R. (1988) The theory of reasoned action: A meta-analysis of past research with recommendations for modifications and future research. *Journal of Consumer Research.* 15(3), pp.325–343.

Sheth, J. and Mittal, B. (2004) *Customer Behavior: A Managerial Perspective*. Mason, Thomson South-Western.

Shimp, T. (1981) Attitude toward the ad as a mediator of consumer brand choice. *Journal of Advertising*. 10(2), pp.9-15.

Shimp, T. and Sharma, S. (1987) Consumer ethnocentrism: construction and validation of the CETSCALE. *Journal of Marketing Research*. 24(3) August, pp.280-289.

Shoham, A., Davidow, M., Klein, J. G., and Ruvio, A. (2006) Animosity on the Home front: The Intifada in Israel and Its Impact on Consumer Behavior. *Journal of International Marketing*. 14(3), pp.92-114.

Siu, W.S. and Chan, C.H. (1997) Country of origin effects on product evaluation: the case of Chinese consumers in Hong Kong. *Journal of International Marketing and Market Research*. 22(2), pp.115-122.

So, W.C., Wong, M., Danny, T.N. & Sculli, D. (2005) Factors affecting intentions to purchase via the internet. *Industrial Management + Data Systems*. 105(9), p.1225-1244.

Solomon, M.R, Zaichkowsky, J.L. & Polegato,R. (2008) *Consumer Behavior: Buying, Having, and Being.* Toronto, Prentice Hall.

Solomon, M.R. (2001) *Consumer Behavior: Buying, Having, and Being*. New Jersey, Prentice Hall.

Solomon, M.R. (1983) The Role of Products on Social Stimuli: A Symbolic Interactionism Perspective. *Journal of Consumer Research*. 10(3) December, pp.319-339.

Sommers, B. and Sommers, R. (1991) *A Practical Guide to Behavioral Research: Tools and Techniques*. New York, Oxford University Press.

Space Today (2010) *China at a Glance* [Internet]. Available from: <http://www.spacetoday.org/China/ChinaGlance.html> [Accessed 2 July 2010].

Speece, M. (1999) *Consumer Buying Behaviour in Asian Markets* [Internet] Available from <:http://www.formulatrade.com> [Accessed Nov. 21, 2008).

Sponaugle, H., Sandulo, G. & Lin, Y.Q. (2010) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Sproles, G.B. and Kendall, E. L. (1986) A methodology for profiling consumers' decision-making styles. *The Journal of Consumer Affairs*. 20(2), pp.267-279.

Su, Y., Xu, D. & Phan, P.H. (2008) Principal-principal conflict in the governance of the Chinese public corporation. *Management and Organization Review.* 4, (1) (03/61), pp.17-38.

Sudman, S. and Bradburn, N. M. (1982) *Asking Questions*. San Francisco, Jossey-Bass.

Summers, G. F., ed. (1970) Attitude Measurement. *Rand McNally Sociological Series*, Chicago, Rand McNally.

Sumner, G.A. (1906) *Folkways*. New York, Ginn Custom Publising.

Sun, L. (1991) Contemporary Chinese culture: structure and emotionality. *Australian Journal of Chinese Affairs*. No.26, pp.1–41.

Swanson, L. A. (1998) Market Segmentation in the People's Republic of Ghana. *Journal of Segmentation in Marketing*. 2(2), pp.99-116.

Tai, S.H.C. (2005) Shopping Styles of Working Chinese Females. *Journal of Retailing and Consumer Services*. pp.191-203.

Tam, J. and Tai, S. (1997) The psychographic segmentation of the female market in greater China. *International Marketing Review*. 15(1), pp.61-77.

Tavassoli, N.T. (2007) Would a "rose" in chinese smell as sweet? *Business Strategy Review.* 18(2) (06/15), pp.35-39.

Taylor, J.W. and Jones, R.M. (1978) The attitude change, behavior change problem. *Journal of Marketing.* 42(3) July, pp.72-74.

Taylor, S. and Todd, P. (1995) Decomposition and crossover effects in the theory of planned behavior: A study of consumer adoption intentions. *International Journal of Research in Marketing.* 12(2), pp.137-156.

Terpstra, V. and David, K. (1985) *The Cultural Environment of International Business*. Cincinnati, Ohio, Southwestern Publishing Company.

Terry, D. J. and Hogg, M. A. (1996). Group norms and the attitude-behavior relationship: A role for group identification. *Personality and Social Psychology Bulletin*, 22(8), pp.776–793.

The McKinsey Quarterly (2007a) The Middle Kingdom's middle class. *Chart Focus Newsletter.* (June). http://www.mckinseyquarterly.com/The_value_of_Chinas_emerging_middle_class_1798_abstract [Accessed 6 June 2007].

The McKinsey Quarterly (2007b) Understanding China's Consumers. *Chart Focus Newsletter*. <http://www.mckinseyquarterly.com/Marketing/Sectors_Regions/Understanding_Chinas_teen_consumers_1797_abstract> [Accessed 6 June 2007].

The McKinsey Quarterly (2007c) Understanding China's Teenagers. *Chart Focus Newsletter*. Available from: < http://www.mckinseyquarterly.com/Marketing/Sectors_Regions/Understanding_Chinas_teen_consumers_1797_abstract> [Accessed 6 June 2007].

Thurstone, L. L. (1932) The Measurement of Social Attitudes. *Journal of Abnormal and Social Psychology.* Vol.26, pp.249-269.

Ting-Toomey, S. (1988) Intercultural conflict styles: a face-negotiation theory. In: Gudykunst, W.B., Stewart, L.P. & Ting-Toomey, S. (eds.) (1985) *Communication, Culture, and Organizational Processes.* Newbury Park, CA, Sage.

Toon, J. (2010) Technology Indicators: Move Over U.S. – China to be New Driver of World's Economy and Innovation [Internet]. *Georgia Tech Research News*. Available from: <http://gtresearchnews.gatech.edu/technology-indicators> [Accessed 2 July 2010].

Uncles, M. and Saurazas, J. (2000) Purchasing local and international brands: the intentions-behaviour link among Arabs, Asians and Westerners in the UAE. *Proceedings of ANZMAC Conference,* Gold Coast, 28 November-1 December.

Ulgado, F.M., and Lee, M. (1988) The Korean vs American marketplace: consumer reactions to foreign products. *Psychology and Marketing.*15(6), pp.595-614.

Usunier, J.C. (1996) *Hofstede's dimensions of culture and their influence on international business negotiations.* Pergamon Press.

Usunier, J.C. (2000) *Marketing Across the Cultures, 3rd edition*. Prentice-Hall, Harlow.

Usunier, J.C. (2006) Relevance in Business Research: the Case of Country of Origin Research in Marketing. *European Management Review.* (3)1, Spring, p.60-73.

Usunier, J.C. and Lee, J.A. (2005) *Marketing across Cultures, 4th edition.* FT Prentice-Hall, Harlow.

Vaughn, R. (1980) How Advertising Works: A Planning Model, Journal of Advertising Research. Quoted In: Solomon, M.R, Zaichkowsky, J.L. & Polegato,R. (2008) *Consumer Behavior: Buying, Having, and Being.* Toronto, Prentice Hall, p.112.

Veblen, T. (1899) *The Theory of the Leisure Class*. New York, MacMillan and Company.

Verlegh, P.W. and Steenkamp, J.B. (1999) A review and meta-analysis of country-of-origin research. *Journal of Economic Psychology.* 20(5), pp.521-546.

Vallaster, C. and de Chernatony, L. (2006) Internal brand building and structuration: The role of Leadership. *European Journal of Marketing*. 40(7/8), pp.761-784.

Vaughn, R. (1980) How Advertising Works: A Planning Model. *Journal of Advertising Research. Vol.*20 October, pp.27-33. Quoted in: Wills, J., Samli, A. C. & Jacobs, L. (1991)Developing Global Products and Marketing Strategies: A Construct and a Research Agenda. *Journal of the Academy of Marketing Science*. 19(1) Winter, pp.1-10.

Wakefield, K.L. and Inman, J.J. (2003) Situational price sensitivity: the role of consumption occasion, social context and income. *Journal of Retailing*. 79(4), pp.199-212.

Walters, C. G. and Gorden, P.W. (1970) *Consumer Behaviors: An integrated framework*. Homeworrd, Illinois, Richard D. Irwin, Incorporated.

Wang, F., Zhang, H., Zang, H. & Ouyang, M. (2005) Purchasing pirated software: an initial examination of Chinese consumers. *The Journal of Consumer Marketing*. 22(6), pp.340-351.

Wang, H. (2003) A study on consumer ethnocentrism in Chinese context. Nankai Managers Review, Vol. 4, pp.31-36 (in Chinese). In: Peng, S. and Zou, Y (2007) The moderating effect of multicultural competence in brand-of-origin effect. *International Management Review.* 3(3), p.57-65.

Wang, H. (2003b) Brand-of-origin effects and marketing strategy: A survey on country images of Europe, USA, Japan and China. Chinese Industrial Economy. Vol.1, pp.78-86. In: Peng, S and Zou, Y (2007) The moderating effect of multicultural competence in brand-of-origin effect. *International Management Review.* 3(3), p.57-65.

Wang, Y. (2010) Gray areas of income revealed. *China Daily*, June 3rd, p. 9.

Wang, C.K. and Lamb, C.W. (1980) Foreign environmental factors influencing American consumers' predisposition towards European products. *Journal of the Academy of Marketing Science*. 8(4), pp.345-367.

Wang, C.K. and Lamb, C.W. (1983) The impact of selected environmental forces upon consumers' willingness to buy foreign products. *Journal of the Academy of Marketing Science*. 11(1/2) Spring/Winter, p.71-84.

Wang, C.H. and Chen, Z.X. (2004) Consumer ethnocentrism and willingness to buy domestic products in a developing country setting: testing moderating effects.
The Journal of Consumer Marketing. (21)6, p.391-400.

Wang, L. (2008) Tightening Purse Strings in Trying Times. *China Daily*. July 31, p.7.

Wang, P. (2008) The Historical and Cultural Contexts of Chinese Language. *China Insights Today*. 1(1) January-March, pp.162-170.

Watson, J.J. and Wright, K. (2000) Consumer ethnocentrism and attitudes toward domestic and foreign products. *European Journal of Marketing*. (34)9/10, p.1149-1166.

Whyte, B. (2010) *Religion in China* [Internet]. Society for Anglo-Chinese Understanding. Available from: < http://www.sacu.org/religion.html> [Accessed 4 July 2010].

Wiederhecker, A. (2007) Chinese hang onto opulent dreams. *Financial Times*. Apr 14, pg.8.

Wells, W. D., ed. (1974) *Lifestyle and Psychographics.* American Marketing Association. Chicago.

Wells, W., Burneet, J. and Moriarty, S. (1998) Advertising: Principles & Practice, 4th edition. Englewood Cliffs, New Jersey, Prentice-Hall. In: Czinkota, M.R. and Ronkainen, I.A. (1994) *International Marketing Strategy: Environment Assessment and Entry Strategies.* Toronto, The Dryden Press.

Wills, J., Samli, A. C. & Jacobs, L. (1991) Developing Global Products and Marketing Strategies: A Construct and a Research Agenda. *Journal of the Academy of Marketing Science*. 19(1) Winter, pp.1-10.

Wong, D. (2004) China: the new frontier. *Chain Store Age*. 89(5), pp.A2-5.

Wong, G.K. M. and Yu, L. (2003) Consumers' Perception of Store Image of Joint Venture Shopping Centres: First-Tier Versus Second-Tier Cities in China. Journal of Retailing and Consumer Services. 10(3) March, pp.61-70.

World Bank (2008) *Country snapshots* [Internet]. Private Participation in Infrastructure Database. Available from: <http://ppi.worldbank.org/explore/ppi_exploreCountry.aspx?countryID=50> [Accessed 2 July 2010].

World Port Source (2010) *Ports in China* [Internet]. Available from: <http://www.worldportsource.com/ports/maps/shipping/CHN.php> Accessed 2 July 2010.

Wright, P.L. (1973) Use of consumer judgment models in promotion planning. *Journal of Marketing.* 37(4) October, pp.27-33.

Wu, J. and Delong, M. (2006) Chinese perceptions of western-branded denim jeans: A Shanghai case study. *Journal of Fashion Marketing and Management.* 10(2), p.238-250.

Wu, K. (1998) *Sociology of Education*. Kaohsiung, Fu-Wan Publishing House.

Xin, D. (2008) China to add 97 airports in 12 years. *China Daily* [Internet] March 25th. Available from: <http://www.chinadaily.com.cn/bizchina/2008-03/25/content_6563240.htm> [Accessed 2 July 2010].

Xinhua News Agency (2004) China's advertising expenditures soaring in 2003. [Internet] April 10. *Encyclopedia.com*. Available from: <http://www.encyclopedia.com/doc/1P2-16565967.html> [Accessed 29 July 2010].

Yan, D. (2010) Shooting to fame in cyber world. *China Daily*. June 1st, p.1,6.

Yau, O. (1994) *Consumer Behavior in China: Customer Satisfaction and Cultural Values.* New York, Routledge.

Young, M.A., Sauer, P.L. & Unnava, H.R. (1994) Country-of-origin issues. *Global Marketing*. Fort Worth, The Dryden Press.

Young, V.M. (2004) Huge potential for Chinese consumers. *WWD*. 188(106), p.21B.

Young and Rubicam (Y&R)(1994) *BrandAsset Valuator*. Young and Rubicam (London) Incorporated.

Yu, T. (2009) Advertising industry optimistic about 2010 [Internet].*China Daily*. December 14th Available from: <http://www.chinadaily.com.cn/bizchina/2009-12/14/content_9174608_2.htm> [Accessed 29 July 2010].

Yuan, X. (2010) *Interview with Xiaoli Yuan*. Vice Director, Business and Management Faculty, Qingdao University of Science and Technology (June 16, 2010).

Zaichkowsky, J.L. (1985) Measuring the Involvement Construct. *Journal of Consumer Research.* 12(3) December, pp.341-352.

Zaichkowsky, J.L. (1986) Conceptualizing involvement. *Journal of Advertising*. 15(2), pp.4-14.

ZenithOptimedia (2009) Press Release [Internet] *ZenithOptimedia*. Available from: <http://www.phorm.com/assets/reports/Advertising_Expenditure_Forecasts.pdf> [Accessed 29 July 2010].

Zhao, R.T. and Kenny, B. (2009) *Unique Promotions in China*. Research Report/China Field School Research. Vancouver Island University.

Zhang, F. (2008) China's Chocolate Market Dominated by Foreign Brands [Internet]. *Ezinearticles.* Available from: <http://ezinearticles.com/?Chinas-Chocolate-Market-Dominated-by-Foreign-Brands&id=1013918> [Accessed 8 September 2010].

Zhang, P. (2010) *Presentation on Current Economic Environment in China*. Shanghai University of Commerce. April 27th.

Zhou, L. and Hui, M. (2003) Symbolic Value of Foreign Products in the People's Republic of China. *Journal of International Marketing*. 11(2), pp.36-58.

Zhu, M., Quan, R. & Kuang, X. (2006) The impact of Sino-western cultural differences on IT products consumption. *Journal of Technology Management in China*. 1(2), pp.159-173.

Zhuang, G., Tsang, A., Zhou, N., Li, F. & Nicholls, J. (2006) Impacts of situational factors on buying decisions in shopping malls: An empirical study with multinational data. *European Journal of Marketing.* 40(1/2), p. 17-43.

Zhuang G. and Tsang, A. (2008) A Study on Ethically Problematic Selling Methods in China with a Broaden Concept of Gray-marketing. *Journal of Business Ethics*. 79(1-2) April, pp.85-101.

Appendix I. The Chinese Marketing Environment

A1.0 Introduction

This chapter provides an overall environmental context to marketing in China. We begin with a discussion of several aspects of Chinese culture in addition to those mentioned in Chapter 3 which provide further insight into the Chinese cultural context. This is followed by a discussion of the business environment highlighted by an assessment of China's overall market potential in relation to other emerging markets. Various other aspects of China's contemporary business environment including analyses of the demographic, geographic, economic, technological, legal and regulatory, political, and competitive environments are also presented.

A1.1 The Chinese cultural environment

A1.1.1 Festivals/Superstitions

Festivals are an integral part of Chinese culture. Most festivals in China are tied to the lunar (moon) calendar which means that the specific day(s) they are celebrated changes from year to year (SACU, 2010). The main festivals are the Spring (Chinese New Year) festival, Dragon Boat festival, (Qing Ming) tomb-sweeping, and mid-Autumn festivals, along with National Day. Of these the most important is the Spring Festival (late January-early February) which is often the only extended holiday time that people receive. Like Christmas or Thanksgiving it is an important time for family gatherings. The Lantern Festival, which occurs at the end of the Spring Festival, also forms an important part of the two-week long event. Traditional Spring festival practices are adhered to particularly in the countryside whereas in the modern cities commercialism seems to have interfered with celebration of traditional practices. The Qing Ming festival (late March-early April) is a time to honor ancestors by caring for their burial locations and is an important demonstration of filial piety (SACU, 2010). The Dragon Boat festival (early May) honors Qu Yuan who drowned himself to protest corrupt government in the third century BC (SACU, 2010). Children's Day (June 1) is a national holiday and ties into International Children's Day. The mid-Autumn festival (September-October) celebrates the harvest season and since the fourteenth century recalls a patriotic revolt against the Mongol dynasty (EDC, 2007). National Day (October 1) celebrates the founding of the People's Republic of China (EDC, 2007; CIA World Factbook, 2010; SACU, 2010).

As in Western nations festivals are popular times for purchasing products and the retail sector capitalizes on the festivals by marketing accompanying seasonal products. Indeed, commercialism in China has undergone many of the dynamics seen in Western countries where some retail store themes simply meld seamlessly to match the next upcoming festival.

Superstitions play a significant role in Chinese beliefs and behavior. Superstitious beliefs exist in many aspects of life including behavior of what should be done or not done in many situations such as births, weddings, funerals, choosing a partner, purchasing a home, naming children, and many other often detailed aspects of daily life (BCR, 2010). Many customs and superstitions are tied to the Chinese New Year such as setting off firecrackers at designated times to ward off evil spirits, cleaning the house before a designated date, establishing proper days and times to visit relatives of both the wife and the husband, and determining the kinds of foods eaten during specified days of the festival ((ChinatownConnection.com, 2010; BCR, 2010). The goals of following all of the customs are to either avoid negative consequences or bring luck and fortune to the family (ChinatownConnection.com, 2010).

Superstition impacts many consumer purchases. In traditional culture, Chinese believe that good luck is very important to a happy life and certain products that contain the "meaning of luck" are very popular. This extends not only to the type of products purchased but also to numerology and pricing. Common price endings use the digits '8' or '9' which depending on the dialect sound like prosper/father or sufficient/uncle, respectively while the digit '4' sounds like the Chinese word for death and as such is rarely used in marketing applications (ChinatownConnection.com, 2010). Consumers very often factor in how *feng shui* might be related to product choice. *Feng shui* or Chinese geomancy is the principle of spatial placement and physical design to promote harmony and prosperity. It can otherwise be more narrowly described as the Chinese art or practice of creating harmonious surroundings that enhance the balance of yin and yang, as in arranging furniture or determining the location of a house (Dictionary.com, 2010). Marketers involved in interior design, furniture design, engineering services, and retailing, for example, typically consider the implications of *feng shui* principles in their strategies. A marketer might, for instance, point out that a proposed interior design concept accords to the principles of *feng shui*.[49]

A.1.1.2 Religion and Languages

The Chinese population is largely homogenous with one race, the Han, accounting for 92% of the country's population. The main minorities include the Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, and Korean, which account for the remaining 8% (CIA World Factbook, 2010). Minorities in China are relatively concentrated to specific regions, which makes it feasible to target them where appropriate. The Turkic-speaking Uygurs, for example, reside mainly in Xinjiang Autonomous Region.

On the surface Chinese people, particularly Han Chinese, do not appear to be deeply religious. Whyte (2010) argues that Chinese have shown a comparative indifference to metaphysical speculation and that they have shown themselves to be concerned primarily with the human person and society. He further argues that this concern has manifested itself into a concern for prosperity, an argument which seems to explain the current state of Chinese culture particularly in respect to festivals which emphasize luck, fortune, and long life.

The dominant religions in the country are Daoism and Buddhism. Along with Confucianism, not technically a religion, these religions have been melded into the character and culture of Chinese. Unlike religions in many other countries these three major religions have peacefully coexisted for hundreds of years. Confucianism is based on the life of Confucius (*Kong Fu Zi*) who lived from 551 to 479 BC in what is now Shandong province (Whyte, 2010). Confucius' teachings focused on the individual and his relationship to society, government, and family (Whyte, 2010). Popular among rulers for much of China's history his teachings advocated strict conformity and correct behavior which was postulated to produce an ordered society.

Confucius was not particularly interested in religion, except insofar as it related to the regulation of life in society (Whyte, 2010). Religion held an important place in Chinese life until the Communist Party suppressed all religions after 1949.[50] The teachings of early Daoism are ascribed to *Lao Zi* in the fifth century BC who is the reputed author of the most influential Daoist text, the *Dao De Jing* (The Way and its Power) (Whyte, 2010). According to Whyte (2010) the key distinction between the two dominant religions at the time was that where Confucianism stressed ethical action, Daoism stressed the virtue of *Wu Wei*, non-action or going with the flow of things. The first foreign religion to invade China was Buddhism which first entered China in the second century AD and by the Tang dynasty was the most influential of all religions (Whyte, 2010). In contrast to Confucianism and Daoism, Buddhist teachings stressed sudden enlightenment and salvation through grace rather than through ascetic practices (Whyte, 2010). However, the religion's success led to a severe curtailment of its activities in the late Tang Dynasty era, since officials began to see its power as a threat, both to their own power and to the order and prosperity of society. After this it remained an important element in Chinese life, but took its place alongside Daoism and a revitalized Confucianism (Whyte, 2010).

Islam first came to China in the seventh century AD brought by Arab traders and soldiers and today there are as many as 15 million Muslims in China (Whyte, 2010). Politically, Islam is important both because China seeks good relations with Muslim countries and because the non-Hui Muslims live in strategically sensitive border areas, principally Xinjiang (Whyte, 2010). However, according to Whyte (2010) and others (Gu, 2008) the impact of policies implemented after the Communist takeover in 1949 have reduced the influence of religion in the daily life for the majority of Chinese. Although facing hardship after the Communist takeover, about 10 million Chinese consider themselves Christians (Whyte, 2010). Taken together, Christianity and Islam are practiced by about 6% of the population (CIA World Factbook, 2010). Marketers targeting consumers in specific regions of China such as the Muslim regions (Hui, Miao, Uygur) and the Tibetan (Buddhists) regions need to be mindful of the significance that religion plays in daily life.[51]

The national language, and the language of teaching instruction, is Mandarin. Mandarin was chosen as the national language because of its similarity to the Beijing dialect. Ethnic dialects are spoken throughout the country with the main ones being Yue (Guangdong and Hong Kong), Wu (Shanghainese), mainly spoken in Zhejiang and Jiangsu, Min dialect, also known as Hokkien, spoken in Fujian and Taiwan provinces, Xiang dialect in Hunan province, Gan dialect in Jiangxi province, Jin dialect in Shanxi province, and Kejia (Hakka) spoken in the south-eastern hinterland regions (Wang, 2008). The existence of a common national language makes it less complicated to develop product markets yet a native knowledge of the dialect and subtleties of each major ethnic market is needed in order to develop appropriate targeted marketing communications (Gu, 2008).

A1.1.3 History

To succeed in business in China, one must understand its history (Choi, 2010). Understanding history enables the marketer to put marketing communications in contexts that can promote product benefits, for example. Understanding history also allows for a deeper understanding of consumers' psyche, for example, in relation to savings behavior. Companies offering financial services products in China must be aware of the entrenched desire to "save for a rainy day" because of the repeated man-made disasters that have occurred in China over millennia.

There are two particular periods of Chinese history that have left indelible marks on the current psychology of Chinese. The first is the colonial era that runs from the middle of the nineteenth century to the end of World War II. The second is the first Communist era from 1949-1992. The colonial era challenged Chinese pride, self-esteem, and dignity by subjugating them by first white Europeans and then by Japanese. The first Communist era is a wake of suffering from Chinese-made policies, internal conflict, self-inflicted anarchy, and student sacrifice (Frankenstein, 2010). While the Communist Party still firmly controls China, the reforms undertaken post-1992 launched a new period of market economy and freedom of movement not yet enjoyed under the Communist system (Frankenstein, 2010).

Much of Chinese history is tied inextricably to the dynastic history of China. Fifteen dynasties contributed to the rich history of China coming to an end only in 1911.[52]

Of particular relevance to foreign-brand marketers in China are the historical developments during the Qing Dynasty (1644-1911). European invasions in the nineteenth century resulted in a series of unequal treaties accompanied by forced trade whereby mainly British companies were able to pay for Chinese goods with *opium*. At the same time, military invasions resulted in the destruction of many cultural artifacts particularly in the capital city. Foreign powers forced concessions at strategic ports such as Shanghai, Hong Kong, Macao, and Qingdao which allowed for the development of exclusive European settlements. The typical settlement was reserved for foreigners and only Chinese with a special pass were allowed to enter them. The resulting destabilization and discontent with the Qing government's acquiescence to foreign control led to numerous rebellions during the nineteenth century culminating with the Boxer Rebellion at the very end of the century (Frankenstein, 2010). The Boxer Rebellion of 1900 saw mainly US marines supporting the Qing dynasty troops so that the foreign powers could maintain the privileges derived from their unequal treaties (Frankenstein, 2010).

Ultimately, according to Frankenstein (2010) Western interference was ineffectual and only delayed the Qing dynasty overthrow which occurred 1911. The dynasty was displaced by a nascent democracy whose main leader was Sun Yat Sen (Sun Zhongshan) yet inexperience in leadership, power fragmentation, and ongoing negative influences by other nations continued to inhibit the development of China (Frankenstein, 2010). Having served as an ally in World War I, China had been promised that the German concessions in Shandong would be returned after the war. Perhaps to appease Japan, the allied victors, under the Treaty of Versailles, placed them under Japan's administration (Frankenstein, 2010). Although China was able to gain effective control of Shandong in the 1920s, the subsequent 1931 Japanese invasion of Manchuria, an aggression that led to the truce of Tangku in 1933, again gave Japan control of Northeast China and other former concessions provided under the framework of the Treaty of Versailles (Blacksacademy.net, 2010). In 1937, the Japanese launched a full scale invasion of

China from their bases in Manchuria leading to 20 million Chinese deaths at the hands of the Japanese military (Frankenstein, 2010).

These historical facts are an integral part of formal Chinese education, which continues to remind Chinese of the suffering and humiliation they have endured under foreigners' subjugation. It is not surprising that remnants of these feelings are exhibited in consumer behavior, such as that manifested in ethnocentrism. At the very least, marketing communication strategies must show sensitivity to these feelings.

While much of the suffering in the latter part of the nineteenth and first half of the twentieth century derived from *external* influences, most suffering during the second half of the twentieth century derived from *internal* sources. At the end of the Second World War China was a weak nation. Internal hostilities between the Nationalists (KMT) and Communists (CCP) renewed culminating in a communist victory in 1949. After a first half century of warfare China embarked on a period of relative stability but not immediately a period of growth and development. Two major events would ingrain themselves in the psyche of the next generations: the Great Leap Forward and the Great Proletarian Cultural Revolution. The Great Leap Forward (1958-1960) was a failed experiment to rapidly mechanize farming and launch a revolution in industry (Cultural Revolution, 2008). With millions of farm workers suddenly producing bricks and steel instead of crops the result instead was mass famine resulting in 30 million Chinese starving to death during the period (Cultural Revolution, 2008).

The Cultural Revolution (1966-1976) grew out of the legacy and failed policies of the Great Leap Forward which had caused splits or cliques in the leadership structure within the CCP (Cultural Revolution, 2008). As a response to pressure within the ruling cliques, in 1966 CCP leader Mao Zedong called upon students to rebel against authority and those who had the courage to speak out against his failed policies which they did by forming units of Red Guards (Cultural Revolution, 2008). With Red Guards consisting of mainly young secondary school students and farmers, China promptly collapsed into anarchy (Cultural Revolution, 2008). Schools and universities were shut down, teachers, intellectuals, and some party officials persecuted (Cultural Revolution, 2008). The movement for criticism of party officials, intellectuals, and "bourgeois values" turned violent, and the Red Guard split into factions causing further instability (Cultural Revolution, 2008). At the height of its anarchy; industrial production dropped by 12% from 1966 to 1968 (Cultural Revolution, 2008).

The death of Mao and the elimination of the ruling clique allowed for major policy changes, which occurred in 1978. Key changes were a resumption of the educational infrastructure and the establishment of the 'open door' policy but for many the pace of reform and improvement was excessively slow and inhibited by corruption and poor policy execution (Frankenstein, 2010). Continuing discontent accompanied by the death of the former party General Secretary, Hu Yaobang, in 1989 contributed to mass student-led protests. The leaders of the Communist Party saw this as an attack on their power, and ordered soldiers to shoot demonstrators in order to disburse them from the central protest location, Tiananmen Square (Frankenstein, 2010). Officially, 200 unarmed demonstrators died though the actual figure is considered to be far higher (Frankenstein, 2010; CountryWatch, 2010). This effectively ended the first Communist era.

Chinese born and raised during this era faced hardship, control, and deprivation. Like past periods of instability indelible marks have been left on the Chinese psyche. In particular, frugality, simplicity, practicality, and future orientation are characteristics that relate to behavior of interest to marketers. Chinese in their mid-thirties (at the time of this writing) have either directly or indirectly been influenced by events of most recent decades.

A lull in reform succeeded the events in Tiananmen but by 1992 China's pace of economic reform accelerated with a number of younger and pro-reform leaders coming to power (CountryWatch, 2010). Current Chinese prosperity thus really occurs during the period after 1992 and it is this period of development that provides the infrastructure that China is able to use today to further their development.

A1.3 Demographic and geographic environments in China

A broad-based consideration of demography usually includes an examination of education, population, and income, among other statistics. This section considers each of these variables and highlights key aspects of China's geography.

A1.3.1 Geographic Environment

China is approximately 9.6 million square kilometers and is slightly smaller in size to that of the United States (EDC, 2007). For purposes of government the country is divided into administrative divisions which include provinces, autonomous regions, municipalities, and special administrative regions. Additionally, special economic zones and other areas receive special treatment from the central government. This section highlights the key administrative divisions as well as key aspects of the geographic framework in China.

In total there are 23 provinces in China, including self-ruled Taiwan. The provinces include Anhui, Fujian, Gansu, Guangdong, Guizhou, Hainan, Hebei, Heilongjiang, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Jilin, Liaoning, Qinghai, Shaanxi, Shandong, Shanxi, Sichuan, Taiwan, Yunnan, and Zhejiang (CIA The World Factbook, 2010). Five autonomous regions under central government control include Guangxi, Inner Mongolia, Ningxia, Xinjiang Uygur, and Xizang (Tibet). Four important municipalities are operated directly under central government control including Beijing, Chongqing, Shanghai, and Tianjin. Two special administrative regions, Hong Kong and Macao, which were repatriated near the end of the last century, have been given greater self-rule privileges. As we can see from Figure A1.1 some areas in Xinjiang and Tibet are claimed by India while the region of Taiwan and some neighboring islands remain under rule by governments in Taiwan. China has several Special Economic Zones (SEZs) located in the cities of Shanghai (Suzhou), Shenzhen, Shantou, Zhuhai, Xiamen, and the entire province of Hainan (Export Development Canada, 2009).

Figure A1. 1 Administrative Divisions and Territorial Disputes (CIA World Factbook, 2010)

China has vast international boundaries. The longest border covers Mongolia, Russia, and India. In total there are 22,113 kilometers of borders between China and her neighbors (Figure A2.2). China's cities can be classified into tiers for marketing purposes or administrative divisions for governing purposes. For governing purposes cities are categorized as municipalities, prefecture-level cities, and county-level cities. Municipalities and prefecture-level cities comprise both an urban core and surrounding rural counties, county-level cities, and other sub-divisions (EDC, 2007). The urban core is typical of cities we might find in Western countries while county-level cities typically are less well-developed than the urban core that they surround (EDC, 2007). The typical scenario is that it is sometimes difficult for residents from the rural counties to take up formal residence in urban areas because of government restrictions (EDC, 2007).

Figure A1. 2 China's International Boundaries

Country	Length of common border
Mongolia	4,673 km
Russia	3,645 km
India	3,380 km
Myanmar	2,185 km
Kazakhstan	1,533 km
Korea, North	1,416 km
Vietnam	1,281 km
Nepal	1,236 km
Kyrgyzstan	858 km
Pakistan	523 km
Bhutan	470 km
Laos	423 km
Tajikistan	414 km
Afghanistan	76 km

Source: China Country Review. CountryWatch Incorporated

A2.3.2 Population

At the end of 2009, the total number of Chinese reached 1,334.74 million, an increase of 6.72 million over that at the end of 2008 (NBSC, 2009). China's population, the world's largest, accounts for about 20% of the world total (NBSC, 2009).

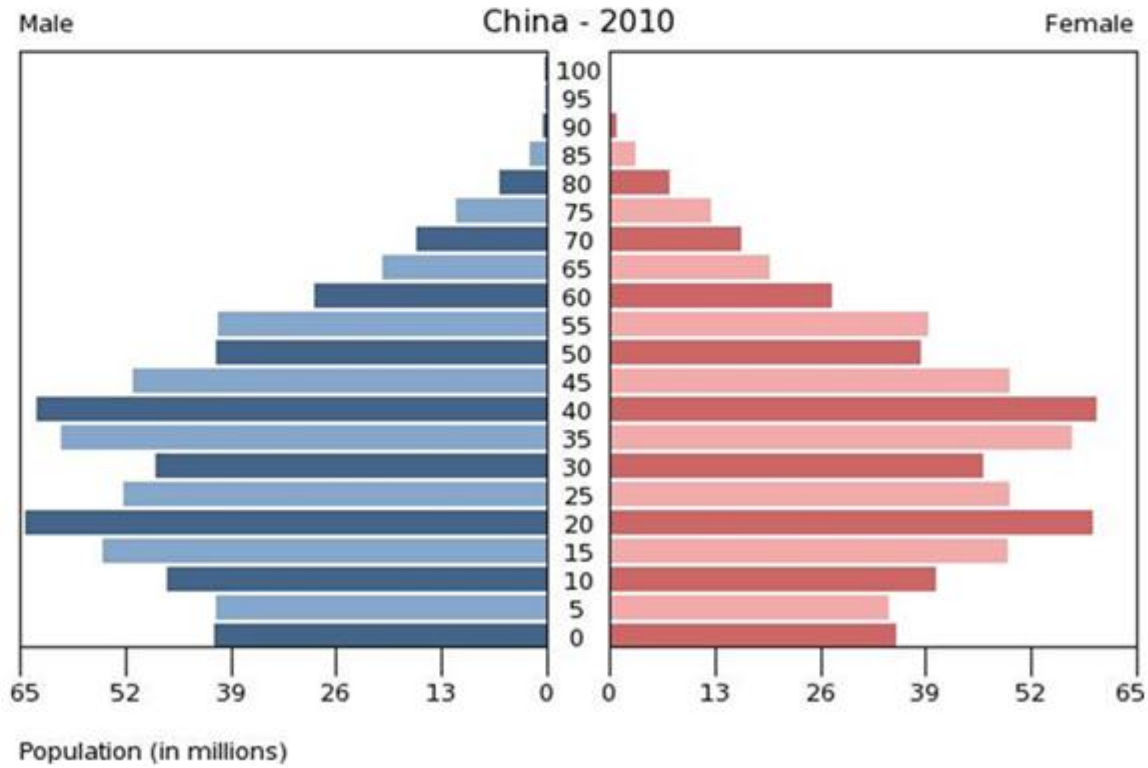
Of particular concern to marketers is the declining youth population and increasing gender imbalance. The demographics of China are characterized by a large population with a relatively small youth cohort, which is partially a result of the country's one-child policy (NBSC, 2009). A one-child policy was introduced in 1978 and first applied to children born in 1979 and was introduced to alleviate social, economic, and environmental problems in China. Authorities claim that the policy has prevented more than 250 million births from its implementation to 2000, although this estimate ranges from 50 to 400 million. One demographic consequence of the "one child" policy is that China is now one of the most rapidly aging countries in the world.

Due in part to cultural factors and in part to a concern of being provided for in old age, a significant portion of Chinese parents have pursued gender selection and engaged in female infanticide which together have led to gender imbalance as can be seen from most recent population figures (Datamonitor, 2008). As a result, in 2004, the government banned selective abortions (Datamonitor, 2008) but with a sex ratio at birth of 119.45 in 2009 and a male-female ratio among those 0 to 14 years old of 53.13:46.87, the policy appears to be having limited success (see Table A1.1 and Table A1.2).

Table A1. 1 Population and Its Composition in China, 1978-2009

(10, 000 persons)									
	Total	By Sex				By Residence			
	Population	Male		Female		Urban		Rural	
Year	(year-end)	Population	Proportion	Population	Proportion	Population	Proportion	Population	Proportion
2009	133474	68652	51.4	64822	48.6	62186	46.6	71288	53.4
2008	132802	68357	51.5	64445	48.5	60667	45.7	72135	54.3
2007	132129	68048	51.5	64081	48.5	59379	44.9	72750	55.1
2006	131448	67728	51.5	63720	48.5	57706	43.9	73742	56.1
2005	130756	67375	51.5	63381	48.5	56212	43.0	74544	57.0
2004	129988	66976	51.5	63012	48.5	54283	41.8	75705	58.2
2003	129227	66556	51.5	62671	48.5	52376	40.5	76851	59.5
2002	128453	66115	51.5	62338	48.5	50212	39.1	78241	60.9
2001	127627	65672	51.5	61955	48.5	48064	37.7	79563	62.3
2000	126743	65437	51.6	61306	48.4	45906	36.2	80837	63.8
1999	125786	64692	51.4	61094	48.6	43748	34.8	82038	65.2
1998	124761	63940	51.3	60821	48.8	41608	33.4	83153	66.7
1997	123626	63131	51.1	60495	48.9	39449	31.9	84177	68.1
1996	122389	62200	50.8	60189	49.2	37304	30.5	85085	69.5
1995	121121	61808	51.0	59313	49.0	35174	29.0	85947	71.0
1994	119850	61246	51.1	58604	48.9	34169	28.5	85681	71.5
1993	118517	60472	51.0	58045	49.0	33173	28.0	85344	72.0
1992	117171	59811	51.1	57360	49.0	32175	27.5	84996	72.5
1991	115823	59466	51.3	56357	48.7	31203	26.9	84620	73.1
1990	114333	58904	51.5	55429	48.5	30195	26.4	84138	73.6
1985	105851	54725	51.7	51126	48.3	25094	23.7	80757	76.3
1980	98705	50785	51.5	47920	48.6	19140	19.4	79565	80.6
1978	96259	49567	51.5	46692	48.5	17245	17.9	79014	82.1
Sources: National Bureau of Statistics of China, 2010. China Statistical Yearbook, 2009.									

Figure A1. 3 China population by age, 2010



Source: U.S. Census Bureau (2010). International Data Base. Available from: <
http://www.census.gov/ipc/www/idb/country.php [Last accessed 19 June 2010].

McKinsey research suggests that by 2011 China should have a lower middle class of 290 million people; by 2025, the upper middle class will be 520 million strong, with staggering disposable wealth (The McKinsey Quarterly, 2007).

Like its European and North American counterparts China continues to undergo a shift from rural to urban living as those in the economically poorer parts of China aspire to better living by moving to the urban areas. To a significant extent this rural shift occurs without the official acceptance of local urban governments as they retain policies designed to either protect their registered residents or otherwise discourage migrants from settling in their cities. Economic development has been more rapid in coastal provinces than in the interior, and approximately 200 million rural laborers and their dependents have relocated to urban areas to find work (The McKinsey Quarterly, 2007).

The urban population increased from 17.92 percent in 1978 to 45.68 in 2008 (see Table A1.2) while the rural population fell from 82.08 percent to 54.32 percent during the period 1978-2008. In practice it is difficult to estimate the correct population in cities in China because of an inability of migrants to register in cities. Nonetheless, it is expected that the urban population ratio will continue to rise as migrants are driven to the urban areas seeking job opportunities that continue to be generated in the aftermath of WTO entry as well as due to continued high levels of domestic and international investment pouring into key cities in China (The McKinsey Quarterly, 2007).

Table A1. 2 Composition of China's Population in 2009

	Population (Year-end figure) Unit: 10,000 persons	Percentage (%)
National Total	133474	100.0
Of which: Urban	62186	46.6
Rural	71288	53.4
Of which: Male	68652	51.4
Female	64822	48.6
Of which: 0-14 years	24663	18.5
15-59 years	92097	69.0
60 years and over	16714	12.5
Of which: 65 years and over	11309	8.5
Source: National Bureau of Statistics of China, 2010		

China has over 90 cities with an administrative area population in excess of one million. The largest four cities by population are Shanghai, Chongqing, Beijing, and Guangzhou (see Table A1.3). The population concentrations have a common characteristic, that is, they contain an urban core with a relatively heavy surrounding rural/suburban population. When examining where to establish future market growth in China, many marketers map China as a series of 'spokes and wheels' and select those on which to concentrate their market development efforts (Choi, 2010; McCubbing, 2010).

A1.3.3 Four Key Cities of China

A1.3.3.1 Beijing

Beijing, China's northern capital, covers a total administrative area of 16,800 km^2. Its population including resident migrants is approximately 17 million. Documented residents enjoy an average annual per capita income of just over US$10,000 per year (see Tables A1.3 and A1.4). Beijing lies southeast of Inner Mongolia and its vast Gobi desert and a hundred kilometers to the east is the Bohai Sea. The city is surrounded by the Taihang Mountains to its west and receives its water from the Yongding and Chaobai rivers to its south (EDC, 2007).

A1.3.3.2 Chongqing

The city of Chongqing, occupying 82,403 km^2 can be best described as southwest China's commercial capital. Its large administrative area has a population of over 32 million and an annual per capita income of about US$4,000. The city is one of four municipalities under the direct control of the Central Government. Chongqing is the major port of the upper Yangzi River and is the gateway to the famous "Three Gorges", (EDC, 2007). It is a major center of iron and steel production, motorcycle manufacturing and shipbuilding, as well as chemical and pharmaceutical production (EDC, 2007).

A1.3.3.3 Shanghai

Also one of the four municipalities under the direct control of the Central Government, Shanghai is located in the middle of China's eastern coastline facing the East China Sea. It is situated at the end of the long Yangzi River and covers a coastline of about 200 kilometers. It has a total area of 6,200 km^2 and a population of nearly 19 million with an average annual per capita income of over US$11,000. It is China's most populous city and one of the largest in the world (EDC, 2007).

A1.3.3.4 Guangzhou

Guangzhou, also known as Canton, occupies 7,400 km^2 and is the capital of southern China's Guangdong Province. Its population is approximately 15 million and its annual per capita income is over US$13,000. Guangzhou is a major port city and entry point into southern China. It has a long history of foreign contact beginning with Arab traders of the Tang period (7th century AD) and is a favorite of the Hong Kong business community (EDC, 2010). Cantonese culture has maintained strong distinctions from the rest of China not only in its cosmopolitanism and entrepreneurial spirit, but in its formidably complex dialect and world-famous cuisine (EDC, 2010).

Table A1. 3 Population by Key City

City	Metro Area Population	Level	Administrative Area Population
Shanghai	17,000,000	Municipality	18,884,600
Chongqing	13,610,000	Municipality	32,353,200
Beijing	13,200,000	Municipality	17,430,000
Guangzhou	12,000,000	Provincial capital	15,000,000

Source: NBSC, 2010a.

Table A1. 4 GDP and Population Density by City

City	Per capita GDP Estimate	Density/km2
Shanghai	11,557(1)	3,045 (4)
Chongqing	3,994 (2)	392(3)(4)
Beijing	10,070 (1)	1,038 (4)
Guangzhou	13,015 (1)	2,017 (4)

(1) Source: Qiang, Xiaoli (2010)
(2) Source: oecd.org (2007) with projections assuming an average annual growth rate in GDP of 10% during the period 2008-2009.
(3) Source: Based on geographic areas identified by Export Development Canada (2007).

A1.3.4 Education

The Chinese government has increased spending on education from $30 billion in 2002 to $60 billion in 2007 (NBSC, 2010). Government policy requires that children must attend school for at least nine years. As of 2000, 15.6 % of China's population over 15 years old had incomplete primary education, 35.7% had completed primary education, 34% had some secondary, 11.1% completed secondary education, and 3.6% had at least some post-secondary education (NBSC, 2010). In general, children from urban areas with formal household registration complete high school and attempt the National Entrance exams to enter post-secondary education (NBSC, 2010). Those receiving only the nine-year compulsory education generally come from the less developed rural areas. The increased expenditure on education in China has reduced illiteracy in recent years (Yuan, 2010).

A1.4 Economic Environment

As China's role in world trade has grown, its importance to the international economy has also increased. China's foreign trade has grown faster than its GDP for the past 25 years (Zhang, 2010). China's growth comes both from huge state investment in infrastructure and heavy industry and from private sector investment and expansion in light industry instead of just exports, whose role in the economy appears to have been significantly overestimated (Zhang, 2010).

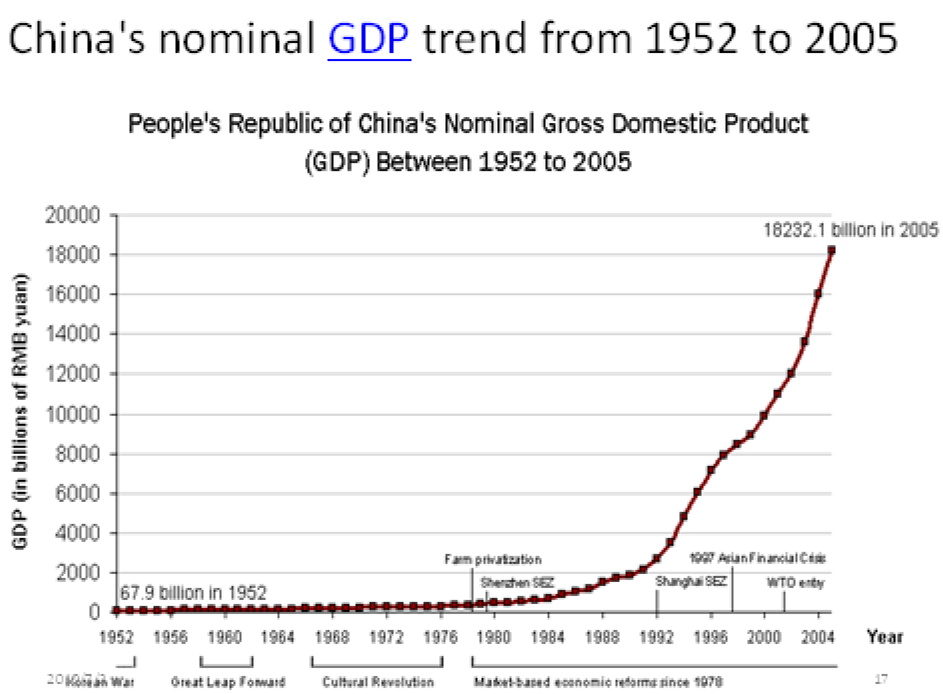
A1.4.1 GDP

Based on the official exchange rate, Gross Domestic Product (GDP) in 2009 was estimated to be 33.5 trillion Yuan (US$4.814 trillion) while based on purchasing power parity, China's GDP in 2009 was estimated to be US$8.789 trillion (CIA World Factbook, 2010). The country's per capita income is classified as being in the lower-middle category by world standards, at about US$3,180 (nominal, 104th of 178 countries/economies) (Zhang, 2010). Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2009 stood as the third-largest economy in the world after the US and Japan. In per capita terms the country is still lower-middle income with a per capita purchasing power of US$5,943 (PPP, 97th of 178 countries/economies) in 2008 according to the International Monetary Fund (Zhang, 2010). PPP rose to $6,584 in 2009.

Real GDP growth continues to be strong. During the period 1990 to 2002 average annual real GDP growth rate was more than 10% (Datamonitor, 2008) and over the period 2003 to 2009 average annual GDP growth was 10.4%, peaking at 13% in 2007 (Zhang, 2010). Estimated growth in 2009 was 8.7% despite a weakened international market (Zhang, 2010).

China's economy during the past 30 years has changed from a centrally planned system that was largely closed to international trade to a more market-oriented economy that has a rapidly growing private sector and is a major player in the global economy. Reforms started in the late 1970s with the phasing out of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, the foundation of a diversified banking system, the development of stock markets, the rapid growth of the non-state sector, and the opening to foreign trade and investment (Zhang, 2010). From Figure A1.4 we can quite clearly see that major increases began in 1992.

Figure A1. 4 China's Nominal GDP trend



Source: Zhang (2010)

Tempering the gains in gross domestic income are some of the statistical data on living conditions particularly in the rural areas. For example, between 40 and 60 percent of rural residents cannot afford to pay for health care (Lei, 2010). There is significant income disparity between regions in China. The highest household income is found in the southern and eastern coastal regions while it is close to the national average for the southwest, northeast, and middle south regions and below national average for the north and northwest regions (Kwan *et al*, 2003). Most of the wealthy class resides in Beijing, Shanghai, and Guangzhou which together comprised 2.8 million households in 2000 (Kwan *et al*, 2003). Twenty four million households were classified as middle income with an annual income between ¥ 10,000 and ¥ 30,000 (Kwan *et al*, 2003).

A useful index for measuring relative income parity in a country is the Gini Index. The Gini index measures the degree of inequality in the distribution of family income or consumption in a country. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual) (CIA World Factbook, 2010). China's 2007 Gini Index was 41.5 ranking it 54th in the world (CIA World Factbook, 2010). The index increased over the 2001 value of 40 which indicates a trend toward an increase in income inequality in the country.

Data from the National Bureau of Statistics of China shows that the gap between the highest-income group and the lowest-income group is 21 times, but the actual number is estimated to be as high as 55 when 'invisible income' is taken into consideration, according to Wang Xiaolu, deputy director of the China National Economic Research Institute (Wang, 2010). The actual Gini Index value is therefore thought to be much higher. According to Wang Xiaolu's study on income disparities 'invisible income' includes 'gray income' and income that people do not wish to disclose. Wang (2010) identifies two types of gray income: illegal income (e.g. bribes) and income that is not clearly defined by law. This lack of clarity contributes to a growing income gap and Wang argues that "China's social and economic development cannot be sustainable until the gray income problem is solved" (Wang, 2010, p.9).

A1.4.2 Trade and capital flows

China is the largest trading nation in the world, the largest exporter, and second largest importer of goods. China's foreign trade in 2009 dropped 13.9 percent from a year earlier to US$2.21 trillion and its trade surplus last year decreased 34.2 percent year on year to US$196.1 billion (Zhang, 2010). China's exports in 2009 stood at US$1.2 trillion, down 16 percent from in 2008, and imports reached US$1.01 trillion, down 11.2 percent from a year earlier (Zhang, 2010). Annual inflows of foreign direct investment rose to nearly US$108 billion in 2008 (Zhang, 2010). At the end of 2008, China's foreign exchange reserves reached US$1.946 trillion, an increase of US$417.8 billion compared with the end of 2007 and by the end of September 2009, China's foreign exchange reserves reached US$2.2726 trillion (Zhang, 2010).

A1.4.3 Exchange Rates

After keeping its currency tightly linked to the US dollar for years, China revalued its currency by 2.1% against the US dollar in July 2005 and moved to an exchange rate system that references a basket of currencies (NBSC, 2010c). The current rate (2009) is pegged at about 6.82 to the USD, a devaluation from 8.19 in 2005, which represents an accumulative revaluation of the Renminbi against the US dollar since the end of the dollar peg of more than 20% (NBSC, 2010c). The exchange rate has remained virtually unchanged since the onset of the global financial crisis but recent announcements (Nanaimo Daily News, June 25) indicate that China may undergo a further gradual revaluation of its currency. Taking into account gradual Yuan appreciation, the size of China's economy is likely to grow to 90% of that of the United States by 2014 with an annual growth twice that of the US (Ordonez de Pablos and Lytras, 2008a).

A1.4.4 Inflation

Recent inflation statistics (Jan-Mar, 2010) show that the Consumer Price Index increased at an annual rate of 2.2% (Zhang, 2010). Slight deflation in prices occurred in 2009 with inflation measuring -0.7% compared to 5.9% in 2008 (Zhang, 2010). Of the 2009 composite measure, prices for food increased 0.7 percent, prices for investment in fixed assets decreased 2.4 percent, producer prices for manufactured goods dropped by 5.4 percent, of which, the prices for means of production fell by 6.7 percent, and for means of subsistence decreased by 1.2 percent, and prices for means of agricultural production were down by 2.5 percent (NBSC, 2010c). Sale prices for housing in 70 large- and medium-sized cities were up by 1.5 percent, of which, those for new residential buildings went up by 1.3 percent, for second hand housing by 2.4 percent, and decreased for rental and leasing by 0.6 percent (NBSC, 2010c). The Chinese government continues to monitor prices particularly in the agricultural sector and have used many of the fiscal tools available to it to rein in price increases in the property sector.

A1.4.5 Employment

Over the years, the focus on agricultural products has shifted to include the industry and service sectors. The government has been working on creating more jobs through the development of the service industry primarily in the areas of community services, catering, and tourism. About 43% of the labor force works in the agricultural sector, about 25% in the industry and about 32% in services (NBSC, 2010c). Foreign direct investment (FDI) has helped to create many employment opportunities in China. At the end of 2009, the total of number of employed people in China was 779.95 million with 311.20 million of these employed in urban areas (NBSC, 2010c). The urban unemployment rate measured through unemployment registration is about 4% and in the rural areas no figures are reported but there is substantial unemployment (Global Edge, 2009). Wages represent a declining proportion of gross domestic product while much of the growth in GDP growth seems to be driven by investment in property and real estate (China Daily, May 28, 2010).

A1.4.6 China's consumption power

From a marketer's perspective, strategy considerations must take into account the spending power of target consumers. The above discussion indicates that while there is income disparity in China, a significant proportion of consumers in many geographic areas are able to afford to buy their brands. It seems that with the immense amount of accumulated foreign exchange reserves the Chinese government will now widen its vision to include expansion of domestic consumption as a key goal, in addition to maintaining expansion of exports as a key policy goal. In seeking to bolster private consumption, China's policy makers face a unique challenge. Although, according to McKinsey (2010) researchers, there is no generally accepted standard for "healthy" private consumption in developing economies, in China it is considered weak by almost any measure. McKinsey (2010) estimates that private consumption totaled $890 billion in 2007, making the country the world's fifth-largest consumer market, behind the United States, Japan, the United Kingdom, and Germany (which China recently surpassed as the world's third-largest economy). But relative to China's population and level of economic development, the country's consumption-to-GDP ratio of 36 percent is only half that of the United States and about two-thirds that of Europe and Japan (McKinsey, 2010). McKinsey (2010) therefore reasons that given that China has the lowest consumption-to-GDP ratio of any major world economy except Saudi Arabia, there exists vast capability of expanding domestic consumption. Increasing pressure from world governments appears, moreover, likely to spur domestic consumption which should help both domestic and foreign marketers.

A1.4.7 China Market Potential Index

In 1978, China set out a Three-Step Development Strategy encompassing the period 1980-2050 (Zhang, 2010). Step 1—to double the 1980 GNP and ensure that the people have enough food and clothing—was attained by the end of the 1980s and Step 2—to quadruple the 1980 GNP by the end of the 20th century—was achieved in 1995 ahead of schedule (Zhang, 2010). The third step —to increase per-capita GNP to the level of the medium-developed countries by 2050—is still in process but there appears to be steady progress toward this goal (Zhang, 2010).

As a practical matter, China considers itself a developing country which allows it to gain preferential terms in trade and access to benefits proffered by international economic, financial, and monetary organizations. For purposes of prestige, on the other hand, China likes to consider itself a newly industrialized economy, perhaps not quite, but soon to be, on par with the Western world. The reality is that China has characteristics of both a developed and a developing country. The distinction is geographical. A few select key cities for all intents and purposes are first-world cities where citizens enjoy advanced levels of infrastructure, high quality education, health care, and strong per capital income levels. On the other hand, outside major cities, China is a developing country whose citizens do not enjoy many of the infrastructure comforts that citizens of the modern world enjoy.

To assess the market potential of China it is useful to examine the data and analysis provided by MSU-CIBER (2010) from their ongoing collation of data provided by the World Bank and other sources to evaluate market potential for emerging markets (see Tables A1.5, A1.6, A1.7). Most recent data (see Table A1.6) for the 27 countries identified as emerging markets shows that the "four Chinas" consisting of Hong Kong, mainland China, Singapore, and Taiwan, respectively, are the top emerging markets. Key items of analyses in their index include market size, market growth intensity, market consumption capacity, market receptivity, and other variables. With respect to market size, which comprises 20% of the index value, and market growth rate, which comprises 12% of the index value, China ranks first among all emerging markets (MSU-CIBER, 2010). In contrast to these strengths, China is ranked 23rd with respect to market intensity (14 % of the index's value), which is a measure of per capita income and private consumption as a percentage of GDP. China's economic freedom (10% of the index's value) is ranked 24th in relation to other emerging markets. Over the period 2003-2008 China has consistently ranked in the top 5 among emerging markets, peaking at number 1 in 2007.

Table A1. 5 The China Market Environment: Market Potential index 2008

Countries	Market Size		Market Growth Rate		Market Intensity		Market Consumption Capacity		Commercial Infrastructure		Economic Freedom		Market Receptivity		Country Risk		Overall Index	
	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index
HONG KONG	25	1	9	35	1	100	1	100	4	96	2	95	1	100	2	88	1	100
CHINA	1	100	1	100	23	9	17	44	16	41	24	1	15	6	13	47	2	89
SINGAPORE	27	1	2	49	10	53	14	53	5	89	5	80	2	84	1	100	3	76
TAIWAN	11	5	20	16	7	58	5	81	1	100	4	80	6	30	3	83	4	62
S. KOREA	6	11	24	10	6	61	2	92	2	97	7	75	10	19	6	64	5	59
CZECH REP.	23	1	19	15	14	48	4	82	3	96	3	81	9	20	5	65	6	51
HUNGARY	26	1	25	4	3	68	3	89	7	83	6	75	8	21	9	60	7	48
MEXICO	7	11	16	21	9	54	22	29	15	52	9	64	3	83	12	51	8	45
ISRAEL	24	1	27	1	2	72	9	68	8	78	8	70	4	39	7	63	9	45
POLAND	15	4	21	16	12	52	7	72	6	85	11	63	16	8	8	60	10	42

Countries	Market Size		Market Growth Rate		Market Intensity		Market Consumption Capacity		Commercial Infrastructure		Economic Freedom		Market Receptivity		Country Risk		Overall Index	
	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index
INDIA	2	39	3	46	23	22	13	56	24	26	18	43	25	2	16	40	11	40
RUSSIA	3	27	19	19	22	26	12	59	10	63	26	11	19	6	15	41	12	28
TURKEY	9	7	8	37	14	48	15	49	14	53	17	45	20	6	19	28	13	25
MALAYSIA	20	3	14	23	24	19	18	44	9	67	16	46	5	32	11	52	14	25
CHILE	21	2	20	14	17	39	21	9	13	55	1	100	11	13	10	60	14	22
ARGENTINA	13	5	5	37	5	61	18	33	11	59	14	49	20	3	24	2	15	19
THAILAND	17	4	10	34	19	39	16	47	17	48	21	32	11	19	17	39	16	22
PHILIPPINES	12	5	13	23	4	67	19	44	22	33	19	43	13	13	23	18	18	17
INDONESIA	5	12	12	25	20	37	10	63	23	30	20	43	21	4	24	15	19	17
SAUDI ARABIA	14	4	17	21	27	1	8	69	12	56	24	17	14	9	4	65	20	16
BRAZIL	4	22	23	4	19	37	22	8	15	49	13	51	24	1	17	32	21	12

Countries	**Market Size**		**Market Growth Rate**		**Market Intensity**		**Market Consumption Capacity**		**Commercial Infrastructure**		**Economic Freedom**		**Market Receptivity**		**Country Risk**		**Overall Index**	
	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index
EGYPT	16	4	7	37	16	45	11	61	21	35	25	16	18	6	20	28	21	16
S. AFRICA	8	7	11	27	13	49	27	1	25	19	10	64	7	22	14	46	22	14
PAKISTAN	10	6	18	20	8	56	6	73	26	18	22	22	26	1	25	9	24	9
COLOMBIA	19	3	12	22	11	53	23	3	17	40	15	48	19	4	19	23	24	4
PERU	22	2	4	46	17	39	23	24	27	1	12	57	24	2	22	22	25	5
VENEZUELA	18	3	5	41	26	4	17	47	19	41	23	18	15	8	27	1	27	1

Source: MSU-CIBER, 2010 <Available from: **http://globaledge.msu.edu/resourceDesk/mpi.asp**>

Table A1. 6 Year to Year Comparison of MPI

Countries	2008	2007	2005	2004	2003
	Rank	Rank	Rank	Rank	Rank
HONG KONG	1	2	1	1	1
CHINA	2	1	3	4	5
SINGAPORE	3	3	2	2	2
TAIWAN	4	4	-	-	-
S. KOREA	5	6	4	3	3
CZECH REP.	6	7	7	7	7
HUNGARY	7	8	6	6	6
MEXICO	8	14	10	11	10
ISRAEL	9	5	5	5	4
POLAND	10	10	8	9	8
INDIA	11	9	9	8	9
RUSSIA	12	13	11	12	15
TURKEY	13	11	15	15	14

Countries	**2008**	**2007**	**2005**	**2004**	**2003**
	Rank	Rank	Rank	Rank	Rank
MALAYSIA	14	12	13	14	13
CHILE	15	16	14	10	11
ARGENTINA	16	17	21	19	23
THAILAND	17	15	12	13	12
PHILIPPINES	18	22	20	18	20
INDONESIA	19	21	19	17	16
SAUDI ARABIA	20	18	-	-	-
BRAZIL	21	23	18	20	17
EGYPT	22	19	16	16	19
S. AFRICA	23	24	22	22	21
PAKISTAN	24	20	-	-	-
COLOMBIA	25	27	24	23	24
PERU	26	25	17	21	18
VENEZUELA	27	26	23	24	22

Table A1. 7 Dimensions and Measures of Market Potential

Dimension	**Weight**	**Measures Used**
Market Size	10/50	• Urban population (million) -2006[1] • Electricity consumption (billion kwh) - 2005[2]
Market Growth Rate	6/50	• Average annual growth rate of primary energy use (%) - between years 2001-2005[2] • Real GDP growth rate (%) - 2006[1]
Market Intensity	7/50	• GNI per capita estimates using PPP (US Dollars) - 2006[1] • Private consumption as a percentage of GDP (%) - 2006[1]
Market Consumption Capacity	5/50	• Percentage share of middle-class in consumption/income (latest year available)[1]
Commercial Infrastructure	7/50	• Main Telephone lines (per 100 habitants) - 2006[3] • Cellular mobile subscribers (per 100 habitants) - 2006[3] • Number of PC's (per 1000 habitants) - 2007[4] • Paved road density (km per million people) - 2007[4] • Internet users (per 100 habitants) - 2006[3] • Population per retail outlet - 2007[4] • Percentage of Households with TV - 2007[4]
Economic Freedom	5/50	• Economic Freedom Index - 2007[5] • Political Freedom Index - 2007[6]
Market Receptivity	6/50	• Per capita imports from US (US Dollars) - 2007[7] • Trade as a percentage of GDP (%) - 2006[1]
Country Risk	4/50	• Country risk rating - 2007[8]
Data used are those available for most recent year. • [1] Source: World Bank, ***World Development Indicators*** - 2007 • [2] Source: U.S. Energy Information Administration, ***International Energy Annual*** - 2005 (published		

Oct 2007)
- [3] Source: International Telecommunication Union, ***ICT Indicators*** - 2005
- [4] Source: Euromonitor International, ***Global Market Information Database*** - accessed March 2008
- [5] Source: Heritage Foundation, ***The Index of Economic Freedom*** - 2007
- [6] Source: Freedom House, ***Survey of Freedom in the World*** - 2007
- [7] Source: U.S. Census Bureau Foreign Trade Division, ***Country Trade Data*** - 2007
- [8] Source: Euromoney, ***Country Risk Survey*** - October 2007

A1.5 Technological-Infrastructure environment

China has changed from relying on foreign investors and the transfer of technologies through joint ventures to become globally competent and an equal participant in technological advances and innovations (Datamonitor, 2008). Its government's objective is to not only be an economic power but to also become one of the leaders in the technological field (Datamonitor, 2008).

In general, China's level of infrastructure is quite high relative to many developing countries. All major cities and most minor cities in China have well-functioning airports and port facilities which operate at an international standard. Currently, China has 192 airports with an additional 52 airports to be built by 2020 for a total of 244 (Xin, 2008). According to a report by China's Aviation Authority (CAAC), by 2020, 82 in every 100 people will live within 100 km, or 90 minutes' drive, from an airport, in contrast to the present time where only 61 percent lives within this range (Xin, 2008). According to the plan the airports will be allocated as follows: North and Northeast China - 54 airports; East China - 49 airports; South and Central China - 39 airports; Southwest China - 52 airports; Northwest China - 50 airports (Xin, 2008).

China has 170 major ports in the country and 32 are accessible for ocean going ships (World Port Source, 2010; Port Focus 2010). Ports are concentrated on the central and south eastern seaboard. Hundreds of smaller ports along the rivers of China have also been developed with only some accessible to ocean going container ships (Port Focus, 2010).

The country has succeeded in developing a nationally connected network of highways and roads and other than the most remote areas virtually all areas with significant population concentrations are accessible.

The infrastructure stimulus plan in place since the end of 2008 has contributed to a significant increase in infrastructure's contribution to overall construction industry value from 26.6% in 2007 to a forecasted 53.2% in 2009, equivalent to 1.13 trillion ¥ (US$170 billion) (Report Buyer, 2010).

Evidence of technology infrastructure can be seen by the number of televisions in the average household with 1.2 sets in urban areas and 0.8 sets in rural areas. Most urban families have washing machines (90%) and refrigerators (70%) while a minority of rural families own a washing machine (20%) (Space Today, 2010) and a still smaller minority own a refrigerator in part due to the electricity costs of running the machine (People's Daily Online, 2009). Wide internet access exists but some censorship continues to be evident especially with respect to foreign websites. According to World Bank data, 99% of China's population has access to electricity, 77% to potable water sources, and there are 57 telephone subscribers per 100 inhabitants (World Bank, 2008). In 2002 there were 21 million Internet users in China. This number jumped to 298 million internet users by 2008 (World Bank, 2008), 324 million by 2009 (Buckley, 2010) and to 404 million by May 2010 according to the State Council Information Office in China (Incitez China, 2010a). Similarly, nearly 800 million Chinese have subscribed for mobile phone use by the end of May 2010 (Nystedt, 2010) along with 233 million mobile phone internet users (Incitez China, 2010a) indicating that China is fast becoming a 'wired' nation.

In a study by Georgia Tech researchers on the relative technology standing among nations they found China's ranking comparably close to other major nations (Toon, 2010). "A chart showing change in the technological standing of the 33 nations is dominated by one feature – a long and continuous upward line that shows China moving from 'in the weeds' to world technological leadership over the past 15 years" (Toon, 2010). The 2007 statistics show "China with a technological standing of 82.8, compared to 76.1 for the United States, 66.8 for Germany and 66.0 for Japan. Just 11 years ago, China's score was only 22.5. The United States peaked in 1999 with a score of 95.4" (Toon, 2010).

A1.6 Natural Environment

A1.6.1 Climate

China's climate is extremely diverse. Beijing, in the north part of the country, has the four seasons familiar to most Western countries. According to EDC (2007) data, winter temperatures drop to about -4.6°C, while summer temperatures reach an average high of about 26°C. In Harbin, farther north than Beijing, winter lows are around -25°C and summer highs are in the region of 28°C. Hong Kong, by contrast, is subtropical, with February lows down to 10°C and August highs of 31°C, accompanied by high humidity. Temperatures in Chongqing, one of the major inland cities of southwest China, range from about 6°C in January to 34°C in August. In Shanghai, January lows are around freezing, while August brings high humidity and temperatures of up to 33°C (EDC, 2007). It should be noted that while much of the Central and Southern parts of China do not have a winter like that of many European and North American cities, lack of central heating in homes and heating in public places contributes to strong seasonal distinctions in the level of warmth enjoyed.

A1.6.2 Physical Environment

China's spectacular growth has come at a steep cost to the environment. Most of the country's rivers are severely polluted, urban air quality is hazardous to human health and Chinese industry is very inefficient in its use of energy (EDC, 2007). Current major environmental concerns are air pollution, water shortages, water pollution, and unsustainable energy consumption (CIA World Factbook, 2010). Access to usable water is becoming increasingly difficult as population increases placing disproportionate pressures of certain geographic areas. Two thirds of China's cities do not have adequate water supply and 40 percent of the country's water is so polluted, it is completely unusable (Economy and Lieberthal, 2007). China's industries consume 75% of the country's electricity as the country consumes 18% of the world's electricity (Bernstein Global Wealth Management, 2010). The trend to increasing environmental degradation appears unsustainable in the long term. In response, the government has committed significant resources to reduce pollution, particularly in the area of greenhouse gas (GHG) emissions (Coleman, 2010). Estimated expenditures over the period 2006-2010 were about US$192 billion, totaling around 1.5 percent of China's annual economic output (Coleman, 2010). Coleman (2010) argues that this level of investment on environmental considerations suggests a growing consciousness by the leadership of the country regarding ecological imperatives whereas in the past, the drive toward economic development took priority over ecological concerns. Until government initiatives can be properly implemented and enforced, however, severe environmental issues may impact business in China.

A1.7 Legal & Regulatory Environment

A1.7.1 Legal Framework

The legal system is based on civil law derived from Soviet and continental European civil code legal principles (The World Factbook, 2009). Where ambiguity occurs the national legislature retains power to interpret statutes and the constitution (The World Factbook, 2009). China has also not accepted compulsory International Court of Justice jurisdiction (The World Factbook, 2009).

According to the CIA World Factbook (2010) two decades of reform have resulted in a number of changes in institutions, laws and practices: a formal legal system has resulted in a nationwide court system comprising 3,000 basic courts and some 200,000 judges, and; the Chinese courts are divided into Courts of General Jurisdiction, and the Courts of Special Jurisdiction.

Other changes identified by the CIA World Factbook (2010) were the establishment of economic courts, in 1979, as part of China’s Supreme People’s Court and three levels of provincial courts. The economic courts have jurisdiction over contract and commercial disputes between Chinese parties, trade, maritime, intellectual property and insurance and other business disputes involving foreign parties, and various economic crimes including theft, bribery, and tax evasion. An administrative legal system adjudicates more minor criminal cases. According to the CIA World Factbook (2010) judges are often vulnerable to corruption, political control, and the pressures of *guanxi* (connections based on family or local ties). Their appointment, promotion and removal are all at the discretion of local government and Communist Party leaders rather than the Supreme People’s Court or provincial High Court. Both the judges and the litigants who appear before them are subject to the influence of local protectionism (CIA World Factbook, 2010).

After China joined the World Trade Organization in 2001, China has become a more open market for international competitors. On the other hand, China’s Ministry of Commerce retains some regulations inhibiting imports to China making it slightly more difficult to enter the market (Workman, 2008, McCubbing, 2010). For instance, there are restrictions that give entitlement only to corporations that are run by the government to import certain products into China. In addition, for certain imports, the Chinese government requires inspection and certifications, such as a license. Moreover, before those companies receive import certification in China, inspection and testing must be carried out and approval received from the Chinese government (Workman, 2008). In 2002, China Compulsory Certification (CCC) was implemented to inspect the quality of products that are imported, sold or used in China (Datamonitor, 2008). In addition, international companies must have established its business in its home country for at least one year prior to entering the Chinese market (McCubbing, 2010). For importers, products requiring the CCC mark must have this mark physically applied before they can enter China. Labeling regulations and requirements vary according to the goods being imported. Prepared foods, for example, must be labeled in Chinese and must include trademark, food name, list of ingredients, net content, name and address of manufacturer and distributor, production and expiry dates and country of origin (Export Development Canada, 2010)

The legal environment of China is intertwined with the Chinese political environment. However, recently, there have been many changes made in an effort to increase the global attractiveness of China. The Chinese government has begun implementing laws, which limit both state and individual conduct in order to improve the stability of the country (Leibman, 2009). There have also been major steps taken to separate the media from the state and improve the criminal and intellectual property aspects of Chinese law (Leibman, 2009). The main issue facing these reforms is the level of enforcement.

Business regulations in China appear to still favor joint-venture partnerships rather than wholly-owned subsidiaries. For those companies establishing a business in China, there is a complicated employment law system in place as well. Employers need to be aware of minimum wage regulations and that they are responsible to pay living subsidies and medical treatment allowance for their employees. Provisions are made for maximum work hours, overtime, and holiday leave entitlement (Global Market Briefings, 2003). On the other hand, corporate laws in China are helpful for cooperative joint ventures. Four steps are required – the approval of the project application, the approval of the contract, the application for an approval certificate and the registration of the project. A foreign investor can work with a Chinese company using its license without having to establish a new corporation (Datamonitor, 2008).

Although China has a large quantity of legislation, its legal framework has many problems. Plagued with instances of judicial corruption and political interference, the country's legal system often seems inadequate and ambiguous on many issues (Business Monitor International (BMI), 2009). Analyzing data from Business Monitor International (2009), an organization that researches and assesses the legal environments of countries, China's rating on investor protection is very low at 7.8/100 well below the global average of 36/100. In contrast, investor protection ratings are much higher in India, (38), Indonesia (22.3), Japan (58.3), Philippines (56.4), and South Korea (31.7) among others in the region. China's scores on rule of law (50.3/100), contract enforceability (54.7/100), and corruption (54.7/100) are slightly above the global average and basically at the regional average (see Table A1.8). In comparison to their fellow Chinese in Hong Kong, Taiwan, and Singapore, however, they rank well below on these three measures, with the exception of contract enforceability in Taiwan being similar to mainland China. Clearly, from the point of view of international marketers there is still much to be done in order for China's legal framework to be on par to international standards especially with respect to rule of law and corruption.

Table A1. 8 Business Monitor International's Legal Framework Ratings (Selected Asia/Oceania countries)

Country	Investor Protection	Rule of Law	Contract Enforceability	Corruption
Afghanistan	34.8	0.6	17.4	23.3
Bangladesh	61.1	25.1	8.0	3.3
Bhutan	25.6	75.4	57.0	82.0
Cambodia	51.2	13.8	38.9	6.0
China	**7.8**	**50.3**	**54.7**	**54.7**
East Timor	11.8	12.6	36.3	na
Hong Kong	62.5	89.8	87.5	92.7
India	38.0	62.9	8.9	54.7
Indonesia	22.3	25.7	26.5	18.0
Japan	58.3	89.2	90.5	91.3
Laos	44.8	19.8	28.7	28.7
Malaysia	53.8	72.5	47.8	75.3
Maldives	91.8	64.1	46.5	23.7
Myanmar	Na	4.8	na	1.3
Nepal	44.3	31.7	43.0	23.3
North Korea	Na	9.0	na	na
Pakistan	56.2	26.9	17.5	8.7
Philippines	56.4	46.1	54.4	23.3
Singapore	64.5	94.6	75.9	98.7
South Korea	31.7	79.0	81.8	76.0
Sri Lanka	57.6	59.9	47.7	48.0
Taiwan	19.7	81.4	53.1	80.7
Thailand	19.5	60.5	60.1	62.0
Vietnam	22.8	49.7	45.6	28.7
Australia	27.9	94.0	89.2	95.3
New Zealand	66.9	97.0	82.4	100.0
Global average	**36.8**	**48.8**	**49.9**	**40.2**
Region average	**43.0**	**51.4**	**50.0**	**50.0**
Score out of 100, with 100 the best; na=not available. Source: BMI, 2009				

A1.8 Political Environment

China has long been governed by the Chinese Communist Party (BMI, 2010). The Chinese government is organized along unitary principles under the direct leadership of the Chinese Communist Party (CCP) (EDC, 2007). The Chinese government has established parallel bureaucracies from the central government in the capital down to every level of local governments.

The primary organs of state power are the National People's Congress (NPC), the president and the State Council. The executive organ of the central government is the State Council led by the premier and the Standing Committee of the State Council who together exercise major decision-making authority (EDC, 2010). The NPC is in fact the highest organ of state power in China. It meets annually for about two weeks to review and approve major new policy directions, laws, budget and major personnel changes. When the NPC is not in session, its permanent organ, the Standing Committee, exercises state power (CountryWatch, 2010). The key advantage of this form of government system is policy continuity. The ruling party has ensured a secure macro economy with no significant long-term economic risks perceived. Yet, at the same time, significant corruption and government red tape result in bureaucratic inefficiencies particularly with the implementation of government policies. With rapid economic growth, improvements in these two areas are expected, with greater transparency of government considered to be one possibility (BMI, 2009).

While the political environment itself is stable, there is fear that with the recent economic downturn, China will grow increasingly protectionist in its efforts to maintain growth. The government has the power to quickly make business more difficult for foreigners through increased restriction or bureaucracy (Carey, 2010). Carey (2010) argues that these policies as well as ideological conflicts between capitalism and communism have increased political tensions, which have strained some international relationships. Further, due to the limitations of criticizing the government, businesses may have difficultly voicing their concerns about unfair treatment (Carey, 2010).

The Export Development Corporation (2007) of Canada claims that the Chinese government has taken many steps to detach itself from the private sector which has improved the country's attractiveness to foreign investors. Currently, the government of China continues to control "strategic resources and industries" but allows the private sector and commercial industries to operate in a more market-oriented environment (EDC, 2007). The incentives created by the Chinese government are in the form of tax breaks, reduced land use fees, priority for obtaining infrastructure service, streamlined government approval, and funding for start-ups (EDC, 2007).

Paine (2010) argues that the political aspects of the market must not be underestimated because business success is closely linked to getting government approval. Considerable time needs to be spent by businesses in dealing with policy issues and government authorities and thus government relations must be a central component of strategic planning (Paine, 2010).

China's political environment is thus something of a two-edged sword. On the one hand, there is a general coherence and stability in policies and changes are generally implemented in a gradualist fashion. For favored industrial sectors companies enjoy disproportionate assistance and incentives by governments at all levels. On the other hand, however, where companies find themselves in conflict with a government objective, regulations and other restrictions can be put in place immediately rendering the business highly vulnerable to potentially unwelcome changes. Careful monitoring and constant relationship building is therefore advisable by companies operating in China.

A1.9 Summary

This appendix has provided an overall environmental context to marketing in China. A brief outline of festivals, religion, and history was followed by a discussion of China's overall market potential in relation to other emerging markets. Various aspects of the current business environment including analyses of the demographic, geographic, economic, social and cultural, technological, legal and regulatory, and political environments were highlighted.

Appendix II. Chinese Marketing Mix

A2.0 Introduction

Significant economic development occurred in China beginning in the early 1990s as the transformation from a centrally-planned economy to a market economy began to make significant strides. The adoption of a market economy with Chinese characteristics was formally adopted in October, 1992 which formally confirmed the establishment of economic competition and the pursuit of profit maximisation (Pecotich and Yang, 2001). Despite the fact that Marxism and Maoism were still advocated as social ideologies, the new pragmatic philosophy was a major factor in transforming the country. As a result, a series of market reforms, such as decentralization and privatization were initiated and continue to the present (Pecotich and Yang, 2001).

With these developments, a subtle change in government acceptance of the tone and style of marketing occurred. Prior to the adoption of economic reform policies, the terms 'marketing' and 'sales' were laden with the very negative connotations of Western bourgeois ideals, a social style considered the antithesis of 'Socialism with Chinese characteristics'. Thus, a shopping experience in China in 1990 was such that a shopper would enter a store that contained little or no marketing material and inventory was placed behind counters, with prices indicated. Consumers would be required to ask an often unpleasant counter staff to inspect the merchandise prior to purchase. The primary form of advertising was banner advertising, which itself was a style of propaganda and focused on promoting the name of the government-owned enterprise rather than the brands themselves. Moreover, product differentiation advertising was virtually non-existent.

Products available to the average consumer were virtually all poorly packaged, low-quality domestically-produced brands. Access to foreign brands was restricted mainly to Communist Party members or those with high-level relationships. Difficult access to foreign brands was supported by the system of dual currency where *Renminbi* were used by local Chinese and Foreign Exchange Certificates (FECs) were used by visiting foreigners. The only way Chinese could access imported brands was to pay in foreign currency, primarily US dollars, or pay in FECs, both of which could only be acquired by Chinese via 'black market' exchange. Imported brands were available in very limited supply only in large cities and were generally made available only in government-managed "Friendship" stores.   Such stores were established primarily to serve expatriates and tourists in China and these stores only accepted foreign currency and FECs.

There were four major marketing consequences of the dual currency and product import control policies. The first was to create a deep sub-conscious feeling that foreign (imported) products and brands were special, scarce, and hence, precious. Second, it placed from a perceptual point of view, in some cases by default, virtually all Chinese brands in an inferior brand positioning on a quality-image basis. Third, it led to a psychological "preference" for imported products and brands. Finally, the policies that had been in place for decades resulted in large pent up demand for all things foreign. It has taken most of two decades for Chinese brand makers to reduce the stigma of Chinese product and brands inferiority, a battle which they continue to face.

With a loosening up of government control on marketing activities in the early 1990s, a "marketing environment with Chinese characteristics" has emerged in its wake.

The following sections discuss components of marketing strategy within the context of China. The objective, while not to present an overly detailed review of all strategy, is to highlight some of the considerations when developing a new, or expanding an existing, market in China. The discussion begins with the first strategy variable, segmentation looking at alternative market segmentation strategies. This is followed by a discussion of each of the marketing mix components: product, price, place, and promotion.

A2.1 Bases for segmentation

There are an infinite number of bases by which to segment the Chinese market. This section identifies several of them and discusses how each basis might be used. China's socio-demographic diversity translates into a fragmented and fluctuating consumer market with highly contrasting segments. Effective analysis and identification of target segments is critical to any marketing program in any market.

A2.1.1 Dong and Helms Segmentation

Dong and Helms (2001) classified major Chinese market segments into college graduates, urban middle class, rural residents or farmers, college students, organizational purchasers, and 'new rich entrepreneurs'. They argued that such a segmentation approach is a useful one for brands in product areas which contain symbolic features, among others. Organizational purchasers are composed of experts with knowledge about the features, benefits, and quality of brands of products. College and university graduates, who all must complete College-Level English in order to graduate in China, generally have some knowledge of English, tend to have well-paying jobs, work for international companies, have access to Internet, and have reasonable levels of knowledge about foreign brands. Urban middle class consumers are mostly employees in government-run organizations in large cities, have moderate and stable income, usually have at least high school education, and have little knowledge of English. They slightly favor foreign (mainly US) brands but are not likely to pay a much higher price for them. Rural residents/farmers usually have low incomes, hold no regular jobs, and have only moderate-levels (less than high school) of education. They tend to favor domestic brands because they are cheaper. From a base of over 80 percent thirty years ago, this segment is rapidly shrinking and constitutes just fifty-five percent currently (Zhang, 2010). The *nouveau riche* entrepreneurs are either from cities or the countryside but do not necessarily have higher education or knowledge of the English language or international markets or brands. They comprise a majority of individual car owners in contrast to car users (those who have use of an automobile paid for by their company or organization). The *nouveau riche* category is rapidly growing in China. Some of them may favor Western brands while some others may have problems remembering foreign sounding names (Dong and Helms, 2001).

A2.1.2 Psychographic segmentation

Tam and Tai (1997) studied consumers in greater China (mainland China, Taiwan, Hong Kong and Macao) and identified three emerging psychographic segments: 'Traditionalists' (41%); 'Strivers and Achievers' (20%); and 'Adapters' (13%). According to Tam and Tai (1997), 'Traditionalists' are less open to new, foreign, and premium brands. 'Strivers and Achievers' are far more trendy and impulsive and are younger with an average age of 31. 'Adapters' are similar to traditionalists but have more open attitudes to new brands. They further segmented the female segment by psychographic characteristics and identified four distinct segments: Conventional females (41%); 'Contemporary females' (22%); 'Searching singles' (19%), and; 'Followers' (18%). Each segment can be an attractive market for different product areas. For example, 'Conventional females' represent a market for mass-market products while 'Contemporary females' are likely to be attracted to convenience and fashionable product categories. 'Searching singles' might be attracted by an impressive store environment, better service, convenience foods, and entertainment products (Tam and Tai, 1997).

The onset of the one-child policy combined with the government's 'opening up' policies especially after 1990, have resulted in another key market segment: the 'rich second generation' (*di er dai*). These consumers wear brand name clothing, have all the latest and top-of-the-line technology, and drive luxury-brand vehicles. This segment can be divided into two sub-segments: those who have the wealth to easily afford such luxuries and those who scrimp and save and purchase rare treasured luxury brands primarily for *face* (Global Luxury Survey, 2007).

A sub-segment of this second generation is the Teenager segment. Teens are an integral part of China's burgeoning consumer class, but little is known about their buying behavior. While Chinese teens emulate their Western counterparts in many ways, research has uncovered some clear differences essential for understanding this market (McKinsey Quarterly, 2007b). Like their counterparts in developed markets, Chinese teens value modern products and name brands. But they also display strong strains of traditional values and nationalist feelings that set them apart. In addition, according to McKinsey researchers, although TV is important, teenagers in China spend a larger share of their free time reading books, newspapers, and magazines than teens elsewhere. Companies that fail to understand how Chinese teenagers differ from those in other markets and, indeed, among themselves could miss a substantial opportunity (McKinsey Report, 2006c).

A poster child of the eighties generation is a typical 29 year old junior executive of a multinational firm residing in a tier-one city. They are the beneficiaries of the country's rapid economic development, the upwardly mobile urbanites who often work for foreign companies with offices located in China in who are earning incomes between ¥ 5,000 and ¥ 7,000 (Wang, 2008). Despite modest incomes by Western standards they are still net savers. In the first half of 2008, the average disposable personal income in urban areas was ¥ 8,065 while average personal expenditure for the same period was ¥ 5,490 (Wang, 2008). According to Wang (2008) changes in consumption behavior have been prompted by a significant increase in inflation in food prices (17.3% in June 2008), meats (27.3%) as well as large increases in fuel prices. Some of the behavior changes noted by Wang (2008) are scrutinizing prices more when shopping and making comparisons between different brands before deciding on which brand to buy or whether to buy at all. For retailers and manufacturers they have to "decode the tastes of picky middle-class consumers" and at the same time, impulse buying has been displaced by cool-headed bargain hunting (Wang, 2008). Consumers are buying what they need rather than what they want, and they tend to buy what's on sale. Customers are generally becoming choosier about their purchases and trying to avoid items after a price hike. Wang's (2008) research notes that consumers commented that "I did not use to think much when I wanted to buy something I like. I just went ahead and (bought) it. But now I'm spending more time on deciding which item to buy, hoping to strike a balance between quality and price". Another behavioral change highlighted by Wang is that some consumers are buying their preferred brands in larger quantities while some are economizing by ignoring costly branded products in favor of cheaper alternatives. Other consumers, in cases where complementary product purchases are required such as fuel, are switching to brands that are energy efficient, hence the growing demand for Honda vehicle products.

A2.1.3 Japanese segmentation approach

Japanese firms have historically shown a particular strength in defining target segments and brand positioning in China. The typical Japanese company's marketing apparatus is geared towards rapid product development, short product lifecycles, and staccato product introduction (Horn, 2009).

Generally, Japanese companies divide the Chinese market into three consumer clusters: *nouveaux riche*, middle class, and blue collar. Kwak (2004) observed that Japanese corporations generally target the educated, employed, and affluent first cluster (over US$7,000 annual income) and the upper echelon of the second cluster, leaving the mass market to domestic firms for the present. Spending in the luxury segment reflects the Chinese economy's rapid growth and this segment's consumers' corresponding rise in purchasing power. Research from Bain Management Consultants concludes that the luxury goods market in China is already the second largest in the Asia Pacific region after Japan and is forecast to grow at 28 per cent annually until 2010 (Weiderhecker, 2007). They further estimate that China currently has 320,000 millionaires who have amassed US$1.6 trillion in total assets (Weiderhecker, 2007).

A2.1.4 Segmentation by income levels

"The average spending of a middle-class household in China still lags far behind its equivalent in Europe and in the United States," says the economist Arthur Kroeber, editor of the China Economic Quarterly (Weiderhecker, 2007). While the median annual family income in the US is around US$40,000, families are considered middle-class in China with an income of US$6,000. He believes that many companies investing in the Chinese retail and luxury markets have exaggerated expectations about the real purchasing power of Chinese consumers (Weiderhecker, 2007).

McKinsey (2006b) researchers argue that China's smallest cities and towns, the gateway between urban and rural China, are often overlooked as viable segments yet these centers of urbanization contain potentially profitable sub-segments and should not overlooked by marketers. The most attractive consumer segment in these markets consists of the 'aspirants': some 35 million households with average monthly incomes of about ¥ 3,800 (US$475)—not far behind the average income in China's biggest cities. This segment is spread out among about 12,000 towns and small cities throughout China. McKinsey argues that companies need to weigh the costs of targeting these sub-segments against the potential gains and that appealing to 'aspirants' within the segment and "effectively sealing the purchase at the point of sale could be critical" (McKinsey Report, 2006b).

A2.1.5 Geographic segmentation

Geography has become a fundamental variable for the market segmentation strategies of many companies. Each big city in China can be viewed as an independent market for marketers. China has about 50 distinguishable markets but most international marketers have concentrated on the main geographical regions described in this section.

Population density and the degree of urbanization vary largely in China and this has a strong impact on consumer lifestyles (Chinawork, 2002). The most prosperous cities lie near coastal areas and attract the majority of domestic and international investment. Due to the relatively large number of economic opportunities available they have been the target of mass migration of workers from rural areas. Most inner regions of the country have a low population density and are largely dependent on agriculture (with the notable exception of the province of Sichuan, one of China's major industrial bases) (Chinawork, 2002). Therefore, geography shapes economic ability and general lifestyle characteristics of social clusters with regards to, for example, disposable income, values, and environment. Moreover, Western and Japanese manufacturers who have previously developed their retail networks along the coastal and key metropolitan areas are now shifting their emphasis to second-tier and rural regions. The consumer experiences of rural migrants over the past twenty years have been communicated to those in the inner regions and countryside and have contributed to the diffusion in the demand for modern lifestyles and modern products (Wang 2005).

The Canadian Export Development Corporation has identified several market groupings in China as suitable for a geographic segmentation approach. These include the Beijing-Tianjin corridor, the Yangtze River Delta, the Pearl River Delta, Southwest China, and the various Special Economic Zones. The first of these consists of the adjacent cities of Beijing and Tianjin, and the corridor between them. This area is also home to 30 universities and more than 40 scientific research institutions. The Yangtze River Delta, which covers the Shanghai municipality and parts of the provinces of Jiangsu and Zhejiang, is a highly urbanized region with several major cities including Suzhou, Wuxi, Changzhou, Hangzhou and Ningbo. Although it has less than 1 per cent of China's land, it has 5.8 per cent of its population and about 20 per cent of the country's GDP (EDC, 2007). The Pearl River Delta consists of the nine prefectures of the province of Guangdong, plus Macao and Hong Kong. Southwest China comprises the provinces of Sichuan, Yunnan and Guizhou. In addition, China has several Special Economic Zones (SEZs) located in the cities of Shanghai, Shenzhen, Shantou, Zhuhai, Xiamen, the entire province of Hainan, as well as the Guangzhou Economic and Technological Development Zone (GETDZ) (EDC, 2007). Each of the populations in these zones has significant disposable income and serve as the trendsetters within China.

A2.1.6 Segmentation Analysis by Clusters

As opposed to determining the scale and scope by the commonly used “tier” system, a "cluster" approach to geographic market segmentation has been proposed by McKinsey and Associates. A cluster system can be used to analyze various regions within China, for example, to better understand the target area (see Figure A2.1). According to the McKinsey Cluster Map, marketers can select from among about 19 clusters, with 7 major clusters indicated by the thicker lines in the figure (see Figure A2.1). The population in each cluster tends to exhibit similar consumption methods and behaviors, making it easier to analyze the cities within the cluster. Each cluster has a hub city and each supporting city is found within a diameter of 300 kilometers (McKinsey & Associates, 2009).

Figure A2. 1 Chinese McKinsey ClusterMap

Source: McKinsey & Associates, 2009.

A2.2 Product

Much of the expansion in the product assortment available to Chinese consumers is due to external factors. Product innovations now available in China have principally come from Japan, Europe, and the United States. Little in the way of new product development initiatives have come from Chinese entities up to the present time. However, as Cheung and Ping (2003) have noted, innovation activity has taken place in China via spillover channels such as reverse engineering, skilled labor turnover, demonstration effects (stimulation of local enterprises to innovate due to the presence of foreign companies), and supplier–customer relationships (technology transfer and staff training of domestic staff by foreign counterparts). Their study of 26 provinces and 4 administrative cities over a six year period (1995-2000) found evidence of positive spillover effects from foreign direct investment with respect to a number of domestic patent applications. The spillover effects of foreign direct investment were strongest on minor innovations (particularly external design patents). They also found that research and development activity in each province was related to the level of economic development (as measured by per capita GDP) and that provinces in more developed areas such as those in the coastal regions are more productive in generating patent applications. Their study though does not fully discuss commercialization of patents, which may be a better indicator of truly innovative behavior.

It is highly likely that the continuing violation of intellectual property infringement is an inhibitor to innovation activity in China. Although Chinese patent laws, for example, are up to international standards (Cheung and Ping, 2004) the investigation and prosecution of violators largely falls on the companies themselves.

Frumkin, *et al* (2006) found that it is also important to understand that in localizing apparel brands it is not perceived as a plus to hire Chinese designers nor to manufacture the goods in the same towns they are sold. This is because a Chinese customer would expect the apparel to be representative of the foreign country's cultural experience that the brand belongs to. According to Frumkin this is what the brand exemplifies.

Product and service adaptations in China range from simply making minor packaging changes to creating new distinct products serving primarily that market. Hong Kong Disneyland, which is a joint venture between Walt Disney Company and the Hong Kong Special Administrative Region government, uses simplified Chinese written characters everywhere, sells co-branded products from mainland China such as *Meng Niu* Dairy, and set up five locations throughout Fantasyland where visitors can take pictures, a feature only available at the Hong Kong Disneyland location (China Daily, 2008). Many of Nestlé's products have been tailored to the local market by its research and development centers in Shanghai and Beijing. Twenty nine percent of Nestlé's product range is produced in China. Nestlé's wide product range in China includes milk, infant formula cereals, coffee, bottle water, and other beverages, ice cream, chocolates and confectionary, seasonings, pet foods, among many others (China Daily, 2008).

The balance between maintaining a globally-standardized approach and localizing marketing strategy generally tilts towards a localized strategy. Wong (2004) argued that Walmart, a major discount retailer in North America, should opt for a premium brand positioning in China. Wong (2004) and others argued that in Shanghai shoppers see Walmart as an exclusive outlet where they can buy things for which they did not have previous access via other existing stores. This strategy suggestion was echoed by a senior executive of TrustMart, a hypermarket acquired by

Walmart in 2007, who explained that Walmart will retain its premium positioning and "foreign" retail strategy while TrustMart will continue to act like a traditional Chinese retailer (Cheng, 2008). This strategy is manifest largely in Walmart's maintenance of its "Every Day Low Price" strategy while TrustMart will continue its strategy of short-term deep price discounts which act as loss leaders (Cheng, 2008).

In a study of how best to translate foreign brand names into Chinese, Dong and Helms (2001) proposed that the translation method should match the target segment. Dong and Helm conceived that brands could be literally translated to sound like a foreign brand, creatively translated to be neutral, or translated to sound Chinese. They hypothesize, for example, that brand names translated with a Western flavor that suggest a foreign origin will elicit a favorable image among college graduates and students more than among urban middle class and rural residents or farmers. They further proposed that translations with a Chinese flavour that do not suggest foreign origin will be more likely to elicit a favorable brand image among urban middle class and rural residents and farmers. While confirmatory research is lacking to support their propositions, their conceptions suggest different possible reactions to marketing stimuli among different segments within China.

A2.3 Price

In countries where demand tends to exceed supply, price is not usually used as a competitive tool as Saurazas (2000) observed in her United Arab Emirates study. In contrast, price in many product categories in China tends to be used as a major competitive tool because supply in many cases exceeds demand. This is particularly acute in the light manufacturing and garment sectors.

Many manufacturers produce products to fit into one of three common price ranges: low, medium, and high (Cheng, 2008). Consumers then generally choose products at one of the price points. Within price points, producers often use price discounts to drive product sales. The most competitive price point is the low end of the scale because of strong competition in producing medium- to low-quality products where price is the main differentiator. At the very low end of the pricing scale many consumers are limited by disposable income and are attracted to value pricing promotions, giveaways, and on-pack promotional items. Therefore, in order to achieve significant market share in rural markets, such as those achieved by Unilever and Colgate-Palmolive, marketers need to occupy the lower price points because that is where the volumes are (Eckhardt and Cayla, 2003).

Prestige pricing is most often seen with respect to imported foreign brands and in particular on electronics, vehicles, wines and spirits, wrist watches, and other conspicuous products as well as in most foreign-owned franchise restaurants and hotels. Pricing thus plays a key role in product positioning at the high end of the scale. Foreign producers who have established joint venture production in China retain premium pricing but their price point falls below imported foreign brands because of the avoidance of tariffs and other costs of import. In most cases these cost savings are passed on to consumers.

International price points tend to dominate for technology products and skimming prices are commonly used for new product introductions or for updated series of products. Once products reach the high growth to maturity stage, penetration pricing tends to take over. An ongoing headache for legitimate manufacturers is the wide availability of product knock-offs and in many cases products introduced in other international markets have been copied and sold in the Chinese market before actually being introduced by the legitimate manufacturer. Such was the case facing Apple Inc. with their launch of the IPAD where it has appeared in China as a knock-off prior to being rolled out there. Such activity puts downward pricing pressure on manufacturers wishing to develop the market with legitimate, legal products.

A2.4 Place (Distribution)

Since the opening of China's markets in 1979, the history of distribution in China has been fraught with infrastructure problems and difficult legal issues, and many firms have been forced by those circumstances to use highly creative methods to offset sometimes arbitrary and restrictive regulations in order to distribute their products (Powers, 2001). The progression in the development of distribution in China has mirrored its economic development. As ports, highways and secondary arteries, airports, storage facilities, and other infrastructure have expanded throughout China so have the distribution capabilities of marketers. Presently in China nearly all key markets can be covered with those in the Northwest, Southwest, and far West relatively problematic due to the more complex topographical challenges. To gain a greater reach and expand purchase outlets marketers often rely on a complex network of distributors.

A2.4.1 Distribution in China

Many manufacturers hope to promote their brands on the mainland, but one of the difficulties they encounter is the sheer size of the country and the diverse regional disparity. Different regions have different cultures and consumption habits and, for these reasons, advertising, public relations and other promotional activities differ by region and direct selling can be difficult (HKTDC, 2010). The Hong Kong Trade Development Council (HKTDC) (2010) argue that it is precisely because of China's vast territory and diverse market disparity that many foreign and domestic producers engage in multi-level distribution or otherwise appoint distributors or agents to indirectly distribute their products to a wider area. These distributors and agents are generally responsible for market development, brand promotion, warehousing and transport (HKTDC, 2010).

The HKTDC (2005) classifies Chinese distributors/agents into four categories (HKTDC, 2005):

Figure A2. 2 A categorization of Chinese distributors/Agents

	High Sales Capability	Low Sales Capability
High Credibility	Category 1	Category 2
Low Credibility	Category 3	Category 4

Source: HKTDC (2005)

From a manufacturer's perspective, Figure A2.1 identifies four types of distributors that can be found in China. Category 1 distributors abide by agreements, possess high credibility, strong marketing capability, extensive sales networks and good capital flow; have the same business philosophy as the enterprises they serve, and have long-term development plans and strategies. With such strengths, they are high-quality partners and can be nurtured to become long-term distributors for enterprises. Category 2 distributors have relatively weak sales capability yet have good credibility. Support from manufacturers is often required. In dealing with this category of distributors, manufacturers have to provide support and guidance such as sending sales representatives to assist them in developing the market, boosting their sales capability and confidence. Category 3 distributors possess good sales capability, yet their credibility is low. Hence, there are risks in dealing with them. They must be closely supervised under a set of stringent distribution policies. In the manufacturers initial stage of building sales channels, these distributors are of great value to the manufacturer in capturing market share with their strong sales capability. Yet, since the risks of working with them are high, they should be restricted to playing a limited role and not be relied upon too much in the distribution process. Category 4 distributors, have poor sales capability and low credibility. The KHTDC suggests avoiding these distributors altogether to avoid losses.

In China's distribution sector, the coverage of its vertical wholesaling system is extensive with wholesalers reaching out to a large number of widely dispersed rural markets at county level and below where the distribution system is undeveloped, meeting the enormous consumption needs of markets at the lower end (HKTDC, 2005. On the other hand, the coverage of China's horizontal retailing system is relatively narrow and retailers tend to concentrate in markets at different levels (HKTDC, 2005). Many Chinese manufacturers take a multi-channel approach in distributing their products. On the one hand, they work with the systems of agents and distributors, franchised chain stores and wholesale marts. On the other hand, they set up their own offices and sales operations to sell directly to wholesalers. Some of them also establish direct sales outlets or specialty stores either through their own operation or through acquisition (HKTDC, 2005).

Many foreign firms have managed to set up national distribution channels yet most of those same firms have to use a complex array of channels to fulfill their distribution needs and find it difficult to consolidate to take advantage of economies of scale (Powers, 2001). Baume and Mercier, a luxury watch brand in China, owns its own boutiques in China to enhance brand awareness despite using a local dealership strategy elsewhere in the world (Yu, 2009). Omega watch brand, in China for 20 years, has 180 boutiques in China (Yu, 2009). On the other hand, a single Chinese distributor has 166 watch stores in China and is sole distributor of 19 international watch brands (Yu, 2009).

A2.4.2 China's Retail Market

The implementation of the WTO in 2001 has also helped put pressure on the state-sponsored service logistics providers and manufactures since the typical large foreign retailer buys in one of two ways: either through a third party that usually must provide a high level of service at low margins in exchange for high sales volume; or directly from the manufacturer, which will be pressured to offer the cheapest wholesale price in the market (Powers, 2001). According to Powers (2001) because of the high volumes purchased, the foreign retailers are usually able to obtain highly favorable payment terms, timely delivery, bar coding, and priority service, all of which were generally nonexistent just a few years ago (Powers, 2001). At the same time, local manufacturers and distributors have been forced to upgrade their internal capabilities, including for example, online ordering software which has benefitted the distribution and logistics industry in China as a whole (Powers, 2001).

Not until 1992 were foreign retailers able to enter the Chinese market (Shen, 2002). The advent of foreign retailing stepped up in June 1995 following the promulgation of the "Contemporary Regulations on Foreigners' Investment Destinations in China (Liu, 2008). The first retailer to take advantage of that was Carrefour, a French retailing giant, who inaugurated their first hypermarket in Beijing in December 1995. "When the store opened, it was the first time many Chinese consumers could select goods from shelves by themselves and buy fresh, high quality goods in a clean, comfortable environment at prices even lower than open markets. For the first time Chinese consumers experienced "… a spacious and bright store, light music, numerous commodities, colorful tags and magical cash machines…"(Liu, 2008).

With the help of international competitors entering the retailing industry, China now has one of the most lucrative and rapidly growing retail markets in the world. Despite the global economic downturn, China's retail sales hit ¥ 12.5 trillion (US$1.8 trillion) in 2009, up 15.5 percent over the previous year (Lu, 2010). According to the PRC National Bureau of Statistics, a significant part, 42 percent, of China's total retail sales in 2008 came from five of the twenty-seven provinces and regions most of which are prosperous eastern provinces: Guangdong, Shandong, Jiangsu, Zhejiang, and Henan (Lu, 2010).

Rapid development over the past two decades has resulted in a highly fragmented retail market composed of many small- and medium-sized retailers, unlike in the United States, where big-box retailers dominate. Retailers range from small stores with limited selections catering to low income or convenience shoppers, to modern shopping malls. In 2008, China was home to about 549,000 retail enterprises, each with an average of 15 employees (Lu, 2010). Though the number of chain stores has been growing in recent years, cross-provincial retailers are still rare in China, in part because of local market access barriers (Lu, 2010). Household electric appliances and electronics accounted for 16.6% of retail outlets, autos, motorcycles, fuel, and auto parts accounted for 14.6 percent, and hardware, furniture, and decoration materials accounted for 13.1% respectively (Lu, 2010).

Leading retailers, particularly department store retailers, have a small but growing share of the overall market. The trend seems to be following that of North America with the expansion in the number of chain stores and larger retail groups as the industry continues to undergo a restructuring through consolidation via mergers and acquisitions (Liu, 2008). Walmart, Carrefour, and Metro are leading players in China. The development of the hypermarket/big-box retail format since 1996 has been led by Carrefour, Metro, and later by Walmart and Tesco, among others as well as China's own Shanghai Hualian and Lianhua hypermarkets. By virtue of their buying power, these local and foreign retailers have forced alterations to traditional distribution practices.

In December 2004 the Chinese government lifted restrictions on shareholding and store locations in order to meet WTO commitments. By 2011 Carrefour had 157 hypermarkets and 322 discount stores across China. Forty percent of Carrefour's stores are in tier-two and tier-three areas (Cheng, 2008). Interestingly, Carrefour was able to side step 1992 regulations requiring foreign retailers to own a maximum of 49% and requiring them to form joint ventures, by setting up a wholly-owned unregistered entity. Lianhua a local supermarket, hypermarket, and convenience store conglomerate has 3,000 outlets (Cheng, 2008). Walmart in 2007 acquired a 35% interest in Taiwan-owned Trustmart (Cheng, 2008). Trustmart has 104 stores in China (as of August 2008) (Cheng, 2008). As of August 2010, Walmart had 189 stores. The foreign retailers' expansion and the progress of domestic Chinese retailers have helped Chinese consumers become more sophisticated and mature in their consumption behavior. "They (Chinese consumers) no longer take the big names as an unconditional object of admiration…" (Liu, 2008).

According to the PRC Ministry of Commerce, China had about 2,400 foreign-invested retail enterprises and $4.8 billion in total foreign retail investment by August 2009, 91 percent of which was invested after 2004 (Lu, 2010). Despite the recent market entry, foreign retailers account for roughly 12 percent of the sector's total sales and assets, suggesting that they operate on a larger scale than their Chinese competitors (Lu, 2010).

A2.5 Promotion

This section discusses a variety of methods used to communicate with consumers from traditional media to current digital media. Additional approaches can be found in Appendix XV.

A2.5.1 Traditional media

There is an extensive range of major media outlets in China and it is difficult to develop national advertising promotions the same way that is done in many Western countries. As of 2005, there were more than 2000 newspaper titles, over 9000 magazine titles and in excess of 800 broadcast outlets (HKTDC, 2010). More typically, advertisers regionalize their advertising activities concentrating their advertising budgets so that the reach is not overly diluted. The top product sector advertisers in China by dollars spent include professional services, food and beverages, hair care, skin care, pharmaceuticals, real estate, oral hygiene-related, vehicles, and telecommunications (HKTDC, 2010).

China's total traditional media advertising expenditure jumped 13.5 percent to $74 billion US dollars in 2009, which represented a 13.5 percent increase over 2008 (see Table A2.1). Television remained the predominant media and television advertising income grew 15 percent, far ahead of any other media in 2009. Growth slowed in advertising expenditure on print media, mainly due to reduced advertising spending from the real estate and transportation sectors which were seriously impacted by the international financial crisis in recent years (Hu, 2010). Outdoor media saw growth of 9 percent last year (Hu, 2010). In comparison, in 2003 expenditure on traditional media advertising in China was US$13 billion, US$11.2 billion in 2001 and US$9.7 billion in 2000 (Xinhua News Agency, 2010). Key advertising sectors included home appliances, health care, hair care, and food and beverages.

Traditional media in China is expected to be increasingly displaced by the digital media market. The new media landscape is going to redefine marketing adding that with booming business from the Internet search engines and social media, advertising agencies are embracing a digital world (Yu, 2009). Analysts estimate that the digital media market in China will grow between 30 percent and 40 percent during each of the next three years to surpass ¥300 billion (US$44 billion) by 2012 (Yu, 2009).

China GDP growth has been highly correlated with growth in advertising expenditure and high growth in advertising expenditure should continue (CTR, 2010). CTR (2010) consultants, however, fear that some government regulations could negatively impact the growth of television advertising. Despite that CTR expects a 10% growth in the China advertising market in 2010 (CTR, 2010).

Table A2. 1 China's Advertising Market Change 2003-2009

Year	GDP % Change	China Ad % Change
2003	9.1	39.0
2004	10.1	22.0
2005	10.2	18.0
2006	10.7	18.0
2007	11.4	9.0
2008	9.0	15.0
2009	8.7	13.5

Sources: GDP Change from NBSC; China Advertising Change from CTR Media Intelligence. Available from: <http://www.ctrchina.cn/ctrwebsite/en/News_Article.php?articleid=266>

With its superior competitive edge over the market average, television remained the predominant media with growth of 15%, far ahead of any other media in 2009 (see Table A2.2 and Table A2.3) (CTR, 2010). [53]

The pace of print media advertising growth slowed with the world-wide financial crisis due to reduced ad spending from the real estate and transportation sectors. However, outdoor media picked up its growth pace growing by 9% in 2009 (CTR, 2010).[54]

Table A2. 2 Traditional Media Expenditure in China in 2009

Media	2009 (in billions of US$)	% Change
TV	57.9	15.0
Newspaper	9.7	9.0
Magazine	1.9	3.0
Radio	1.5	6.0
Outdoor	3.4	9.0

Source: CTR Media Intelligence, 2009. Available from:
<http://www.ctrchina.cn/ctrwebsite/en/News_Article.php?articleid=266>

Table A2. 3 Share of total adspend by medium 2007-2011 (%)

Medium	2007	2008	2009	2010*	2011*
Newspapers	26.9	25.1	23.4	22.2	21.2
Magazines	12.2	11.6	10.5	9.9	9.7
Television	37.3	38.0	38.6	39.3	39.2
Radio	8.0	7.7	7.6	7.4	7.2
Cinema	0.5	0.5	0.5	0.5	0.6
Outdoor	6.5	6.7	6.8	6.0	7.0
Internet	8.7	10.5	12.6	13.8	15.1

* Estimated
Source: ZenithOptimedia, 2009 <Available from :<
http://www.phorm.com/assets/reports/Advertising_Expenditure_Forecasts.pdf>

A2.5.2 Word-of-Mouth

A key driver of awareness and impact on preference in China is word of mouth (WOM). For Chinese, WOM is a reliable source of information and also serves as a barometer of safety. Buying products and brands endorsed by friends eliminates much of the psychological risk of making a bad decision and being embarrassed or ridiculed by others. This is particularly relevant for a high-collectivist, high-uncertainty avoidance consumer.

A2.5.3 Online buzz

In the realm of marketing promotions in China pretty much anything goes. Companies have found creative ways to target segments among the 384 million netizens in China (Yan, 2010). Internet marketing agencies have begun to specialize in organizing internet users to place positive (or negative) postings on popular websites thereby generating attention for their company and brands. Some companies further specialize in generating online buzz using similar tactics to generate web celebrities, who are then hired to make advertising tie-ins and promotions (Yan, 2010).

A2.5.4 Direct and Online Marketing

In 1998 the Chinese government banned direct marketing. In particular, the ban reflected government concerns about the system of independent distributor networks, their door-to-door sales, and especially the accompanying motivational seminars (People's Daily, 2004). The ban applied narrowly to multilevel marketing and direct sales marketers. The restrictions caused major direct selling companies such as Amway, Mary K, Nu Skin, and Avon to alter their distribution strategy by establishing dedicated retail stores or kiosks inside department stores to sell their products. The Chinese government's ban of direct selling doesn't apply to traditional forms of direct marketing such as direct mail, catalog marketing, telemarketing, or direct-response advertising. In fact, direct marketing is a growing industry in China. The use of television, the telephone, the mail, and even the Internet for direct marketing is growing rapidly. Currently a qualified direct marketing company needs a registered capital of US$10 million and sales revenue of at least US$60 million, in order to get a license (McDonald, 1998). Only 10 foreign companies are allowed to practice direct marketing in China, including Amway and Avon (People's Daily, 2004).

The direct marketing industry in China remains in the growth stage. The industry is mainly being developed by foreign marketing agencies and direct marketing companies, primarily based in Hong Kong, which are looking for cost effective and efficient ways to reach Chinese target audiences. Direct mail campaigns by Leo Burnett for Procter & Gamble have been very successful and they have shown that Chinese consumers are very receptive to direct marketing efforts (McDonald, 1998). Statistics from the China Post office reported that the average response rate of China Direct Mail is more than 4%, which is high by global standards (News Power, 2010).

The most common methods of delivery include the China Post Office, hand delivered door-drops or on-street distribution, inserts into newspapers, and monthly telephone statements (News Power, 2010). Very few companies have developed appropriate databases or mailing lists - but that is rapidly changing for the better (News Power, 2010).

According to McDonald (1998) China started a toll-free 800 service in 1995 and now has nine cities along its eastern coast involved and the country expects to have 30 cities with 800 numbers by the end of 1998. Further, telemarketing and direct response advertising on television have been aided by the slow but steady expansion of credit card proliferation in China (McDonald, 1998).

A2.5.5 Internet marketing

A broad-based internet network and the vast number of current users have also contributed to the potential of direct selling via the internet. Popular websites such as Baidu and Sohu are becoming major direct sales platforms.

Internet advertising in China has grown rapidly in recent years and has now become a significant factor in the marketing portfolio for many companies. China had 384 million internet users by the end of 2009 of which 117 million used online forums in 2009 (Incitez China, 2010). In 2009, the number of online shopping users in China was 108 million, which represented an increase of 45.9% over 2008 (Fu, 2010a). The total value of online payments made during 2009 was ¥569 billion (US$83 billion), an amount that increased 17.8% on an annual basis during the first quarter of 2010 (Fu, 2010a).

The size of China's online display advertising market was ¥18 billion (US$2.63 billion) in 2009 which was an increase of 36.9% from 2008 (Fu, 2010b). The upward trajectory of the market continues with most recent data indicating that ¥6.36 billion (US$931 million) was spent in the first quarter of 2010 (Incitez China, 2010c). In order to target users more clearly and cost effectively marketers will likely increase their spending on internet advertising.

Six websites account for 52% of total online advertising revenue in China: Baidu (20%), Taobao (9.2%), Google China (8.9%), Sina (6%), Sohu (4.6%), and Tencent (3.3%) (Incitez China, 2010c).

The major display advertisers in China mirrored to some extent the top advertisers in the traditional media. Five categories accounted for 60 percent of internet display advertising: automobiles (16.1%), fashion (14.8%), entertainment (10.6%), computer and electronics products (10.3%), and FMCG (8.4%) (Fu 2010b).

For further examples of some unique promotional approaches used in China see Appendix XV (Unique Promotional Approaches in China).

A2.5.6 Personal Selling

Personal selling occurs when an individual salesperson sells a product (good, service, or solution) to a customer or client. In the main, personal selling receives the greatest emphasis in the promotion mix in China as this form of communication tends to deliver clearly identifiable results and because personal relationships with venue owners and their staff harkens back to the traditional retail style of open-air Asian markets. From a manufacturer's perspective personal selling is related to developing *guanxi* which can trump, in many cases, rational analytical decision making with respect to stocking products and brands and giving emphasis to brands at the retail level. Due to the often high cost of mass forms of promotion many companies are restricted to personal selling and perhaps a few other methods of brand communication such as a website or packaging advertising.

The role of personal selling in China is also important from the standpoint of haggling. Product prices tend to be fixed at a few select stores including grocery stores and some Western-based hypermarkets. For the most part, however, Chinese consumers are able to price bargain in most retail locations. Large department stores are staffed within independent boutiques and counters, and sales staff has bargaining authority. As such, major manufacturers or their representatives spend considerable time and a significant portion of their promotion mix budget on personal selling initiatives. Such initiatives include onsite training, hiring of sales staff to serve at point-of-purchase locations, sales materials for distribution to customers, and in efforts visiting key retail accounts (Cheng, 2008).[55]

Zhuang and Tsang (2008) discuss ethically problematic marketing activities and techniques used in personal selling in China.[56] They highlighted findings that indicate some involved in the selling process have different ethical evaluations of different marketing practices used in personal selling such as giving and accepting gifts, buying and accepting meals, and offering and accepting kickbacks. To some, these practices may not be considered unethical. Second, in terms of ethical assessment, gray marketing practiced by buying agents is more unacceptable than when practiced by sales agents. Third, a person's ethical evaluation of gray-marketing behavior, empathy for gray marketing, and belief that gray marketing has serious consequences, significantly affects his inclination to engage in gray-marketing activity.

A2.5.7 Public Relations

Public relations are generally considered a pillar of the *Promotion* arsenal. With reference to China, the HKTDC (2010) highlights two main forms of *public relations*: PR Publicity and PR Sponsorship. PR Sponsorship in China is typically implemented through one of three approaches: Sports PR, Educational PR, and Charity PR.

PR Publicity involves using different media to make public statements or involves company participation in publicity activities to promote the company brand. HKTDC (2010) argues that in recent years it has become a trend for mainland enterprises to hire Hong Kong or Taiwanese celebrities as ambassadors to perform publicity or ribbon-cutting work. Although not an inexpensive proposition, popular stars can normally draw extensive media coverage and can increase brand awareness within a short time (HKTDC, 2010).

The brand of a company or product can be promoted by sponsoring sports, educational or charity events. This indirect means of publicity attracts the media to cover the events sponsored in a bid to draw public attention and build up the image of the company as an organization that contributes to the well being of society. Sports PR has somewhat limited attraction in China because of a dearth of major-league sports but Marlboro has successfully sponsored Formula I car racing in China to retain its brand leadership (HKTDC, 2010). McDonalds China is an active sponsor of public-welfare undertakings and since its entry into the mainland market, the company has been sponsoring the Leukemia Foundation, children's homes and Hope schools, and has as set up Uncle McDonald's Scholarship, all for the development of children and teenagers (HKTDC, 2010). McDonalds China has also made significant contributions to earthquake relief, among other philanthropic activities (HKTDC, 2010). An emerging form of public relations in China is Charity PR. Unicom China, a major mobile phone networking provider, donated cash and phone cards to publicize the prevention and control of AIDS and has provided corporate donations to help improve the life of people in poverty-stricken areas (HKTDC, 2010).[57]

A2.6 Summary

This chapter discussed components of marketing strategy within the context of China. The five components considered were segmentation bases, product, price, place, and promotion. Some of the more germane segmentation bases applicable to China include the Dong and Helms segmentation, psychographic segmentation, Japanese segmentation approach, segmentation by income tiers, McKinsey cluster segmentation, and geographical segmentation. Basic product considerations and price strategies were discussed. In addition, the general distribution and retail frameworks were examined. Common promotional approaches were presented including traditional media, word of mouth and online buzz, direct marketing, internet marketing, personal selling, and public relations.

Appendix III. Industry Interviews – Summary and Conclusions

A3.0 Introduction

This appendix chapter discusses and summarizes the industry-expert interviews which were conducted between June and August 2009. With the exception of three instances all interviews were conducted in Chinese and verbatim responses were both recorded using a notebook computer and/or a video camera. All interview content was recorded in Chinese and the content was translated both by the author and two native Chinese speakers who are themselves marketing executives in China.

Data from the interviews was input into *NVivo*, a qualitative research software tool. The software assists the researcher in making sense of otherwise unstructured information and includes tools for classifying, sorting, and arranging information, and identifying themes, all of which can aid in developing meaningful conclusions (www.qsrinternational.com).

A3.1. Purpose of the interviews and the structure of the survey guide

The purpose of conducting the qualitative research portion of the study was to delve into reasons why some purchases intentions are what they are and to inform on some of the reasons why there may be differences in purchasing intentions and behavior between consumers from different ethnicities.

Discussion of correlating results from the industry interviews and quantitative research formed part of the discussion in Chapter 7.

The survey instrument was a structured discussion guide (see Appendix IX) containing three sections. The first section identified interviewee's name, job position, company, and city of residence. The second section consisted of ten general, open-ended questions on Chinese consumer behavior which intentionally matched similar questions on the main quantitative survey. The third section contained five open-ended questions asking for opinions and insight on differences in behavior that they perceive among Chinese.

Most responses were germane to the specific question asked but in a number of instances responses contained remarks that applied to other questions in the section. To the extent possible such remarks were included in the section to which they were most relevant.

Output from interview responses to discussion guide questions was summarized and classified using *NVivo* qualitative research software. Below is a question by question discussion of the combined results from the interviews accompanied by a summary of the key findings of each. Responses of the forty marketing experts interviewed are summarized by each question.

A3.2. Q3-1 (Do Chinese consumers usually try to buy local (Chinese) brands if available?)

Reponses to this question were categorized according to three nodes: "Yes", "No", and "It Depends". Some responses were categorized under more than one node in cases where an answer was ambiguous. With respect to the "It Depends" classification three sub-nodes were identified: "depends on product category", "depends on income", and "depends on other factors".

Just four of forty experts answered "No" to this question. The key reasons cited include a belief that foreign brands' product service is better and that advertising of foreign brands is more extensive than that of local brands.

Conversely, 12 of 40 experts answered yes unequivocally while another 6 of 40 felt that Chinese generally try to buy local brands but it depended on a variety of factors. The reasons given for a preference for local brands were that the brands are more familiar to consumers, beliefs that Chinese products' quality is now acceptable, and that price is virtually always lower.

The majority (24 of 40) of experts felt that this behavioral orientation was contingent on either product category (15 of 40), income (2 of 40), or other factors (7 of 40). With respect to product category as a contingency variable, responses included: "For some categories such as electronics (where foreign brands are preferred); “For fast moving consumer goods categories, consumers prefer more domestic than before. In the past foreign FMCG brands were preferred more than local brands because foreign brands were promoted more strongly"; “For electronics products, Chinese prefer to buy foreign brands. The reason is because local brands are cheaper (in terms of being lower quality); “For garment products Chinese consumers prefer domestic brands ... (since) local brands have a price point more suited to the local market"; "For some product categories such as digital, electronics, and computers then Chinese prefer to buy Japanese or Korean brands. For daily necessities quality is not the main consideration"; “For electronics and garments products young Chinese people prefer foreign brands"; "For grocery products they would prefer to buy local brands"; "For computer hardware, for example, they would prefer buying foreign brands. For software, they would prefer to buy local brands"; "Parents may buy local for themselves but foreign brands for their children"; "Depends also on the price segment. For the premium segment (they) choose foreign brands. For medium and low-priced segments, for most product categories, Chinese consumers will choose local brands". "For high technology products Chinese consumers prefer foreign brands since domestic brands are not considered to be using a high enough level of technology such as for digital products. Domestic technology is not as advanced including for vehicles"; “For electronics and cosmetics categories consumers prefer foreign brands. For groceries they would prefer to buy local".

Two experts explicitly felt that consumer orientation was contingent upon income level feeling that "High income earners will buy foreign brands" or "If their income is low, for all product categories, Chinese consumers will buy domestic brands due to their universally lower price.

In addition to the themes above, a variety of other contingency factors were cited. These experts argued that Chinese consumers' orientation to buy local brands was dependent on product quality, level of education, "service" related to the brand, level of brand's media exposure, and consumers' brand knowledge. Results are summarized in Table A3.1.

A3.3. Q3-2 Do Chinese consumers try to buy foreign brands whenever possible?

This question is essentially a reversal of Q3-1 but was asked for the purpose of getting interviewees to provide further insight and rationale into why they feel consumers are oriented toward buying domestic (local) or foreign brands of products. Eight of forty experts felt that consumers were not disposed to prefer to buy foreign brands whenever possible. Of those responding 'No' there still appeared to be a contingency rationale that as long as consumers perceive quality as being similar they would buy domestic brands. One Beijing expert reasoned that "there seems to be a movement towards buying local. Because many Chinese already know that local companies can produce high quality products so they have begun to believe that China can produce such products under domestic brand names." The logic of this argument seems to be that if Chinese factories can produce high quality for foreign buyers then they should be able to re-brand under their own label and maintain the same quality. The result is that there has been more confidence in buying Chinese-branded products. Three experts felt that there was no necessary preference for foreign brands just because they were "foreign".

Six of forty experts answered "Yes" feeling that consumers generally prefer to buy foreign brands whenever possible. Reasons given include: "people in the north of the Changjiang (Yangtze) River care more about *face*. South Chinese care less about *face* so the *face* benefit that comes with buying foreign brands is (less common) in the South"; "...foreign brands represent a quality guarantee"; "foreign brands' (quality) is better"; "(The preference toward foreign brands)... is a legacy of the inferiority complex wrought by years of centrally planned economics. Another reason is that if you can buy foreign brands you (are considered to) have a higher social class and higher standard."

More than 75 percent of industry experts proffered contingency responses and tended to lean toward a preference for purchasing foreign brands *ceteris paribus*. Four contingency nodes were identified in order of rank: product category, consumer's income, consumer's age, and perceived product quality.

With respect to product category, comments were generally consistent with Q3-1 (prefer local): "For grocery categories (consumers) prefer local brands because of (more) marketing than foreign brands"; Consumers tend to believe foreign brands especially for electronics"; "For some product categories. For cars, information technology products, electronics, and other high-tech products consumers prefer foreign brands."; "If it's a fast moving consumer good it doesn't matter if it is foreign or domestic. For beer it doesn't matter. For luxury products demand for foreign brands is (higher)"; "Depends on the product category. For immediate consumption products Chinese consumers prefer domestic brands and for long term consumption products they prefer to buy foreign brands."; "Depends on the product category. For cameras, electronics, but not all electronics, for example, Chinese-branded televisions are OK. Some Chinese-branded products have convinced consumers of their quality."; "If for electronics, yes, if for high quality clothing also yes."; "For televisions and mobile phones, for example, they prefer to buy foreign brands."; "Depends on product. For high ticket items they will choose foreign brands due to the perception of higher quality. For fast moving consumer goods it depends on (the company's) media expenditures."; "Generally, foreign brands will not be selected if local manufacturer's technology is deemed sufficient since the price is much more expensive. Prices of daily necessities, however, are similar such as shampoo or soap but quality of foreign products is superior so there is a preference to buy foreign daily-use products since they are affordable to most consumers.[58] Most consumers know that many products are produced by joint ventures in China. They consider these "foreign-made". Also, if a foreign brand has a joint venture product such as P&G toothpaste and the price is lower than imported P&G toothpaste, for example, they will buy the joint-venture version of the product. Chinese consumers trust the joint-venture version. For luxury products such as watches and perfumes and computers Chinese consumers will only buy actual imported products not products produced by joint ventures. This is because people trust the technology in the foreign manufacturing enterprise. For example, if they buy a domestic air conditioner, for example, Gree, or a domestic refrigerator, for example, Rongsheng, if consumers feel their manufacturing technology has reached an international standard and the price is lower than foreign-imported brands, people will buy domestic brands. Possibly for medium-technology products there is a higher willingness to buy domestic brands."; "Not necessarily. Some people for grocery categories, family-use appliances, and clothing will choose domestic brands. For mobile phones, cosmetics, and watches, and other electronics they will choose foreign brands. This is true for people who have the purchasing power capacity.", and; "It's hard to say. It depends on the product category. For electronics products they are more likely to buy foreign brands."

Seven experts mentioned that the preference orientation was related to consumers' income. The basic argument is that if affordability is not a consideration then there would generally be a preference for foreign brands. Responses citing income as a contingency included: "It depends on the income level (with respect to) the strength of the impression that they have of the foreign brands."; "For those with higher income especially in South and East China they buy foreign brands more because they can afford to."; "It depends if they have the money. If they do they would buy foreign whenever possible due to brand quality and style"; "For daily use products they will buy domestic since prices are lower. For clothing, consumers prefer local brands because styles change quickly and they don't want to spend too much since they always want the latest fashion."; With respect to product quality, responses included: "For appliances consumers will choose foreign brands due to better quality and service and the length of life of the appliance being longer. "; "It depends on their personal circumstance (i.e. income levels).", and; "For higher income consumers it would be more likely than lower income consumers to buy foreign brands (due to foreign brands generally being more expensive)."

Another contingency variable mentioned by five experts was age. The general feeling of these industry experts was that younger consumers (those born after 1980) were oriented to buying foreign brands while those who are older had no such predilection. Some of the comments included: "Young people prefer to buy foreign brands especially 20-35 year olds. With respect to pharmaceuticals people prefer to buy domestic as there is more selection than foreign brands. Foreign pharmaceuticals have fewer marketing channels."; "...younger females prefer foreign brands in general."; "Young people and females prefer to choose foreign brands. Males have a tendency to purchase products that suit their habits, for example, alcohol and cigarettes."; "Older people prefer to buy domestic whereas younger people prefer to buy foreign brands."; "It depends on age. Those born after 1980 will prefer to buy foreign brands. People born before 1980 are more conservative (so prefer domestic). So it depends on age."; "It depends on age."; "Also related to age, those 20 to 40 years old are more likely to buy foreign brands generally. For those younger than 20 or older than 40 they are more likely to buy domestic brands. "

Four of forty experts felt that orientation to purchase foreign brands was due to perceptions of superior product quality. Some of the specific comments include: "Consumers tend to believe foreign brands especially for electronics."; "… they would buy foreign whenever possible due to brand quality and style… For appliances consumers will choose foreign brands due to better quality and service and the length of life of the appliance being longer. ... For family-use electrical products consumers will definitely buy foreign. In other words, consumer durables (high tech, electronics, watches, etc.) they prefer foreign brands. "; " Many Chinese consumers consider quality especially for things like garments (for which they would prefer to buy foreign brands), and;" It still depends on perceived quality. There is a feeling that many Chinese products have achieved international quality levels so there is no distinct bias against domestic brands. There are some exceptions, however, such as cameras, mobile phones, and 'products purchased for special occasions (*shouxupin*)."

Other contingency factors mentioned include: "if domestic producers advertised as much (as foreign brands) then consumers would be more likely in some cases to buy local brands"; It also depends on if they have been impacted by brand advertising.'; "value", and; "convenience" of purchasing the brand."; "Also, 'patriotism' is a reason to buy domestic brands."; and, "For products for which you need only one then they want to buy foreign brands. If they need to buy many such as clothing then they prefer to buy domestic." Results of responses for Q3-1 and Q3-2 are summarized in Table A3.1.

Table A3. 1 Synopsis of interview responses to Q3-1 (Prefer Local) and Q3-2 (Prefer Foreign)

Response	No. of expert mentions*	Key Themes
Mainly prefer local	26/40	• Price is universally lower. • Growing belief that domestically produced products' quality is improving. • More familiar with local brands.
Mainly prefer foreign	10/40	• Guarantee of quality. • Foreign brands are more heavily promoted.
It depends on:		
• on age of consumer	7/40	• Younger females (under 40) prefer foreign brands whereas older consumers (over 40) prefer domestic brands.
• on income level of consumer	9/40	• If they can afford it consumers would prefer foreign brands.
• on product category	31/40	• For consumer durables, watches, perfume, digital, and electronics there is an overwhelming preference for foreign brands. • For many fast moving consumer goods they prefer foreign brands. • For clothing, many daily necessities they prefer domestic brands. • For premium-priced segment in product categories consumers prefer foreign brands but for medium- and low-priced segments they prefer domestic brands.
• on product quality considerations	11/40	• Foreign brands represent quality guarantee. • Brand choice depends on perception of quality rather than country of origin. • Quality is key consideration in many categories.
• other factors	12/40	• Level of media exposure is important, need for *face*, and style considerations.
* Some responses apply to more than one category		

A3.4. Q3-3. Would Chinese consumers prefer to buy a local brand if the quality, price, and service were considered to be equal to foreign brands?

This question serves mainly as a follow-up probe to the first two discussion guide questions. The aim was to further flesh out whether consumers had a built in bias toward or against domestic brands *ceteris paribus*. It was anticipated prior to the interviews that there would be a bias toward *foreign* brands due to positive stereotypes of quality yet a bias toward *domestic* brands due to lower perceived prices. This result was confirmed in the preceding analysis.

When we asked industry experts to factor out the impact of income, quality, and service considerations 15 of 40 felt Chinese would mainly prefer *domestic* brands. To some extent we would expect a higher degree of contingency responses such as being dependent on style, fashion, or brand image; yet, some compelling reasons were mentioned including: "Not necessarily. Other things being equal they wouldn't necessarily buy local. With respect to garments they tend to be brand loyal."; "Yes, because of a belief that service is better (for local brands) but there are a few cases where foreign brands' (service) is better. They also may believe that the local brand is 'fresher'."; "Beijing people still prefer to buy foreign brands. People from second-tier cities are more likely to buy domestic brands because they have the familiarity of the product and a perception that the local brands will somehow be easier or better to use."; "For example, for electrical appliances they would prefer to buy domestic brands because they would consider that the service related to the local brands (is better)."; "The after sales service is important as well as the return policy (associated with the brand). If everything is the same Chinese consumers would prefer to buy local."; "Yes, they would prefer to buy local brands due to the reason of assisting with national development. Several years ago some university students put together an online campaign to "Buy Chinese"; "Yes, certainly."; "Certainly, due to reasons of patriotism if price and quality were considered the same."; "Some people would buy domestic brands due to patriotism. For groceries they may prefer local since they may feel the taste is more suited to Chinese."; "If they feel it is a Japanese brand they will buy local due to historical reasons."; "If price is similar they would prefer to buy local brands. There are many medium-level income people in China who are not rich but prefer to buy local in cases where the foreign brands are not known."; "Generally yes. It's also product specific. For daily necessities Chinese would prefer local brands especially in the North due to a concept related to production. They may feel the product is fresher and the brand is closer or more familiar to them especially in the meals category. Most consumers can't tell which is local or which is foreign."; "They will buy local brands due to a belief that after-sales service may be better. Also due to reasons of patriotism. The exception is electronics products or digital products (for which people would prefer to buy foreign brands) due to high brand name awareness."; "Yes, I feel it is safer. I feel that the culture of foreign products and brands is different. Shang Chun Chicken (SCC) competes well with McDonalds and KFC. It is felt that the taste is more familiar."; "Yes, but it depends on the product category. For example, for watches and wine, Chinese consumers would prefer foreign brands. Why would they choose domestic brands? Because if consumers feel the import tax is high and if the prices were similar consumers might feel the foreign product is cheaper than the local brand."[59]

In contrast, a similar number of experts (15 of 40) felt that consumers would mainly prefer foreign brands. Some of the reasons included: "No. they would prefer to buy foreign brands due to the guarantee or promise of good quality and service. Also the marketing advertising expenditure (of foreign brands) is very high and convinces people of the higher quality. For example, for mobile phones Chinese will buy foreign brands. Customer service and style are better for foreign brands. This is especially true for younger people (who are more style conscious).";; "If purchasing garments, if quality were the same, they would prefer to buy foreign brands. For immediate and temporary-use products such as daily necessities they would prefer domestic brands. For technology products they would prefer foreign brands."; "If quality, price, etc. were the same Chinese would choose foreign brands. For some products such as appliances companies such as Haier are considered to produce quality products so they will buy domestic brands. In this case foreign name brands are not considered so important. The main consideration is whether consumers consider branding important (for that particular product category). If the product is a branded product the consumer will trust the functionality and accept the price. In such cases, consumers will prefer the confidence accompanying purchasing a foreign brand."; and, "Depends on if *face* is a key consideration."

There was a feeling among some experts that Chinese consumers perceive that it is not possible for domestic quality to be as good as foreign brands' quality and that consumers have ingrained experience in many product areas that domestic product quality is not as good as that of foreign brands. This reason is over and above reasons of *face*. Related comments included: "Generally, domestic products are always cheaper and the only attraction is that it is cheaper."; "No. Still prefer to buy foreign brands due to guarantee of brand quality especially for electronics and electrical products and also for mobile phones. For products whose domestic technology has not developed consumers will buy less. With respect to garments consumers still prefer foreign brands. It depends on product quality. With respect to garments Chinese consumers believe product inputs are superior and not fake."; "They would choose foreign brands especially for younger people. If quality and price were similar there is still an image difference. Foreign brands are still more popular due to strong market image.";"They would still prefer imported brands due to brand impression which attracts people (i.e. good impression leads to good attraction); "Depends on the city and purchasing capability. Beijing people still prefer to buy foreign brands. People from second-tier cities are more likely to buy domestic brands because they have the familiarity of the product and a perception that the local brands will somehow be easier or better to use.";"If they feel the quality was clearly as good and price was similar they would choose foreign brands."; "No, they will buy the foreign brand due to its guarantee of stable quality and the history of the product is longer. Also, many local products have a bad reputation."; "No. They would consider (prefer) foreign brands."; "No, they will still choose foreign brands due to quality belief."; "Not necessarily will they buy domestic. It's an issue of the brands' fame."; "Media is controlled in China so Chinese consumers don't know very much (about the outside world). It is hard for them to evaluate brand differences so they tend to believe in foreign products and brands. People with higher incomes have better product knowledge so the preference would be related more to income than age, for example. "

Responses also were contingent on factors mentioned above and may be summarized as: product quality halo effect; need for *face*; product category; style, fashion, and image, and; other factors.

A product quality halo effect seems to be omnipresent when it comes to foreign brands in China. Related mentions included: "They would prefer to buy foreign brands due to the guarantee or promise of good quality and service."; "For some foreign brands such as high technology there is a greater belief in them. For non-high technology products Chinese consumers can trust either domestic brands or foreign. "; "Not necessarily. If price and quality were the same Chinese consumers would still prefer foreign brands due to them having a better image. Also, we still believe the quality of foreign products is higher. If prices were the same Chinese will definitely prefer foreign brands because they don't trust that the quality would be the same. "[60]; "(Consumers) still believe that the quality of foreign products is higher. If prices were the same, Chinese will definitely prefer foreign brands because they don't trust that the quality would be the same."; "If quality, price, etc. were the same Chinese would choose foreign brands. ... If the product is a branded product the consumer will trust the functionality and accept the price. In such cases, consumers will prefer the confidence accompanying purchasing a foreign brand."; There is a feeling that it is not possible for domestic quality to be as good as foreign (brands) due to consumers' experience in many product areas that domestic product quality is not as good (as foreign brands')."; Still prefer to buy foreign brands due to guarantee of brand quality especially for electronics and electrical products and also for mobile phones. For products whose domestic technology has not developed consumers will buy less. With respect to garments consumers still prefer foreign brands. It depends on product quality. With respect to garments Chinese consumers believe product inputs are superior and not fake."; If the price were the same and the quality equal Chinese would still prefer foreign brand due to two reasons: first, foreign brands have a better image; second, Chinese consumers trust foreign brands."; "It depends on which foreign country. For example, if it is Japan then consumers will trust their brands. Also Swiss products such as watches are trusted. If the brands are famous they will buy them. If (the brands') quality, functionality, technology standards, and price are similar then (most) will choose foreign brands."

The comments related to a product-quality halo effect represent a common theme throughout many of the interviews. Most experts seem to accept the idea that perceptions of quality differences are so deeply entrenched that even in many cases where consumers wouldn't mind purchasing local *ceteris paribus*, their worries about quality dwarf reasons of patriotism, and the like. An interesting finding was that although interviewees were asked to "assume that price and quality were similar" they still could not conceive that quality could be the same.

Product quality concerns were particularly salient among experts who highlighted product categories as being a key contingency especially among high technology products. Some typical responses include: "For some foreign brands such as high technology there is a greater belief in them. For non-high-technology products Chinese consumers can trust domestic brands or foreign."; "If purchasing garments, if quality is the same, they would prefer to buy foreign brands. For immediate and temporary-use products such as daily necessities they would prefer domestic brands. For technology products they would prefer foreign brands."; "... It also depends on the product category, for example, sports shoes, watches, and other merchandise (where a foreign brand is more desired) and less for jewellery-type or daily-use products. For technical products or luxury products consumers prefer foreign for obvious reasons, technological know-how and product history."; "...For low-priced products country of manufacture doesn't matter but for more expensive product categories the country of manufacture does matter."; "Generally yes. It's also product specific. For daily necessities Chinese would prefer local brands especially in the North due to a concept of production. They may feel the product is fresher and the brand is closer or more familiar to them especially in the food category. Most consumers can't tell which is local or which is foreign. Overall it depends on the product category ..."; "... it depends on the product category. For example, for watches and wine Chinese consumers would prefer foreign brands. Why would they choose domestic brands? Because if consumers feel the import tax is high and if the price were similar consumers might feel the foreign product is cheaper than the local brand."

Some experts felt that in certain instances style and fashion was a determining characteristic. Related mentions included: "Customer service and style are better for foreign brands. This is especially true for younger people (who are more style conscious).": "They would choose foreign brands especially for younger people. If quality and price were similar there is still an image difference. Foreign brands are still more popular due to strong market images."; "...foreign brands have a better image."

Various other contingency factors were identified. These included *face*: "Depends on if *face* is a key consideration. Thirty five and over consumers will be less affected by *face*. People from the North care less about foreign brands. Southern people still care more about foreign brands. "; "(Also depends on) strength of the brand, media exposure, perceived related service level, and state of political relations with the country of origin.

After collating each expert's response to each of the three questions it was possible to conclude that about half of them felt that consumers would prefer to buy foreign brands if demographic considerations are not factored into the question. None of the 10 experts from Shanghai and just 2 of 9 experts from Guangzhou felt Chinese would prefer local brands, 7of 13 Beijing experts and 4 of 8 experts interviewed in Chongqing felt they would still prefer domestic brands. The predominant theme for preferring local was for reasons of 'patriotism'.

About one-third of experts felt that consumers would still prefer local brands due to them being more suited to their own tastes and needs. Some others felt that the choice still depended on the product category. Consumers still seem to heavily favour foreign brands where high technology is a consideration. The results are summarized in Table A3.2.

Table A3. 2 Synopsis of interview responses to Q3-3(Prefer local, other things being equal)

Response	No. of unique expert mentions*	Key Themes
Mainly prefer local – non-equivocal	12/40	• Will purchase local due to reasons of patriotism/helping national development. • Local styles more suited to Chinese tastes.
Mainly prefer foreign – non-equivocal	19/40	• Lack of trust in Chinese products' quality. • Foreign styles are better. • Image and brand impression of foreign brands is better than domestic brands.
It depends on:		
• on product category	8/40	• For consumer durables, watches, perfume, digital, and electronics there is an overwhelming preference for foreign brands. • For many fast moving consumer goods they prefer foreign brands. • For clothing, many daily necessities, and electrical appliances consumers often prefer domestic brands.
• other factors	6/40	• Level of media exposure and brand image are important, need for "face", and style considerations.
* Some responses apply to more than one category		

A3.5. Q3-4 Are Chinese consumers generally desirous of trying new brands (regardless whether local or foreign) whenever possible?

Only one of the experts felt outright that Chinese consumers generally did not desire to try new brands. Seven of forty felt that where consumers were not desirous of trying new brands it was due to reasons such as product unfamiliarity, or a lack of trust in products they hadn't heard of.

According to most experts there is a general orientation toward intending to buy new brands when they come onto the market due to a natural curiosity about them. Some of the comments included: "For fast moving consumer goods they like to try new product and brands regardless of whether they (consumers) are from tier-one, tier-two, or tier-three cities. Chinese people are very interested people."; "Chinese consumers very much like to try new brands. China is developing and already they know many foreign brands. They are aware of the fame of foreign brands. Awareness depends on if the product's media advertising and quality is good."; "Chinese people would buy a foreign brand even if it is not famous in the country of origin. This is similar for domestic products.”; “Word of mouth is very powerful in getting the word out on a product especially for foreign products. Product quality is very important.”, and; "Yes Chinese consumers like to try new brands."

In cases where an unequivocal affirmative reply was not given, contingency factors were highlighted including product category, age, income, and other factors such as gender.

Nine of forty experts mentioned age as one contingency factor saying that consumers under 35 tended to be more adventurous in trying new products. Typical comments included: "It depends on age. Chinese under 35 years old are more likely to try new brands while those 35 and over tend to be more conservative.”, and; "It depends on age. Older people (those over 30) will not try new brands. Younger people (under 30) would try new brands. The separation is those born before or after 1980. People born before 1980 are very conservative."

Product category was again cited as a contingency factor. Related comments included: "Especially for electronics and high technology products such as IPODS."; "Especially for foreign brands such as foreign-owned restaurants due to them having better environments and standardized products."; “If it is a high- ticket item consumers will be less likely to try. If it is a low-ticket item such as a fast moving consumer good it is easier to create trial among consumers. Also consumer loyalty is greater for high-ticket items."

In some respects product category influence is also related to income. As some of the experts indicated in product categories, where purchases are a significant portion of consumers' income, trial will be affected. The comments seem to argue that if they can afford it, consumers are generally desirous of trying new brands, *ceteris paribus*. Some comments included: "In large cities, consumers are more likely to try new brands due to their superior purchasing power capability. It all depends on what type of product it is. If it is a foreign product Chinese consumers will be interested in a trial. For example, Starbucks, the trial is very good due to it being a (well known) international brand and it also provides good service quality and a (good) store environment.”; “If they have the purchasing power they will try new brands. It depends on the price category of the product.”; “If the cost is high they are conservative because they have to live with their purchase decision (and may not be willing to take the risk). For inexpensive products they will try them.", and; "Chinese consumers tend to be conservative due to a lack of purchasing power."

Additional contingency considerations were mentioned including gender differences, media exposure, and word-of-mouth. Typical of these comments are some of the following: "Females are more likely to try new things."; "Sometimes the quality is good but the product will be expensive so they may not even try (new products).";"If the media exposure is strong or if the basic attraction of the brand is strong Chinese consumers will try it", and; "It depends on word of mouth due to issues of trust."

A3.6. Q3-5 Are Chinese consumers slow in accepting new products or brand variants?

About half of the experts responded that Chinese consumers are NOT slow in accepting new products or brand variants. Some of the responses typical of this point of view include: “Very quick. Research shows that trial for new products and variants is very good. One reason is media expenditure. Another reason is curiosity. Trial is easier than actual adoption, however."; “Nowadays (accepting new products/brand variants) is fast. Twenty years ago it was slow. This is because now there are many marketing channels available to (help with the trial of new products or variants). There are a lot of integrated marketing communications (now) and consumers have a lot of product knowledge and therefore are more willing to try new products."; " Before (1989) it was slow but because of media and internet the acceptance is quicker. And it is getting quicker and quicker. ", and; "Consumers are very much interested in trying new brand variants." In contrast, just one of 40 experts answered ‘No’ to this question arguing that "Consumers prefer to buy what they know already".

Of the remaining experts almost all tended to feel that Chinese consumers are quite fast generally in accepting new products, brands, and brand variants but that there were some contingencies that may potentially impact a given consumer's orientation to 'try new brands'. As we have discussed previously these include age, purchasing power, product category, and the level of media exposure applicable to the new brand or variant.

The most common cited contingency was the level of media exposure. Typical comments included: "It depends on promotion. If the new product or brand variant can target consumers’ needs it can gain fast acceptance. Generally, if consumers are brand aware already the speed of acceptance is quick.”; “Media expenditure is also very much a reason for Chinese consumers' willingness to try new products (advertising, internet, word-of-mouth, MSN, personal networks)"; "... if advertising is strong, or a new model comes out consumers will try it. For appliances people don’t try new ones too often. For products that are talking points they will try them such as mobile phones. A fridge is not something to talk about. Chinese consumers generally have fast acceptance rates...”; "If there is significant media expenditure the acceptance speed is quite fast."

Another popular contingency cited was product category. Experts who mentioned this tended to feel that new brand variants were more likely to be accepted than new brands or new products. Several also reasoned that products in the durables category would have slower acceptance rates than non-durables.

Another significant contingency factor mentioned was geography. Six of the experts felt that consumers in tier-one cities had faster acceptance rates or otherwise felt the east-west or north-south dichotomies correlated to acceptance speed and rates. Some comments included:"... People in tier-one cities have a more (sophisticated) culture and are more willing to try new things relative to consumers in tier-two or tier-three cities. North China is slower to accepting new products.”; “It depends on (perceived consumption) risk. It depends on whether the city is located in a coastal area or not, whether the city is large or not. Consumers from large coastal cities are more likely to try new products due to having a more open-minded concept. People from tier-two or tier-three cities and/or from inner mainland cities tend to be more conservative. It depends more on "concept" than on purchasing power ability.", and; "... for consumers in the (Yanhai) coastal cities acceptance is faster than those from the West, for example, since the economies are developed in Eastern coastal cities and also due to consumers from coastal areas being more open minded due to the open door policy (that have given them more exposure to foreign products and influences)".

Q3-5 is a slight variation of Q3-4 which was designed to delve deeper into the interviewees' rationale, act as a probing question, and help clarify responses. Similarly to Q3-1 and Q3-2, this question is asked in the reverse so that a negative response (i.e. consumers are NOT slow to accepting new products) implies that they are positively disposed to trying new products. Contrarily, a positive answer to Q3-4 (i.e. consumer's desire to try new products or brands) implies that they are positively disposed to trying new products.

Combining the responses provides us with the summary in Table A3.3. About half of the experts felt that consumers were basically interested in trying, and willing to try, new brands, variants and product categories. Another 25 percent of experts felt that consumers would be interested in new brands but that it depended on the type of product category, level of media exposure, income, age, and other factors including gender and geographic location.

Nine out of 40 felt that Chinese consumers tended to be conservative which was reflected in a reticence to trying something new.

Overall, there was a fairly consistent belief among experts that Chinese consumers are curious to try but the level of interest is influenced by the type of product, consumers' ability to afford the purchase both of which are further moderated by media exposure to the new brand.

Table A3. 3 Combined responses to Q3-4 and Q3-5

Response	No. of unique expert mentions*	Key Themes
Positively disposed	19/40	• Chinese are very interested people. • They like to compare new brands to existing brands. • Word of mouth plays a big role in product diffusion.
Not positively disposed	9/40	• New products are more expensive. • Chinese consumers are more conservative.
It depends …		
• on product category	14/40	• Product acceptance depends on if they know the brand name already or not • Desire to try is related to level of technology. Desire to try is very high for mobile phones, MP3s, etc.. • If the cost is affordable they will try new products.
on media exposure	11/40	• If there is sufficient media expenditure the acceptance speed is quite fast. • If the product has a new feature and is promoted there will be interest in trying new brands or variants of existing brands.
• on income	6/40	• If Chinese consumers have the purchasing power they are willing to try new brands. • Higher-income consumers accept new brands and products more quickly and easily.
• on age	10/40	• Young people (born after 1980) will try new products. • Consumers (born before 1980) are more conservative in their purchase choices.
• on other factors	8/40	• Females are more willing to try new brands or products. • Geography is relevant. Northern Chinese (North of the Yangtze River) are less open minded to new products. Consumers from coastal cities (Yanhai areas) are more open to trying new products.
* Some responses apply to more than one category		

A3.7. Q3-6 Are Chinese consumers loyal to the stores they shop? For example would they shop for groceries in more than three different stores in a month? How about for clothing, daily necessities, or personal care products?

To some extent there is a built-in bias in this question due to the physical layout of Chinese cities. That is to say, in most cities there are very diffuse shopping areas which penetrate seemingly every street and alleyway in the city. There is a general lack of adherence to distinct zoning areas, which would otherwise separate commercial from residential from industrial areas. Cities in China are often characterized as mixed zoning. This allows consumers the opportunity to shop for almost anything, anywhere.

There is an overwhelming common belief that consumers in China are very loyal to the small repertoire of stores they patronize. Not one expert replied in the negative to the question. Two-thirds had few or no reservations in responding positively while all the others agreed but attached a contingency to their affirmative response.

Among the main reasons for store loyalty are physical convenience of shopping at stores in close proximity to their place of residence, a general preference for familiarity, trust, and habit.

The contingency responses centered on product class with garments being the main product class singled out for shopping in a larger variety of stores. For consumer necessities, grocery, and impulse purchases, consumers shop in a small repertoire of stores. Some experts pointed out that the size of the store repertoire was related to the income level of a consumer: "For higher-income consumers they will focus on a few stores. For lower-income consumers they will also be store loyal because they believe they can get discounts.... For medium-income consumers ... they may be attracted by a VIP card, for example, from any other store. Thus, high- and lower-level-income consumers tend to be loyal while medium-level-income consumers tend to not be loyal."

A3.8. Q 3-7 If Chinese consumers' favorite brand is unavailable in a store, will they purchase a substitute brand? (Are there any categories for which they will not substitute?)

This question was asked to gain a sense of Chinese consumers' willingness to buy substitute brands in the cases where a consumer shops at a store with a specific brand purchase intention only to find the brand unavailable. Of the forty experts interviewed twenty felt that Chinese consumers will freely make another brand choice. Some typical comments included "Yes, they will immediately buy a substitute brand because so many products are available and products have similar price and quality" and "Chinese consumers have the belief that a repertoire of brands' quality is the same and within a reasonable price range. So yes as long as the price difference is not too large".

Twenty-eight of forty experts felt that consumers generally will substitute their *a priori* purchase choice for another brand. For most others (11/40), they felt there was an orientation to substituting but that it depended on the product category (13 managers cited this as a contingency), the name of the substitute brand, or several other factors. Some comments included: "For high-technology products and watches, for example, and higher-cost products, they will not easily accept a substitute brand if their preferred brand is unavailable. For daily necessities and lower-cost items such as beer they will substitute another brand."; "For fast-moving-consumer goods Chinese consumers will substitute but for luxury-type brands they will not substitute such as for *Nike* or *Boss*. They will not substitute for brands that are global but are willing to substitute (others) for lower-priced items. The reason is due to brand "symbolism". People (don’t’ care about) biscuits or shampoo so they will substitute for such products even for foreign brands but for brands that can be shown off such as cars, Chinese consumers will not substitute.", and ; "Generally Chinese consumers are price driven. If a substitute is cheap enough they will purchase that one. But also (the willingness to substitute) is category specific, for example, if they want to buy a Sony television they will wait until the one they want is available."

Just one of the experts felt that consumers needed time to familiarize themselves with substitute brands prior to any willingness to try them.

The summary of experts' comments is that Chinese consumers are generally very willing to substitute another brand in cases where their brand is unavailable or otherwise not easily accessible but in some cases where certain luxury brand names are involved or where higher-ticket items are involved there is less willingness to substitute their *a priori* brand preference.

A3.9. Q3-8 Will Chinese consumers pay a price premium (e.g. 20% or more) for good customer service?

This question is asked to gain some insight into whether or not Chinese consumers are willing to pay more money to obtain a product at a retail store for which they perceive "customer service" to be better than that provided at other retail venues. The meaning of 'customer service' in this context was meant to be generic and open to the individual interpretation of the expert questioned. For some, customer service meant, in part, being pampered by retail staff, while for others they associated customer service more with product return guarantees or post-purchase service related to the product, or more generally providing a more friendly and enjoyable shopping environment.

Only 10 percent of the experts felt unreservedly that consumers are willing to pay a price premium for good customer service with one of them feeling that a premium of 5-10% would be the most they would pay. Sixteen of forty experts generally felt that Chinese are not willing to pay a premium for customer service while another ten experts felt that they would not pay a premium unless they had sufficiently high purchasing power. Five other experts cited product category as a contingency factor feeling that only in the cases of certain product categories would they be willing to pay a premium for service. Six others cited a variety of other contingency factors which if not satisfied would imply that consumers are not willing to pay a price premium. The results are summarized in Table A3.4.

In summary, the majority of Chinese are not willing to pay a significant or obvious premium for "better service" unless they have relatively high levels of purchasing power or desire a privileged shopping environment.

Table A3. 4 Responses to Q3-8 Willingness to Pay Service Premium

Response	No. of unique expert mentions*	Key Themes
Yes. Generally willing.	4/40	• Yes but only up to 10% for exchange service, guarantee, and friendly service. • More and more people are willing to pay a premium.
No. Generally not willing.	16/40	• If the retailer is relatively the same they will not. • Even if people are richer they will not necessarily pay a premium due to a desire to buy at the best possible price. • Generally Chinese consumers are price driven so are not willing to pay premium prices for higher-service levels. • The level of after-sales service is not up to foreign standards. Consumers' idea is that if service is good they will patronize that shop again rather than pay much more for service.
It depends …		
• on retailer's product area	5/40	• For certain luxury products the purchase decision is not focused on price so retail stores that charge premiums for service are acceptable. • For food and beverages they will pay a premium. For bars, karaoke's, and restaurants they will pay a premium. For garment retailers they will not pay a premium. Therefore, for entertainment products they will pay a premium but not for others. • For low-involvement, substantial products they will not pay more for product but for emotional, high-involvement, spiritual products they would pay more for service.
• on income	10/40	• Some people (less than 50% of consumers) will pay more for service. It depends on the consumers' purchasing power ability. • It depends on the economic purchasing ability of the consumer but for most consumers they would not be willing to pay a premium. • If consumers have a lower-income level they will demand lower-priced products (i.e. will not pay premium for service) because they (presumably) don't need good service. People of higher-income levels will go to stores which offer better service and pay for that service. • Some consumers, especially those with higher income will pay a premium for better service. For products whose service and quality is better than others (they will pay more).
• on other factors	6/40	• If the store environment is better than others consumers who can afford to shop there will pay higher prices.
* Some responses apply to more than one category		

A3.10. Q3-9 Do Chinese consumers generally have a clear idea as to the type of brand they will buy before they get to the shopping venue?

This question aims to clarify whether Chinese consumers tend to make in-store brand decisions or whether or not they tend to spend some time thinking *a priori* about which brand to buy.

From Table A3.5 we can see there was mixed response to this question. Eight of forty experts felt that consumers generally do while nine of forty felt that they generally do not. These opposite responses may be partly explained by the contingency factors mentioned by twenty-nine of the experts questioned.

Typical responses in the affirmative centered on the idea that consumers have a brand in mind but the venue from which they buy the brand is indeterminate. For those arguing against *a priori* brand decision the main arguments are that Chinese consumers are impulsive and like to comparison shop.

A majority of those interviewed felt that mostly males tend to have a brand in mind prior to shopping while females do not, or that it depended on the type of product being considered. Thirteen experts felt that gender was a determining factor in the difference with the argument that males generally like the shopping experience less than females and perhaps by having a brand in mind can complete the task in a more timely fashion. Females, on the other hand, are more willing to compare prices among brands (and venues) and look for promotions before making their brand choice. Further, gender notwithstanding, in-store brand decision was more likely for fast moving consumer goods or other low- ticket items than for branded products or consumer durables.

Table A3. 5 Responses to Q3-9 Brand in Mind When Shopping

Response	**No. of mentions***	**Key Themes**
Yes. Generally do.	8/40	• Yes generally they have a brand in mind. They will price compare in various stores for that brand. For some products they will have a brand repertoire in mind and do evaluations on site in several stores. • Generally yes, especially for males who will have a brand in mind.
No. Generally do not.	9/40	• Consumers will easily change their mind. This is true for both males and females but for females even more. • Purchases are more impulsive. • They will go to the venue and compare among brands and make their decision. • For some people shopping is an (enjoyable) activity and consumers will shop regardless of their particular brand objective especially with respect to females.
It depends …		

Response	No. of mentions*	Key Themes
• on product category	10/40	• For daily-use products yes they will have a clear brand objective. For non-regular purchases they have no fixed brand in mind and prefer to shop around. • Chinese consumers rarely do prior research on brands; therefore, they wait until going to a venue before making a brand decision. • For smaller-ticket items such as clothing or other FMCGs, consumers will not have a fixed brand in mind. For higher-ticket items such as electronics or something over ¥1,000 they will have a clear brand in mind.
• on gender	13/40	• Males have a more clear idea (as to a particular brand) especially for electronics or clothing. For some females they consider shopping a fun event and will select at the venue. Females will not fix a brand in mind. However, some females will have a clear objective of a specific brand in cases where they want to try a new brand that they may have heard about. • Male consumers are more likely to select a brand prior to shopping. Females enjoy the shopping experience of an on-site decision. • Females prefer to window shop and compare brands. • Males have a shopping objective. Females' shopping objective is not fixed, it is weak. Females have much more patience in sorting through a variety of brands. • Males have clearer brand objectives than females who are more casual in the shopping experience and look and see if there are any discounts or special promotions.
• on other factors	6/40	• They will buy according to in-store excitement (such as price promotions, shelf talkers, etc) • It depends on age as well. Those over 35 years old are more conservative and will think about which brand they want to purchase prior to arriving at the venue.
* Some responses apply to more than one category		

A3.11. Q3-10 Are Chinese consumers attracted to customer loyalty programs in China?

It seems readily apparent that the average Chinese consumer holds a number of vendor loyalty and member cards in their wallets and purses. To gain some insight with respect to how well such cards serve to attract consumers we asked experts their opinion. Seventy-five percent of all experts felt that loyalty/member cards were an effective tool for attracting customers to patronize their venue. The definition of loyalty/member card was left to the interpretation of the expert. Results are summarized in Table A3.6.

The consensus of opinion is captured in these experts' responses: "If the loyalty program does not require a deposit then it can attract consumers. Discount cards are more attractive than *points* cards. It depends on the kind of program. Some member cards require you to pay a deposit or some stores don't allow credit cards. Some stores go bankrupt causing people to lose money if they have paid for a membership card. Many Chinese consumers have this experience so will be hesitant to pay to join a membership program.", and; "Yes. For cards that provide gifts, discounts, or other benefits. In the consumer's heart they feel they can get something for free."

All of the experts who argued that such cards were effective felt that straight discount cards were superior to any other benefit provided by such cards including *points* cards or *minimum-purchase-to-receive* discount cards.

Six of forty experts felt that while such cards could be effective in attracting consumers, their degree of effectiveness depended on whether or not the cards required a member deposit, whether or not they intended to patronize the store, whether or not they perceive a real benefit, and several other factors.

Overall, thirty-six of forty experts felt that a well-managed membership/loyalty program was effective in attracting consumers to a retail venue.

Ten percent of experts felt that consumers were not attracted to such cards primarily because they either feel they can get the same benefit without the card or feel there is no real benefit to be gained from using the card.

Table A3. 6 Responses to Q3-10 Attraction to Loyalty/Member

Response	**No. of mentions***	**Key Themes**
Yes. Generally are.	30/40	• Nearly all experts agreed that discount cards are superior to points cards in their attractiveness to consumers. • Member cards that provide a real benefit are effective. • If the loyalty program does not require a deposit then it can attract consumers. • For cards that a store just gives you for buying a certain amount of product it is less useful as you think it will be easy to get. • Chinese consumers tend to hold many different kinds of member or loyalty cards. • While consumers are attracted to the benefits of these cards they still care ultimately about product quality and cross comparisons.
No. Generally are not.	4/40	• Some consumers feel everyone can have the benefit (i.e. discount) anyway.
It depends …		
• on deposit requirement	3/40	• Cards that require a deposit or certain amount of purchase volume are less effective.
• on if consumers feel there is a real benefit	2/40	• Only if consumers perceive a real benefit will they be attracted to a store via a loyalty or member card.
• on shopping frequency expectation	2/40	• Only if the consumer expects to shop at the store reasonably frequently will a loyalty or member card be effective.
• on other factors	2/40	• Those with lower or middle incomes will be more attracted.
* Some responses apply to more than one category		

A3.12. Q4.1 What observations have you made with respect to differences in consumer behavior among people from Beijing (North), Guangzhou (South), Shanghai (East), and Chongqing (West)?

This question asked experts to highlight areas of difference in behavior typically found among consumers in the four areas under investigation. The analysis is divided into summary sections identifying peculiar characteristics of each ethnicity, where possible.

A3.12.1 Peculiarities of the Shanghai consumer

Some key themes evident in the plethora of comments are that Shanghai consumers are modern-minded, highly involved, and find pleasure, in the shopping experience. According to several experts, Shanghai consumers like to experience new brands and products, have an affinity for, and much experience with, foreign brands, and in general, like fashion, style, and their related product categories. Packaging appearance is important to them. They tend to be relatively highly involved in the act of buying where, according to many experts, they readily compare prices, look for bargains, and care about buying not only what is in fashion but what also provides utility. These consumers require "more information in marketing communications" in order to provide them with sufficient confidence to buy a given brand. Shanghai consumers are attracted to upscale shopping locations, which perhaps explains why they regard shopping an enjoyable activity and tend to make purchases in small quantities.

Following are some relevant verbatim responses from the marketing experts regarding Shanghai consumers:

- Shanghai consumers can afford to buy much more and therefore tend to value what they have less than other Chinese.
- Shanghai people like foreign products more than others especially Japanese products.
- Shanghai is an economic centre and its consumers are more likely to try new things. They also have understanding of foreign products due to the amount of foreign investment in Shanghai.
- Shanghai consumers will buy anything but in countryside areas where the economies are poor they will buy lower-priced products and brands. Shanghai girls care more about cosmetics. There is a high correlation between living standards and the quality demanded and their purchasing power.
- Shanghainese will very likely go to a variety of stores to compare prices or products they wish to buy. The main reason is to save money. This is learned, habitual consumption behavior. They seem to have a behavior of learning more about product classes so their knowledge is higher. For brands of mid-level fame it may be best to start (i.e. launch them) in Guangzhou (including Shanghai).
- Shanghai (and Guangzhou) consumers will buy smaller quantities. This is due to consumer habits. In Shanghai they like new things so don't want to buy too much since they want to try new things more than consumers from the North (i.e. Beijing).
- Shanghai consumers have more product knowledge and intelligence about products, values, and prices.
- Shanghai consumers are more likely to accept new products and are more likely to pay more for better brands.
- Shanghai consumers are more likely to compare prices and are more thoughtful in spending money – they may even consider one *fen* (cent) difference.
- Shanghai (Guangzhou) consumers like to buy clothes. The type of products Chinese are willing to spend money on is different by region.
- Shanghai (and Guangzhou) consumers are more likely to lead in product acceptance.
- Consumers in Shanghai (and Beijing) focus on lifestyle and culture.
- Shanghai consumers seem to have a purpose in consuming unlike consumers in Beijing who may consume just for leisure and lifestyle purposes.
- In Shanghai (and Guangzhou) a key attraction is style, where appropriate (e.g. clothes) and value (the price/quality relationship).

- Shanghai (and Beijing) consumers tend to buy less in bulk since they have high dense populations to support consumption alone without relying on outside consumers (*waidi*).
- Consumers from Shanghai (and Beijing) are more likely to prefer big brands whether domestic or foreign due to being the first areas of China to develop and because consumers there have experience with foreign brands.
- Shanghai consumers are more likely to care about quality. Shanghai (and Guangzhou) consumers are likely to be more influenced by the shopping environment because there are so many (shopping malls).
- People in Shanghai will go out of their way to buy certain favorite products.
- Shanghai consumers prefer foreign brands due to several reasons: Shanghai is closer to foreign markets; Shanghai was first to open to foreign countries; Shanghai consumers have access to foreign cultures, and; the convenience in obtaining foreign products and brands in Shanghai.
- Shanghai people focus on details such as ingredients of products more than other Chinese consumers. Generally, Shanghai (and Beijing) people both like high-priced products while Chongqing consumers care more about beauty and less about personal exteriors in relation to consumers from Guangzhou or Shanghai. Shanghai consumers care more about appearance.
- Shanghai consumers, with respect to products, care more about external appearance (packaging) while Guangzhou consumers are still more frugal and careful in spending money.
- In Shanghai (and Guangzhou) they care more about food and buying useful items.
- Guangzhou people do not care about *face* as much as Shanghai or Beijing people.
- Shanghai consumers are more likely to care about all aspects of cost.
- Shanghai (and Guangzhou) consumers are more modern minded.
- Shanghai consumer are the most likely to want to bargain prices. Guangzhou people are more careful in doing anything (including purchasing products).
- Shanghai people have many more middle-class consumers while in Beijing they are rich or poor and this dichotomy is more pronounced. This affects levels of culture and demand for products. If you know the habits and income levels of people you can plan your product selection. Beijing is the political and cultural capital whereas Shanghai is the fashion capital.
- Shanghai (and Guangzhou) consumers require more information in marketing communications.
- Shanghai girls like to be more sexy and casual than other Chinese.
- Shanghai people are smart at business.
- Shanghai consumers put more value on foreign rather than domestic brands.
- Shanghai people like more beautiful shopping locations.

A3.12.2 Peculiarities of the Beijing Consumer.

Several themes emerged in discussion with the marketing experts about Beijing consumers including their desire for name brands, conspicuous consumption behavior, concern for quality, reticence to try new brands, and a more purposeful shopping behavior. There was a general agreement that Beijing consumers are relatively savvy possessing significant experience about both domestic and foreign products and brands. Their experience seems to be a 'product' of word-of-mouth communication rather than a general love of shopping or being in a shopping environment, unlike those from Shanghai, for example. Perhaps a general disinterest in shopping is partly responsible for using brand name as a common decision heuristic. Along a similar vein, they rely on word of mouth to become aware of others' experience and perceptions of brands, a process when slow may lead to apparent conservatism in their purchase behavior since product adoption phases seem to be drawn out amongst these consumers.

At the same time, a major characteristic also generally agreed upon is that Beijing consumers are conspicuous consumers in the spirit of Thorstein Veblen's consumers in his famous work, *The Theory of the Leisure Class*. That is to say, that perhaps in the absence of word-of-mouth communications about a given brand, consumers may be reluctant to try simply because purchasing the brand may not confer benefits associated with being *conspicuous*. Such behavior again relates to the Beijing consumer's desire for *face*. Most experts intimated that while *face* is a peculiarity of the Chinese psyche, it is particularly strongly associated with the Beijing consumer psyche. A desire to show off product purchases may explain Beijing consumers' desire for purchasing big ticket items, a characteristic mentioned by several experts. A desire to show off may also partly explain the impulsive nature of many consumers' purchasing patterns. Moreover, some experts felt that Beijing consumers displayed a relatively greater degree of hedonism in their purchase behavior in the pursuit of leisure and lifestyle.

Following are some relevant verbatim responses from the marketing experts regarding Beijing consumers:

- Beijing (and other coastal areas) has export and import capability and experience with foreign countries.
- Consumers in Beijing make brand and product choices very quickly and will not compare as much and will not bargain the price as much (as people in Guangzhou).
- Beijing consumers will consider the product history, background of the product, culture of the country from where it comes, and the brand name. Beijing consumers care about brand name awareness.
- They need more time to try brands.
- Beijing consumers are more likely to buy products that have a high degree of word-of-mouth communication due to a feeling that they belong to a high class of people which elevates their status. This helps explain their self-centeredness.
- Beijing consumers will have a clear brand objective in cases where they clearly want to try a new brand that they may have heard about.
- Beijing consumers are more conservative and more competitive (in a conspicuous consumption way).
- Beijing people care less about detailed information about products and instead focus on style (beauty) and major functions. Size matters to Beijing people since they like (things) larger.

- Beijing consumers seem to care more about *face*. If they have money they will pay for famous brands. Beijing people care more about taste of food and not about the environment (Guangzhou consumers care more about the environment).
- Beijing consumers like to eat while Guangzhou and Shanghai consumers like to buy clothes. The type of products they are willing to spend money on is different by regions.
- Beijing consumers are more socialistic and less likely to buy unnecessary products because they are more frugal.
- Consumers in Beijing (and Shanghai) focus on lifestyle and culture.
- Beijing consumers tend to consume relatively more for leisure and lifestyle.
- In Beijing the products sold may be different than in the South. Darlie toothpaste doesn't sell well in Beijing since the taste is not suited to them but it sells well in Guangzhou and Shanghai.
- Consumers from Beijing (and Shanghai) are more likely to prefer big brands whether domestic or foreign due to being the first areas of China to develop and because consumers there have experience with foreign brands.
- In Beijing, because stores are so far apart, consumers care less about the shopping environment but will go to where ever is closer. Also, the frequency of shopping is less and the volume of purchases is higher in Beijing than in Shanghai or Guangzhou because there are fewer stores and more effort is required to go shopping. Those in Beijing will buy large quantities.
- Consumers from Beijing are very practical. Consumers from Guangzhou are more casual. Those from Chongqing and Beijing are more likely to have people over to their home.
- Beijing consumers don’t care about service very much. When buying fruit in Beijing retailers will not sell small quantities but in Shanghai and Chongqing they will.
- There is not such a big difference among large cities. Beijing consumers are more conservative in their purchasing behavior than Guangzhou consumers.
- Generally, Beijing (and Shanghai) people both like high-priced products while Chongqing consumers care more about beauty and less about personal exteriors in relation to consumers from Guangzhou or Shanghai.
- Beijing consumers are impulsive and they don't need to think about spending money as much as people in Chongqing.
- Guangzhou people do not care about *face* as much as Shanghai or Beijing people.
- Beijing consumers consider quality, price, and use. Different (Beijing) districts' consumers are different.
- Beijing consumers care about quality and brand name, which helps give a feeling of self-contentment. Beijing consumers are farsighted and consider many aspects of the product such as the fame of the brand.
- Beijing people need quite a long time to accept new products.
- Shanghai people have many more middle class consumers while in Beijing they are rich or poor and this dichotomy is more pronounced. This affects levels of culture and demand for products. If you know the habits and income levels of people you can plan your product selection. For example, in Beijing there are many

administration and white-collar workers who need more formal wear. Beijing is the political and cultural capital whereas Shanghai is the fashion capital.
- Beijing people care more about appearance. Beijing people tend to watch government television more (than other Chinese). In Guangzhou, people watch a lot of Hong Kong television.
- Beijing people tend to be more political.

A.3.12.3 Peculiarities of the Guangzhou consumer:
A common thread running through a majority of experts' comments is the desire to obtain value from their purchase decisions. A number of euphemisms are mentioned which all point to the same end goal in the Guangzhou consumer's psyche: "practical and calculating", "knowledgeable about products and value", "more cognitive", "don't waste purchases", "care about value", "non-emotional", "get a lot of (product) information from Hong Kong", "know how to compare brands and prices", "don't care about package exterior", "frugal and careful in spending money", "buy what is useful", and "value is the first (consideration), then brand name". Phrases of the preceding type were mentioned over and over again by experts from all of the cities investigated.

It appears that the Guangzhou consumer is very discerning, very informed and knowledgeable about product classes and brands. They have obtained knowledge about foreign brands in part from being so geographically close to Hong Kong and by virtue of being able to access Hong Kong media, which has impacted the dynamics surrounding purchasing behavior. For example, the lifestyle and associated product consumption patterns of Hong Kong media personalities are well known to Guangzhounese.

At the same time, while they demand value from purchases, Guangzhou consumers are modern-minded, enjoy trying new products, and seek fashionable, popular luxury brands. Indeed, there is no contradiction between a desire for value and luxury brands. They accept that they must pay higher prices for perceived higher quality. Yet, while brand name seems to have some weight in their purchase decision, frivolous packaging does not seem to attract them. Indeed, the onus is on the marketer to provide brand value and to find a strategy to properly communicate that value to this knowledgeable market segment.

Following are some relevant verbatim responses from the marketing experts regarding Guangzhou consumers:
- Guangzhou consumers are very practical (*shihui*) and calculating (*shiji*) and will be less likely to buy really expensive products.
- Guangzhou consumer behavior is affected by Hong Kong. They are more likely to want fashion and popular luxury brands.
- It also depends on culture (Beijing and Guangzhou). In Guangzhou (and Shanghai) consumers will buy smaller quantities. This is due to consumer habits. In Beijing, consumers store or save their things. In Shanghai they like new things so don't want to buy too much since they want to try new things more than Beijing consumers. Beijing consumers are less likely to request price reductions whereas in Guangzhou

and Shanghai consumers are more purchase knowledgeable and smart about products, values, and prices. In Beijing, consumers shop at "fewer" locations than consumers in Guangzhou due to the volume of shops in Guangzhou.

- Guangzhou consumers are more cognitive (*lixin*) and will consider more about what to buy and the price.
- Guangzhou people are not as fussy as Shanghai people just due to cultural differences.
- Guangzhou consumers care more about the environment (than *face*) in comparison to Shanghai or Beijing consumers).
- Guangzhou (and Shanghai) consumers like to buy clothes. The type of products they are willing to spend money on is different by regions.
- Guangzhou (and Shanghai) consumers are more likely to lead in product acceptance.
- In Guangzhou (and Shanghai) a key attraction is style, where appropriate (e.g. clothes) and value (price/quality) relationship.
- Guangzhou people care more about eating. Guangzhou consumers especially like to ask if there are discounts available. Marketers need to convince them that they (Guangzhou consumers) are getting a special deal.
- Consumers from Guangzhou are relatively non-emotional in their purchase decisions because information is more available from Hong Kong and Macao. So they know how to compare prices and brands.
- In Guangzhou they buy much less volume when shopping.
- For Guangzhou people they think if the brand quality is ok then that's ok. There are two aspects of commercial locations. Layout affects consumer behavior, for example, purchasing quantity is large. It also affects shopping frequency. Packaging tends to be smaller in Guangzhou (and Shanghai).
- Consumers from Guangzhou are more casual.
- Guangzhou consumers are more willing to accept new products. Consumers from coastal areas are more likely whereas those from inner areas are slower to accept new products.
- Generally, Beijing and Shanghai people both like high-priced products while Chongqing consumers care more about beauty and less about personal exteriors in relation to consumers from Guangzhou . Guangzhou consumers care less about outer appearance and more about relaxing.
- For example, Shanghai consumers, with respect to products, care more about external appearance (packaging) while Guangzhou consumers are still more frugal and careful in spending money.
- In Shanghai and Guangzhou they care more about food and buying useful items.
- In Beijing and Shanghai the idea of the relationship between value (price and quality) and name brand is more equal while in Chongqing and Guangzhou value is first, and then name brand is of secondary importance. Procter & Gamble spends a lot on tier-one city advertisements but in rural areas they spend more on retail promotion activity.
- Guangzhou people do not mind spending on daily living.
- Shanghai and Guangzhou consumers are more modern minded.

- Shanghai and Guangzhou consumers require more information in marketing communications.
- Guangzhou consumers prefer large shopping malls in relation to Chongqing.
- In Guangzhou, people watch a lot of Hong Kong television (so are affected by the promotions, advertisements, and lifestyle they see depicted).

A.3.12.4 Peculiarities of the Chongqing consumer:
In contrast to their Southern cousins in Guangzhou who are value seekers, Chongqing consumers can be summarily described as utility-seeking consumers. Their main aim seems to be to find products that perform their intended function or serve their main purpose while being inexpensive to purchase. This means that, for example, whereas Guangzhou consumers are quite willing to pay for branded products which possess a suitable value relationship, Chongqing consumers tend to shun high-priced brand names altogether. Instead, they look to buy products which provide the basic utility that they need. Some of the typical experts comments included: “care about (absolute) prices”, “have less purchasing power”, “don’t care much about *face* (in purchasing decisions)”, “ practical”, “buy fewer foreign brands (due to lack of purchasing power and foreign brand knowledge)”, “don’t consider a lot of details when buying (instead focus on price)”, “care about product functionality”, “like to window shop and look for discounts”, and “concerned about price and use”.

Chongqing consumers were generally described as conservative, slow to accept new products, and tended to follow consumer trends from the other top tier-one cities of Shanghai, Guangzhou, and Beijing. Moreover, perhaps owing to transportation challenges, they seek shopping venue convenience and are going more and more often to large shopping venues and outlets.

Following are some relevant verbatim responses from the marketing experts regarding Chongqing consumers:

- Their relative purchasing power is different. Chongqing consumers care more about (absolute) prices due to lower average-income levels.
- Consumers from Chongqing are less responsive to consumer advertisements.
- Chongqing consumers have less purchasing power. The behavior in big cities ultimately affects behavior in surrounding areas.
- Chongqing consumers will not spend for their own happiness and will not spend too much on an expensive brand. Chongqing consumers don't care much about *face*.
- Chongqing consumers are slower to accept products and are more likely to choose local brands and products for consumption. They will choose products suited to themselves.
- Consumers in Chongqing buy fewer foreign brands due to a lack of purchasing power and also because they don't understand foreign brands. Consumers are affected by their cultural environment. Consumers from the city, if more conservative, will be more conservative in their purchases. If friends try products and brands then they will also try products easier.
- In Chongqing many products are not available to consumers.

- The concern of the kinds of products is also different in Chongqing which is focused on agricultural products.
- Chongqing consumers are more direct, open, and close (i.e. warm) and don't consider a lot of details (when making purchase decisions). For example, Chongqing consumers don't consider too much when buying. Their personality which is more direct, open, and close, affects their consumer behavior. Therefore, they tend to just buy something as needed without worrying about anything as long as the price is ok.
- Chongqing consumers are poorer (more *chongpu*), have less money for spending, and are less likely to try new products.
- The personality of consumers affects consumer behavior. West and North or West and South or West and East are different. Mostly differences are related to their income level, however, the consumer is affected by the location they stayed in for a long time. The way they look at the product is different, for example, in Chongqing they consider product functionality more than someone from more developed areas.
- Sichuan consumers' purchasing power is quite high. They have significant purchase ability since they buy in the big cities in Sichuan (Chengdu and Chongqing) and they tend to purchase a lot of products and don't purchase in other places because they have no other retail choices.
- It depends on the level of city development. Also the number of consumers matters. Chongqing people perhaps like to shop more. Chongqing people like to window shop more and like to see what's new and see if there are any discounts or promotion offers.
- Chongqing consumers focus on (shopping) convenience so in Chongqing you can sell in small stores or on the street.
- Chongqing has a more conservative culture and is partly composed of many nearby villages. Chongqing consumers are more concerned about price, and use, and less concerned about service. In large cities consumers are more likely to compare products and prices (than rural consumers) because rural consumers have limited access to marketing communications.
- Chongqing and Beijing are more similar. Chongqing consumers are more willing to spend. Beijing consumers are less likely to since expenses are higher in living there. Therefore, while Chongqing and Beijing are more similar than Beijing and Hebei there are still differences in willingness to spend on consumption.
- Chongqing people are more practical.
- In the North and East the idea of relationship between value (price and quality) and name brand is more equal while in Chongqing and Guangzhou value is first, then name brand is of secondary importance. For example, Procter & Gamble spends a lot on ads in tier one cities but in rural areas they spend more on retail promotion activity.
- Chongqing consumers are still more traditional with brand name, quality, and price having similar weights in the decision process.
- Chongqing consumers are more likely to wait to get information from Shanghai, Guangzhou, and Beijing consumers, which are the fashion leaders in China (before

trying new products). Thus, consumption behavior of Chinese consumers, generally, will follow these three cities.

- In Chongqing, they like to be more formal whereas in Shanghai girls like to be more sexy and casual.
- Chongqing people like to go to outlets and the habit is changing to go to larger stores than in the past where they went to smaller stores.

A3.13 Q4-2 Would you consider consumers in Chongqing and Beijing to be more similar to each other than consumers from Beijing and rural Hebei?

This question attempted to weigh the relativity of "large city" effects against "cultural" inclinations. In other words, would they expect two consumers who come from the same cultural ethnicity (Beijing is located within the province of Hebei though from an urban and a rural location) to be more similar in consumer behavior than two consumers who each come from large, geographically dispersed cities. In essence we are comparing ethnic culture with large city urban culture. The purpose was to get marketing experts to measure the factors in relation to each other and give their opinion as to which dimension might dominate in its impact on behavior.

Responses to this question produced a clear result, that consumers from Chongqing and Beijing are more similar than consumers from Beijing and their provincial cousins from Hebei. Thirty three of forty experts responded said "Yes" with the main reasons being categorized as follows: due to similar media access and exposure, due to (more) similar income levels, due to similar brand exposure and access, due to urban cultures being similar, and due to more similar consumer experiences. Table A3.7 summarizes the main reasons. Just two experts responded "No" to the question citing the importance of ethnic similarity while five others indicated that it was hard to compare or that neither of the pairs of consumers were similar.

In general the three main reasons cited were that the cultures of consumers in large cities tended toward a "path of commonality", the consumer contexts were similar, and purchasing power was more similar among consumers in large urban centers. A combination of similar media availability especially radio and television broadcast media and internet access along with an opportunity to shop in large-scale malls creates a common condition from which behavioral similarities seem to be emerging. Yet, a minority of experts still pointed out that Chongqing consumers have not yet attained the same level of sophistication as those from Beijing.

One of the more insightful comments from one of the experts was his musing of whether consumer behavior was more similar due to more similar income levels or whether consumer behavior was caused by income levels.[61]

Table A3. 7 Summary Responses. Beijing & Chongqing vs. Beijing & Rural Hebei

Response	No. of expert mentions*	Key Themes
Yes. Due to similar media access	6	• Consumers in Chongqing and Beijing are exposed to more advertising, internet, and retail stores (than consumers in rural areas). • In large cities consumers are more likely to compare products and prices (than rural consumers) because rural consumers have limited access to marketing communications. • Access to media channels is dependent upon where you live.
Yes. Due to similar income levels -	17	• Chongqing and Beijing are more similar as their respective purchasing power is relatively similar. • Consumer behavior in Chongqing and Beijing are closer due to more similar living standards. Living conditions affect consumer behavior.
Yes. Due to similar brand exposure and product access -	7	• The products they can access are more similar. • Consumer behavior is affected by the media availability which in turn depends on whether a city is tier-1, tier-2, tier-3, or tier-4. • In provincial areas many products are not offered consumers there don't have the same product experiences.
Yes. Due to large urban cultures being similar -	17	• Chongqing and Beijing are more similar due to both being large cities. • Chongqing and Beijing are closer in consumer behavior due to a more common living environment and because of having lived in a more material environment. • In cities, consumers are more sophisticated, needs are more sophisticated, and there is more product competition so they have more choice. • Their living "concepts" are more similar.
No. Due to ethnic cultures being more similar.	2	• The North-South-East-West dichotomy is stronger
Hard to compare.	5	• Neither Chongqing nor Hubei consumers are similar to Beijing consumers.

* Some responses can be classified under more than one category.

A3.14. Q4-3 Would you consider urban consumers in Guangzhou and Shanghai to be more similar to each other than consumers from Guangzhou and rural Guangdong province?

This question was designed with the aim of trying to get the experts to provide further insight into the large city consumer culture versus ethnic consumer cultural distinction. In general, consumers' living standard between Beijing and Chongqing are taken to be relatively dissimilar. In contrast, living standards in Shanghai and Guangzhou, the two most important and advanced coastal cities in China, are considered to be similar. Further, whereas income disparities are marked between Beijing and rural Hebei, they are less disparate between Guangzhou and rural Guangdong due to the plethora of factories located throughout the province. It was hoped that by factoring out any living standard disparity between large cities, we could focus more fairly on the large city versus ethnic culture issue.

With a smaller difference in purchasing power and living standards between the two pairs, responses to the question were mixed. Twenty three of forty experts felt that Shanghai and Guangzhou consumers were more similar but thirteen of forty felt that Guangzhou and Guangdong province consumers were more similar. Three others felt it was hard to separate the two pairings, feeling that consumers were not distinctly different in either combination. Results are summarized in Table A3.8

One of the experts' comments captured the essence of most of those who responded in the affirmative: "Guangzhou and Shanghai consumers are more similar. It depends on income levels and the 'modern fashion' level of a consumer. For example, Nanjing consumers while having reasonably high incomes are very conservative whereas Hangzhou consumers, with similar income levels, are very modern. There are several reasons why Guangzhou and Shanghai consumer behavior is similar: first, due to geographic location - both are coastal cities; second, access to information sources (*zi xun lai yuan*); third, due to fashion sense (*shi shang du*), fourth, income levels. Nanjing income levels are higher than Hangzhou's but the fashion level in Hangzhou is higher whereas Nanjing people are more conservative. So Nanjing consumers' consumption of products that can be related to fashion is less than that of Hangzhous'. Hangzhou people, although they may not have money, will use credit cards or overspend to buy things yet Nanjing consumers will not."

Further insight is encapsulated in the remark of another Shanghai expert who commented that "Rural consumers know (mainly) domestic brand names for fast moving consumer goods and it is hard to build markets for foreign brands in rural areas. Rural consumers do not retain the name of the brand. Their brand consciousness is not strong. They tend to easily forget brands and brand recall is very weak, generally, in rural areas. So they can change easily among brands. So the second time they purchase a product, for example, they focus on price (i.e. the branding is not strong in China especially among domestic brands, which constitute the major selection in rural areas). Also rural consumers do not talk about brands of products, for example, they don't ask each other "what kind of brand did you buy?" Rural consumers don't talk about brands much when they are with their friends, unlike urban consumers."

Overall, those that agreed to the statement centered their arguments around the idea that consumers from large urban centers have similar levels of purchasing power and feel this economic similarity overrides cultural similarities in its impact on consumer behavior. In addition, there was a common argument that rural consumers in general lack a modern lifestyle “concept” accompanied by greater exposure to outside foreign forces which was felt to impact urban consumers in a similar way. Yet, a significant number of experts either disagreed or felt it was difficult to make a conclusion either way (16 of 40). An equally compelling response was given by one Guangzhou expert who argued that Guangzhou consumers and their provincial counterparts were more similar “due to habits and culture being more similar. Main areas in Guangdong are developed and have been affected by its proximity to Hong Kong. Guangdong culture is special in relation to other provinces. Also differences in economic levels are not large throughout the province. Tastes, knowledge of products, etc. are quite the same everywhere in Guangdong.”

Expert comments responding in the negative argued that Guangzhou and Guangdong culture is unique and that their consumer behavior throughout the province is affected by proximity to Hong Kong. At the same time they are able to access many products throughout the province owing to the many factories producing products for the world at large. Provincial wealth has trickled down to consumers throughout the province, perhaps more so than in other province, resulting in higher median incomes and a resulting higher living quality in this province. The result, according to some experts, is that consumer behavior is expected to be more similar than that between Guangzhou and Shanghai because cultural tastes are more similar between the former.

Table A3. 8 Summary Responses. Shanghai & Guangzhou vs. Guangzhou & Guangdong Province consumers

Response	**No. of expert mentions***	**Key Themes**
Yes, due to similar income levels -	15	• Guangzhou and Shanghai are very similar in terms of infrastructure and economic level of development so they are more similar. • Big city people have the purchasing power because they have solved the first step of needs (i.e. physiological needs). • Economic similarity overrides cultural similarities in its impact on consumer behavior. • Generally rural consumers have less purchasing power than urban consumers. A lot of rural areas have low economic standards. While there are some wealthy rural people the majority have a low living standard.

Response	No. of expert mentions*	Key Themes
Yes, due to similar brand exposure, media, and product access	2	• Rural people know mainly domestic brands. • Access to media is limited in rural areas.
Yes, due to large urban cultures being similar -	6	• Guangdong has a lot of poor areas and the class of people is different. • Consumers in both cities are familiar with the foreign market situation (and which products and brands are popular in foreign countries). • Lifestyles are similar between the two cities but living concepts are different between Guangzhou and Guangdong consumers. • Guangzhou and Shanghai consumers have similar fashion concepts and standards and similar brand knowledge.
Yes, due to similar consumer contexts.	2	• They both have subways, high level of shopping culture, infrastructure, and therefore similar behavior.
No, due to ethnic cultures being more similar.	10	• Guangzhou and Guangdong culture is unique and strong. • Consumer behavior throughout the province is affected by proximity to Hong Kong
No. Due to similar access to products.	3	• Many factories in the province enables them to access products
No, due to income differences not being so significant.	7	• Guangdong people have a much higher average and median income across Guangdong and a higher living quality. • Guangdong people overall have a high level of economic development.
Hard to compare.	3	• Maybe not so different for either combination because purchasing power is more similar. Guangdong people overall have a high level of economic development. • While income levels are more similar in the former, cultural tastes are more similar in the latter.

* Some responses are categorized under more than one category.

A3.15. Q4-4. Are there any differences in marketing strategies to attracting consumers with respect to regional markets in China? If so, can you give an example?

The purpose of this question was to obtain insight from experts who are currently engaged in marketing products in various parts of China. Question probes were used to assist in getting specific examples related to the standard components of marketing strategy.

One of the marketing experts from Shanghai summarized many of the key marketing levers as follows: "A key marketing strategy difference is that in tier-one versus tier-two and tier-three cities, companies will or should focus on communication of brands or brand variants, which most suit the market. For example, Colgate-Palmolive Big Red should have more promotion than Colgate Total in rural areas since the price of Big Red is cheaper. In tier-one cities promotion should focus on Colgate Total. For on-pack promotions it would make sense to do on-pack with Big Red in the rural areas. This does not mean all levels of products are not offered but affects the focus (of marketing activities). The main differences are first, consumer purchasing power capability. In large cities the product positioning is different in first-tier cities than in second- or third-tier cities. For higher-level products, branded companies focus on tier-one, while tier-two and tier-three areas are secondary. Such companies may have second- and third-level brands for second-and third-tier cities. Secondly, consumers' brand concept is different. Consumers brand knowledge, knowledge of country of origin and country of manufacture are different. Consumers' knowledge of product advantages or brand differentiation is also different depending on where they live (so marketers need to factor this in their overall strategy." Below are summarized categorical responses.

With respect to segmenting markets and selecting the appropriate targets geography is a key segmenting dimension with city tiers appearing to be of more value than regional geography. Consumers in a given tier have a similar combination of occupation types, desire for product types, income, and lifestyle. Within a tier, markets are segmented on the basis of purchasing power with product bundles being offered to three main tiers: low, middle, and high. Product variants and service offerings are bundled and priced to suit each of these three sub tiers.

With respect to advertising, consumer promotions, and other integrated marketing communications a variety of insights were highlighted and summarized in Table A3.9. The balance of opinion suggests that consumers from large urban cities are exposed to a greater variety of marketing activity and it is incumbent upon major marketers to mass advertise their brands particularly via television and internet. Consumers in smaller centers and in the country side seem to be more impacted by consumer promotion activity, particularly in-store activity. Small city consumers spend less time reading print or internet communications and more time watching television which is somewhat counterintuitive to being less influenced by this medium. Word of mouth is a critical marketing lever for marketers particularly among rural consumers who carry back their experience from the cities home to the countryside. Consumers in large cities readily talk about their brand experiences to others. Finally, marketers need to adjust their marketing messages to their target segments. Messages to consumers from small cities and rural areas need to be focused and simple.

Experts also unanimously agreed that product strategies would have to be customized depending on the region being targeted. The key determinant, geography, would impact product strategy with respect to packaging, ingredients, raw materials, service component, and product line decisions. Experts felt that in urban areas, packaging is very important. Companies should provide higher grade packing for products sold especially in tier-one and tier-two cities. On the other hand, with price being a key purchase criterion in rural areas the consensus among experts was that sacrificing packaging for a lower price was acceptable. Packaging communications in the rural area might also focus on product utility rather than symbolic characteristics, which is more suited to larger urban areas. Further, packaging sizes in rural areas are often smaller which allows lower income consumers an opportunity to afford them.

A continuing challenge faced by name brand marketers is that consumers are quite happy to purchase knock-offs or copy-products due to vastly lower prices despite the knowledge that the product life is likely to be short.

Marketers can plan to offer a narrower breadth and depth of products in the product line strategy in second- and third-tier cities. Consumers in first-tier cities expect a wider product selection. Many products especially foreign brands are not offered in many cities due to low-income levels. Branded products should initially be sold in places where consumers can afford them. In some cases product preferences such as taste are different and product selection needs to reflect this.

Table A3. 9 Summary Responses to Insight on Marketing Strategy Levers

Strategy lever	**Useful Insights**
Segmenting & Targeting	• Job occupations differ by region and area. • Wise to segment market by city tiers. • Key tier-one target markets include Guangzhou, Shanghai, and Beijing. • Key geographic segmenting basis is urban versus rural dichotomy. • Package design quality should be related to target market. • In some markets, wholesale segment is more powerful than retail segment. • Choose segment to fit your product – foreign brands or other high-priced brands suit only certain segments. • Choose segments to match product adoption cycle – new products should be introduced into urban areas first. • Focus on brand variant suited to market segment. • Most product categories' positioning seems to be price related - high, medium, and low. This depends not on East, North, South, and West but more on city level - tier one, two, or three.
Integrated Marketing Communication Activities	• Even within a large city you find differences in quality of ads by district. Marketers need to place more mass advertisements in developed cities. • City people see a lot more promotion activity than rural consumers. • Marketers need very direct promotion to attract rural consumers. For example, marketers should use on-pack promotions or "buy one, get one free". This is because

Strategy lever	Useful Insights
	rural consumers have less opportunity to see less direct advertising such as internet, radio, TV, magazine, or other mass media advertising. • In rural areas they spend less on newspaper ads. • A key promotion tool is word of mouth. In rural areas word of mouth is the most important medium. Many rural consumers work temporarily in cities and bring ideas back to the countryside. • In big cities, people will be more liable to talk to others about their brand experience. • Shanghai people's sense of artistic style has been affected by their being occupied by Western countries for years. • They like to watch TV in the countryside so they are affected by television commercials. In cities, there are many other media channels such as billboards and magazines and urban consumers have more access to media. Rural consumers don't read magazines or use internet. • Small and medium cities need to utilize a greater variety of marketing media. This is especially true for local products because the number of consumers in small-and medium-sized cities is large. • Shanghai and Guangzhou consumers require more information in marketing communications. • For less economically-developed areas you need to make marketing messages simpler. • In rural areas they don't care about mass media but care more about in-store advertising and promotions and word-of mouth communications. Therefore, retail promotion is very important in the countryside. • Marketers must first give consumers a concept of living, and then promote products directly to them; for example, P&G, when marketing in new areas such as low-income areas, must first get them to accept a new cultural style before they can get consumers to buy their products. • Brand loyalty in big cities is greater due to greater brand recognition. In smaller cities consumers will change brands if they see a cheaper brand. • In second- and third-tier cities consumers watch more television than first-tier consumers. Second-and third-tier consumers prefer more promotion activity events.
Product strategy	• Product strategy must be customized. • In urban areas, packaging is very important. In urban areas, companies should sell better-packaged products. In rural areas there are many low- or medium-income consumers who don't have much money. Domestic producers may save some money on packaging to offer lower prices in rural areas. • Domestic producers will produce different products for rural consumers than for urban consumers. For example, ingredients may be cheaper for products marketed to rural consumers. • For rural areas there is a focus on product use (rather than on symbolic features). • Chinese are expert in copying products and Chinese are willing to buy them if they are cheap because they can use for one year and then just buy a new one. • The width and depth of product selection is smaller in second- and third-tier cities while in first-tier cities the product selection is greater. Product selection correlates to economic levels. Marketers need better-quality selection in large cities. Many products especially foreign brands are not offered in many cities due to low-income levels. • Branded products should initially be sold in places where consumers can afford them. • Packaging sizes in rural areas are relatively smaller, for example, detergent. In cities the volume in packaging is larger. This is due to what they can afford to pay. • In some cases product preferences such as taste are different and product selection

Strategy lever	Useful Insights
	needs to reflect this.
Pricing strategy	• Pricing strategy needs to be customized for most products. Price levels are related to location. • Domestic brands have similar prices across China. Any price difference is usually due to differences in marketing channels. • Prices of brands are generally similar all over China for the same brands. • Price strategy in Eastern and Southern markets will be more expensive due to them being more developed. In Shanghai and Guangzhou the price must not be more expensive than Hong Kong since consumers also know the prices of similar or the same products in Hong Kong. • Prices must be set according to purchasing power capability. • Marketers need to have a national, clear coordinated strategy. • Some consumers in richer districts accept higher prices since they accept that the shopping environment is more 'pricey'. • Price structure should be the same in tier-one cities, and in tier-two cities, and in tier-three cities.
Distribution strategy	• Choice of marketing channels may differ depending on location. In the East, there are many retail stores including hypermarkets and convenience stores, etc. but not in the West of China or other rural areas where products may often be sold at a kiosk window or by street vendors. • Distribution strategy should be similar due to need for standardization and coordination. For example, if a brand was sold on the street it could ruin the quality image of a product. • Marketing channel strategy should depend on product positioning strategy such as high-price, medium-price, and low-price levels. • In Beijing, the wholesale market may have the most power and profit and in some cases retailers are in the weaker position. This is because wholesalers often have access to the important government markets while in other markets this is not the case. For example, the alcohol retail market in Beijing is very small while the wholesale market is large, for example, in night clubs in Shanghai the retail market is high. • Selling channels are different. For large companies with well established awareness they may not need the same sales channels in all markets since consumers will take efforts to find them. In this case, channel decision depends more on awareness than geography. So price depends on company scale of sale volume and awareness of brand. If both scale is large and awareness is large the price will be the same. With respect to sales channels, the collection of retail sales points would differ. In other words, the mix of department stores areas, specialty outlets, wholesale channel members and quantity of each would be different depending on the region where the product is marketed. • In the countryside companies can depend on local area promotion with distributors but must check on the distribution sales channel development in rural areas because that is important. In large urban cities it is possible to work with a few large wholesalers. • Marketing channels are different in Beijing and Shanghai (where they have Carrefour, Walmart, Metro, and Tesco) where consumers buy more in such hypermarkets while in the West, for example Chongqing, they focus on local, smaller retailers. Guangzhou is in the middle between Beijing/Shanghai and Chongqing.

A3.16. Q4-5. What is the single biggest difference in targeting consumers from different regions in China?

The main aim of asking this question was to try and narrow down key differences outlined previously in the interview with the purpose of identifying the single most important difference that marketers need to consider when crafting their marketing strategy to multiple geographic regions in China.

However, very few experts cited a single factor even when asked! Notwithstanding many of the equivocal responses we are still able to determine that about fifty percent of the experts (21 of 40) cited differences in purchasing power as a major difference. Some of the other most common mentions were differences in the sense of style, fashion, and taste (5 experts), differences in purchasing and consumption habits and preferences (13 experts), differences in concept of living and lifestyle (4 experts), differences in brand concept, brand knowledge, and brand awareness (6 experts), and several other minor mentions (5 experts).

A summary of the comments is presented in Table A3.10. Income disparities need to be factored into all aspect of marketing strategy from packaging, channel selection, advertising media selection, and pricing. Another key difference can be summarized as a difference in style and fashion sense (*shishang judaoxin*). One expert commented that "If you want to promote your products you need to determine the level of fashion sense and economic levels to determine pricing strategy". Along a similar vein are differences with respect to concept of living and lifestyle. This likely relates to personal income in that in markets where consumers have satisfied their basic lifestyle needs, they then become a consumer of goods and service that can add quality to their living standard. Yet, some experts still argued that even though some areas' income levels have been raised consumers still don't know how to "enjoy their life".

About one-third of the experts cited differences in purchasing and consumption habits and tastes. One expert stated that "People in the West care more about the taste of products whereas people in the North and East care more about the eating environment and whether the food is clean and healthy". Some differences in consumption preferences relate to habits. One expert pointed out, for example, that "Beijing consumers drink more rice alcohol (bai jiu), Chongqing consumers prefer beer, while Shanghai consumers drink more wine".

The shift to a more modern shopping culture is uneven throughout China. Yet, while some consumers are quite happy to see the transformation from small, older shopping venues some cultures seem more interested in retaining traditional shopping styles as a vital element of their culture. According to one expert "Some consumers are comfortable purchasing in small, unregulated markets or on the street, while others are more hesitant to purchase products from such vendors".

Six experts mentioned brand "concept" as an important difference. *Concept* to these experts encapsulates brand awareness and brand knowledge. Some relevant comments included: "Shanghai consumers put more value on foreign rather than domestic brands. South people value domestic brands more highly (than Shanghai people)" and "The main difference relates to awareness of brand names, relative lack of brand knowledge, (and) relative lack of knowledge as to what is new".

Other important differences mentioned were differences in consumer demand by region, differences in desire for shopping convenience, and differences in the level of competition among regions.

Table A3. 10 Summary Responses. The single biggest difference in consumer behavior

Response	No. of expert mentions*	Key Themes
Culture and sense of style and fashion	5	• There is a difference between modern and conservative brand preferences. • Need to establish the level of fashion sense among your geographic target segment. • Need to consider the manifestations of cultural differences emanating from both the rural to urban dichotomy and the tier to which the city belongs.
Purchasing power capability	21	• Purchasing power capability (and cultural differences) is the main differences in targeting consumers from different regions in China. • The major explanation for differences in strategies is due to differences in income levels. Product positioning, packaging strategy, channel selection, and advertising must suit the purchasing affordability of different income segments which depends on geographic region.
Consumer's consumption & purchasing habits	13	• Retail channels that shoppers typically use may differ. • Regional consumption patterns are often different; for example, some areas purchase more in some categories due to habit and in some, less. • The brand purchase determinant differs among segments.
Concept of living and lifestyle	4	• Lifestyles and the level of (modern culture) consciousness and valuation concept (jiaziguan) are different. • Consumers' concepts are different. The things they like to do in every city is different and this must be reflected in marketing strategy.
Brand concept, knowledge & awareness	6	• Consumers from different geographic regions put more value on foreign brands than domestic

Response	No. of expert mentions*	Key Themes
		brands. • Consumers' brand concept is different. • Consumers brand knowledge, knowledge of country of origin and country of manufacture are different. • Consumers' knowledge of product advantages or brand differentiation is different.
Other differences	5	• The biggest difference is consumer demands for your product in any given area. • Desired level of shopping convenience differs by region. • The sales approach with which consumers in different geographic classes are familiar, is different. • Need to consider the level of competition.

* Some responses are categorized under more than one category.

A3.17 Chapter Summary

This chapter provided in depth description and analysis of the results from the in depth interviews with forty marketing experts in China. The verbatim responses were coded and analyzed using *NVivo* qualitative research software. Summaries and groupings realized from the analyses were presented in detail. Expert opinions of various purchasing intentions were noted and differences in consumer behaviors among ethnicities were highlighted. The chapter concluded with expert suggestions on how managers may need to modify their marketing strategies when focusing on different geographical segments in China.

Appendix IV. Research Consent Forms

A4.1. Research Consent – Email survey

Dear (Respondent),

I am a research student from the University of Hertfordshire and am conducting a survey of consumer purchasing behaviour in China. The purpose of this survey is to collect information to assist the author in evaluating Chinese consumer attitudes and behaviour with respect to various product categories. The information gathered from this survey will contribute to my Ph.D. dissertation, and will also form the basis for cases which can be used within my university's marketing courses.

During the study, you will be asked to complete a survey questionnaire concerning your experiences and perceptions toward foreign products and domestic products. You will also be asked for some demographic information. Your participation in this questionnaire will require approximately 20-30 minutes of your time.

There is no harm associated with your participation in this research and there are no potential risks to participants. No monetary or other material compensation is provided for participating in this survey research. However, all respondents will be given the benefit of receiving a copy of the Executive Summary of the report which will highlight key findings of the research.

If you would like any additional information about the survey or would like a summary of the results, please feel free to contact me at dpaproski@hotmail.com. Thank you in advance for your assistance in helping with our research! This Summary will be emailed directly to you.

Since this study uses an email questionnaire, I cannot guarantee complete anonymity, but I can be sure that your name will not be published. All information of participation including your email address will be kept strictly confidential such that only my supervisor and I will have access to the information. The results from this study will be reported in a written research report. Information about the report will not be made public in any way that identifies individual participants.

The interview content will be encoded to protect confidentiality**.** The data will be stored in hardcopy in forms of data files and soft copy compact disc data which will require the password from the researcher. Upon the completion of data analyses, all files will be deleted. This process will be completed no later than August 31st 2012.

Participation is completely voluntary. You may discontinue completion of the questionnaire at any time without explanation and without penalty. If you have any questions or concerns about the research, please contact the researcher or our institution at the above contact information.

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. If you are interested in receiving an executive summary of this study, please contact me through phone or return e-mail (dpaproski@hotmail.com).

Please be advised that by completing the survey it will be understood that you have read and agreed to the consent form.

Thank you,

Sincerely,
Darren Paproski

A4.2 Research Consent Form – Depth Interviews

I am a research student from the University of Hertfordshire and am conducting a survey of consumer purchasing behaviour in China. The purpose of this survey is to collect information to assist the author in evaluating Chinese consumer attitudes and behaviour with respect to various product categories. The information gathered from this interview will contribute to my Ph.D. dissertation, and will also form the basis for cases which may be used within my university's marketing courses.

During the interview, you will be asked questions concerning your experiences and perceptions of Chinese consumers with respect to a variety of consumer behaviors. You will also be asked for some demographic information. Your participation in this questionnaire will require approximately 30-45 minutes of your time.

There is no harm associated with your participation in this research and there are no potential risks to you. No monetary or other material compensation is provided for participating in this research. However, all you will be given the benefit of receiving a copy of the Executive Summary of the report which will highlight key findings of the research.

Please note that all participants are guaranteed anonymity. All private information received during the interview will be kept strictly confidential such that only my supervisor and I will have access to the information. The results from this study will be reported in a written research report. Information about the report will not be made public in any way that identifies individual participants.

The interview content will be encoded to protect confidentiality**.** The data will be stored in hardcopy in forms of data files and soft copy compact disc data which will require the password from the researcher. Upon the completion of data analyses, all files will be deleted. This process will be completed no later than August 31st 2012.

Participation is completely voluntary. You may discontinue the interview at any time without explanation and without penalty. If you have any questions or concerns about the research, please contact the researcher or our institution at the above contact information.

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. If you are interested in receiving an executive summary of this study, please contact me through phone or return e-mail (dpaproski@hotmail.com).

Please be advised that by completing interview it will be understood that you have read and agreed to the consent form.

Thank you,
Sincerely,
Darren Paproski

A4.3 Research Consent Form – Main Survey

I am a research student from the University of Hertfordshire and am conducting a survey of consumer purchasing behaviour in China. The purpose of this survey is to collect information to assist the author in evaluating Chinese consumer attitudes and behaviour with respect to various product categories. The information gathered from this survey will contribute to my Ph.D. dissertation, and will also form the basis for cases which can be used within my university's marketing courses.

During the study, you will be asked to complete a survey questionnaire concerning your experiences and perceptions toward foreign products and domestic products. You will also be asked for some demographic information. Your participation in this questionnaire will require approximately 20-30 minutes of your time.

There is no harm associated with your participation in this research and there are no potential risks to participants. No monetary or other material compensation is provided for participating in this survey research. However, all respondents will be given the benefit of receiving a copy of the Executive Summary of the report which will highlight key findings of the research.

If you would like any additional information about the survey or would like a summary of the results, please feel free to contact me at dpaproski@hotmail.com. Thank you in advance for your assistance in helping with our research! This Summary will be emailed directly to you.

Please note that all participants are guaranteed anonymity. All information received in the questionnaire will be kept strictly confidential such that only my supervisor and I will have access to the information. The results from this study will be reported in a written research report. Information about the report will not be made public in any way that identifies individual participants.

The interview content will be encoded to protect confidentiality**.** The data will be stored in hardcopy in forms of data files and soft copy compact disc data which will require the password from the researcher. Upon the completion of data analyses, all files will be deleted. This process will be completed no later than August 31st 2012.

Participation is completely voluntary. You may discontinue completion of the questionnaire at any time without explanation and without penalty. If you have any questions or concerns about the research, please contact the researcher or our institution at the above contact information.

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. If you are interested in receiving an executive summary of this study, please contact me through phone or return e-mail (dpaproski@hotmail.com).

Please be advised that by completing the survey it will be understood that you have read and agreed to the consent form.

Appendix V. Survey of Consumer Brands with collated statistics

Survey on Consumer Brands 调查消费者对品牌

Please read the attached Research Consent Form prior to the interview. As part of a research study on consumer purchases in China, could you please complete the following questionnaire about your familiarity with brands as well as your buying behaviour.
我有一项研究,是消费者在中国采购产品的信息,
请您帮我填写以下的对你熟悉的品牌,以及你购买行为的问卷。谢谢您的合作.

Please indicate your answers by clicking on your answer selection. 请你在你同意的方块李打对号.

Answer Column A and B for all brands from your own viewpoint. If you purchased a brand that is not listed in Column A, please include it under "Other". The "**I/We**" in Column C refers to household purchasing. Answer Column D only if your household purchased a brand.

Please complete the following information about yourself: 请填写以下资料,你自己:

1. What is your gender?
请问你的性别? M 男 □ F 女 □

2. How many members are there currently living in your household? 有多少人,目前住在你家里?
1-2 □ 3-4 □ 5-6 □ >6 □

3 In which city do you currently reside? (Please indicate by ticking one only) 你目前居住在哪个城市?
Beijing 北京 □
Shanghai 上海 □
Chengdu 成都 □
Guangzhou 广州 □
Other 其他城市: ____ □ (Please specify city)

4 In which city or province do you consider yourself to be an ethnic member of? (e.g. Beijing native, Guangdong native, Sichuan native, etc) 户口所在地：__________

____

5 Do you personally go shopping at least once every two weeks? 你在两个星期之内是否会去购物一次? Yes 是 □ No 否 □

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS SURVEY

Floor Cleaner 通用洗涤剂

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		**I would say that this brand is … 我知道这种品牌是...**				**I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌**		**If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏 里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)**					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚 （不包括中国大陆）	International 国际 （欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Pledge All-Purpose Cleaner 碧丽珠木地板护理蜡	72%	28%					37%	63%	27%	53%	33%	40%	7%	
		33	13	9	5	2	30	15	26	4	8	5	6	1	
2.	Mr. Muscle威猛先生	64%	36%					50%	50%	37%	58%	37%	32%	5%	
		29	16	8	1	5	31	19	19	7.	11.	7	6	1	
3.	龙安84消毒液	37%	63%					22%	78%	50%	38%	0%	25%	0%	
		16	27	9	2	3	29	8	28	4	3	0	2	0	
4.	Sofix 清洁护理地板蜡	21%	79%					14%	86%	40%	40%	20%	20%	0%	
		8	30	5	2	6	25	5	32	2	2	1	1	0	
5.	Walex 除菌全能清洁剂	61%	39%					36%	64%	31%	38%	62%	31%	8%	
		22	14	5	1	13	17	13	23	4	5	8	4	1	
6.	斧头AXE 芦荟清洁精	49%	51%					27%	73%	30%	60%	40%	40%	30%	
		20	21	4	6	2	29	10	27	3	6	4	4	3	
7.	Cellit 奇力洁洁厕剂	73%	27%					42%	58%	60%	27%	33%	13%	0%	
		32	12	11	3	1	29	15	21	9	4	5	2	0	
8.	Kiwi 可丽清洁厕液特强配方	33%	68%					17%	83%	67%	50%	50%	17%	0%	
		13	27	8	2	1	29	6	29	4	3	3	1	0	
9.	Kaimi 开米洁厕净	38%	62%					25%	75%	22%	67%	44%	56%	22%	
		14	23	7	2	4	24	9	27	2	6	4	5	2	
10.	Dettol滴露消毒药水	80%	20%					63%	37%	41%	48%	78%	56%	19%	
		36	9	10	3	13	19	27	16	11	13	21	15	5	

Bottled Water 矿泉水或纯净水		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		I would say that this brand is … 我知道这种品牌是...				I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Nongfu Spring Water 农夫泉水	87%	13%					68%	32%	54%	50%	57%	46%	7%	
		41	6	28	0	0	19	28	13	15	14	16	13	2	
2.	Watson's 屈臣氏蒸馏水	94%	6%					66%	34%	36%	60%	40%	28%	4%	
		46	3	10	12	3	24	25	13	9	15	10	7	1	
3.	Evian 依云泉水	84%	16%					32%	68%	25%	50%	50%	25%	0%	
		37	7	3	5	24	12	12	25	3	6	6	3	0	
4.	富威克天然矿泉水Volvic	17%	83%					11%	89%	25%	25%	0%	0%	25%	
		6	29	3	3	9	20	4	31	1	1	0	0	1	
5.	Wahaha 娃哈哈泉水	96%	4%					50%	50%	47%	53%	47%	37%	11%	
		45	2	30	1	0	16	19	19	9	10	9	7	2	
6.	Lusetianyuan 绿色田园	51%	49%					6%	94%	100%	50%	50%	50%	0%	
		20	19	15	3	1	20	2	32	2	1	1	1	0	
7.	Kangshifu 康师傅	98%	2%					64%	36%	41%	59%	41%	33%	11%	
		48	1	26	6	0	17	27	15	11	16	11	9	3	
8.	Danone 益力矿泉水	45%	55%					18%	82%	33%	50%	17%	17%	17%	
		18	22	11	2	0	27	6	28	2	3	1	1	1	
9.	Smile 怡景	41%	59%					21%	79%	43%	29%	29%	14%	14%	
		16	23	11	2	0	26	7	26	3	2	2	1	1	
10.	Jingtian 景天	38%	63%					11%	89%	75%	0%	0%	25%	0%	
		15	25	10	2	1	27	4	31	3	0	0	1	0	
11.	Nestle 雀巢矿泉水	89%	11%					55%	45%	33%	52%	48%	29%	5%	
		41	5	9	2	13	22	21	17	7	11	10	6	1	
12.	Pepsi 冰纯水	45%	55%					12%	88%	75%	50%	25%	50%	0%	
		19	23	3	0	10	29	4	29	3	2	1	2	0	
13.	Blue Pine 蓝松天泉	11%	89%					6%	94%	50%	0%	0%	0%	0%	
		4	33	2	1	2	32	2	32	1	0	0	0	0	
Other:															

Cooking Oil 食油

		A: I am familiar with this brand 我很熟悉这个品牌		B: I would say that this brand is … 我知道这种品牌是...				C: I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		D: If you answered 'YES' to C, please complete the following phrase: **I/We buy this brand because** … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。 (请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Jin Hao 金浩油	6%	94%					6%	94%	50%	50%	50%	50%	50%	
		2	32	9	1	0	24	2	30	1	1	1	1	1	
2.	Liao Hua辽花大豆油	18%	82%					13%	87%	75%	50%	25%	25%	25%	
		6	28	13.	0.	0.	21	4	27	3	2	1	1	1	
3.	Chubaoyou厨宝油	23%	77%					3%	97%	100%	0%	100%	0%	0%	
		8	27	12	2	0	21	1	31	1	0	1	0	0	
4.	Baijia 白佳一级油	9%	91%					0%	100%	0%	0%	0%	0%	0%	
		3	30	12	1	0	20	0	30	0	0	0	0	0	
5.	Jinlongyu 金龙鱼	80%	20%					69%	31%	28%	45%	55%	38%	14%	
		37	9	21	1	0	24	29	13	8	13	16	11	4	
6.	Yuanbaolu 元宝路	20%	80%					16%	84%	60%	80%	20%	60%	40%	
		7	28	11	1	0	23	5	27	3	4	1	3	2	
7.	Hongxipai 鸿禧牌玉米油	21%	79%					6%	94%	50%	50%	50%	50%	0%	
		7	27	13	0	0	21	2	31	1	1	1	1	0	
8.	Luhuami 鲁花玉米油	68%	33%					38%	62%	54%	69%	54%	54%	8%	
		27	13	20	0	0	20	13	21	7	9	7	7	1	
9.	Knife 多力山茶葵花油	20%	80%					9%	91%	0%	67%	0%	33%	0%	
		7	28	11	1	4	19	3	30	0	2	0	1	0	
10.	Fulanmen 福临门玉米油	67%	33%					22%	78%	50%	63%	50%	25%	13%	
		28	14	19	0	2	21	8	29	4	5	4	2	1	
11.	Pinlite 品利特级纯橄榄油	17%	83%					6%	94%	0%	0%	0%	50%	0%	
		6	30	3	1	7	25	2	30	0	0	0	1	0	1
12.	Deerle Camilia 得尔乐山茶油	3%	97%					3%	97%	0%	0%	0%	0%	0%	
		1	33	1	1	9	23	1	31	0	0	0	0	0	1
13.	Olivoila 欧丽微兰橄榄油	17%	83%					10%	90%	0%	0%	0%	0%	0%	
		6	29	0	1	10	24	3	28	0	0	0	0	0	3
14.	Carapelli卡拉佩利特级初榨橄榄油	11%	89%					6%	94%	0%	0%	50%	50%	0%	
		4	31	0	0	14	21	2	29	0	0	1	1	0	

NB: Due to insufficient brand awareness among the researched brands two additional brands, Knife and Eagle, were included based on expert opinion and personal observation of brands available in stores. Olivoila was retained due in part to reasonably broad channel distribution levels as well as to retain a foreign branded vegetable oil.

Ice Cream Tubs 冰淇淋浴盆

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		**I would say that this brand is …** 我知道这种品牌是...				**I/We buy this brand at least once a month** 我和我们每个月至少买一次这种品牌		**If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes)** 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Walls 和路路	24%	76%					8%	92%	50%	0%	50%	50%	50%	
		8	25	3	1	1	28	2	22	1	0	1	1	1	
2.	MeiYiLe 美恰乐	37%	63%					16%	84%	25%	25%	25%	50%	25%	
		11	19	7	0	1	22	4	21	1	1	1	2	1	
3.	Long Feng 龙凤	24%	76%					4%	96%	0%	0%	0%	100%	0%	
		7	22	6	0	1	22	1	22	0	0	0	1	0	
4.	Nestle 雀巢	100%	0%					82%	18%	39%	54%	68%	57%	11%	
		39	0	10	4	14	11	28	6	11	15	19	16	3	
5.	MingZhi 明治雪糕	73%	27%					42%	58%	45%	73%	82%	55%	18%	
		24	9	5	11	0	17	11	15	5	8	9	6	2	
6.	Appolo 阿波罗	60%	40%					21%	79%	40%	60%	60%	40%	0%	
		18	12	4	4	4	18	5	19	2	3	3	2	0	
7.	Mengniu 蒙牛	95%	5%					59%	41%	63%	68%	74%	53%	37%	
		36	2	22	1	0	15	19	13	12	13	14	10	7	
8.	Magnum 梦龙	60%	40%					37%	63%	40%	40%	20%	50%	10%	
		18	12	9	2	3	16	10	17	4	4	2	5	1	
9.	Yili 伊利	82%	18%					61%	39%	55%	60%	60%	60%	30%	
		31	7	17	1	0	20	20	13	11	12	12	12	6	
10.	Heluxue 和路雪	79%	21%					69%	31%	32%	45%	64%	59%	27%	
		30	8	8	3	5	22	22	10	7	10	14	13	6	
Other:															

NB: Walls was incorrectly translated into Chinese in ITEM 1 but CORRECTLY translated in ITEM 10. Therefore the result for the correct Chinese translation are used in the study.

Boxed Chocolates 盒装巧克力

	A: I am familiar with this brand 我很熟悉这个品牌		B: I would say that this brand is … 我知道这种品牌是...				C: I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		D: If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
	Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1. Cadbury 吉百利	95%	5%					56%	44%	33%	72%	56%	56%	28%	
	38	2	5	5	16	14	18	14	6	13	10	10	5	
2. Meiji 明治	65%	35%					42%	58%	45%	45%	82%	73%	36%	
	20	11	6	10	3	12	11	15	5	5	9	8	4	
3. Ferrero Rocher 费列罗	61%	39%					50%	50%	13%	47%	47%	47%	13%	
	20	13	2	0	13	18	15	15	2	7	7	7	2	
4. Milka 妙卡牛奶巧克力	34%	66%					8%	92%	0%	100%	100%	50%	0%	
	10	19	1	0	7	21	2	23	0	2	2	1	0	
5. Dove 德芙	95%	5%					80%	20%	29%	50%	54%	61%	25%	
	38	2	4	3	18	15	28	7	8	14	15	17	7	
6. Leconte 金帝	82%	18%					30%	70%	33%	56%	56%	56%	22%	
	32	7	10	1	5	23	9	21	3	5	5	5	2	
7. Guliao 谷力奥	37%	63%					12%	88%	33%	100%	67%	67%	33%	
	10	17	4	5	0	18	3	22	1	3	2	2	1	
8. Vina 韵诺	15%	85%					4%	96%	100%	0%	100%	100%	0%	
	4	23	2	0	1	24	1	24	1	0	1	1	0	
9. Hersheys 好时	56%	44%					23%	77%	0%	33%	50%	50%	0%	
	18	14	3	1	6	22	6	20	0	2	3	3	0	
10. Ainongxin 艾依新	14%	86%					0%	100%	0%	0%	0%	0%	0%	
	4	24	1	0	3	24	0	24	0	0	0	0	0	
11. Lindt瑞士连薄片朱古力	52%	48%					15%	85%	50%	75%	50%	25%	0%	
	15	14	1	2	11	15	4	22	2.	3	2	1	0	
Other:														

Potato Chips (Crisps) 薯片(脆片)

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		I would say that this brand is … 我知道这种品牌是…				I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		If you answered 'YES' to C, please complete the following phrase: **I/We buy this brand because** … (please tick all relevant boxes) 如果你在C栏 里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	东亚洲地区 比如港澳台、日本,	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Lay's 乐事	76%	24%					43%	57%	41%	45%	59%	41%	9%	
		39	12	9	0	12	30	22	29	9	10	13	9	2	
2.	Pringles 品客	84%	16%					25%	75%	54%	62%	69%	69%	15%	
		43	8	7	4	16	24	13	38	7	8	9	9	2	
3.	Copico 可比克	66%	34%					19%	81%	44%	33%	44%	67%	22%	
		31	16	14	0	4	29	9	38	4	3	4	6	2	
4.	Oishi 商好佳	67%	33%					22%	78%	45%	45%	45%	73%	27%	
		34	17	17	1	1	32	11	40	5	5	5	8	3	
5.	Four Seas Wasabi 流泪的谜	8%	92%					3%	97%	100%	200%	100%	0%	0%	
		3	36	9	2	1	27	1	38	1	2	1	0	0	
6.	Millet Crisp 太阳锅巴	48%	52%					6%	94%	33%	33%	67%	67%	0%	
		23	25	23	0	1	24	3	45	1	1	2	2	0	
7.	Jack & Jill Sea Crackers 珍珍海鲜脆	37%	63%					3%	97%	100%	0%	100%	0%	0%	
		14	24	15	2	5	16	1	37	1	0	1	0	0	
8.	Maixiangji 麦香鸡	79%	21%					25%	75%	38%	69%	46%	54%	15%	
		41	11	13	2	8	29	13	39	5	9	6	7	2	
9.	Yuan Xiang 原乡	14%	86%					8%	92%	0%	0%	33%	0%	0%	
		5	32	5	5	1	26	3	34	0	0	1	0	0	2
10.	Poca 波卡	28%	73%					5%	95%	50%	50%	50%	50%	0%	
		11	29	8	3	4	25	2	38	1	1	1	1	0	
11.	Wangwang 旺旺小小酥	88%	12%					22%	78%	55%	82%	64%	55%	18%	
		44	6	23	7	0	20	11	39	6	9	7	6	2	
12.	Wangzai旺仔小馒头	96%	4%					30%	70%	44%	63%	63%	50%	19%	
		52	2	22	7	0	25	16	38	7	10	10	8	3	
13.	Cheetos 奇多	58%	42%					18%	82%	25%	38%	25%	63%	0%	
		26	19	9	4	4	28	8	37	2	3	2	5	0	
Other:															

		A		B				C		D					
Toothpaste牙膏		I am familiar with this brand 我很熟悉这个品牌		I would say that this brand is … 我知道这种品牌是...				I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Colgate Total 高露洁	100%	0%					89%	11%	49%	56%	51%	44%	23%	
		45	0	15	5	14	11	39	5	19	22	20	17	9	
2.	Hawley-Hazel Darlie 黑人牙膏	98%	2%					62%	38%	65%	57%	57%	39%	9%	
		43	1	16	6	9	13	23	14	15	13	13	9	2	
3.	Zhonghua 中华	84%	16%					53%	47%	74%	53%	37%	37%	16%	
		37	7	26	1	0	17	19	17	14	10	7	7	3	
4.	Lion Zact 狮王	68%	32%					17%	83%	80%	140%	100%	40%	0%	
		28	13	12	7	1	21	5	24	4	7	5	2	0	
5.	Signal 洁诺	60%	40%					22%	78%	43%	57%	43%	29%	0%	
		24	16	7	0	4	29	7	25	3	4	3	2	0	
6.	Kettlin 科德琳	14%	86%					0%	0%	0%	0%	0%	0%	0%	
		5	30	2	2	8	23								
7.	Yunnan云南白药	77%	23%					0%	0%	0%	0%	0%	0%	0%	
		30	9	23	0	0	16								
8.	Usage 玉斯洁	3%	97%					0%	100%	0%	0%	0%	0%	0%	
		1	33	4	1	3	26	0	29	0	0	1	0	0	
9.	Heimei 黑妹	81%	19%					41%	59%	57%	64%	57%	36%	21%	
		35	8	20	0	1	22	14	20	8	9	8	5	3	
10.	Cnice 纳爱斯	67%	33%					13%	87%	75%	0%	25%	25%	25%	
		26	13	14	0	1	24	4	26	3	0	1	1	1	
11.	Zhuyan 竹盐	74%	26%					45%	55%	33%	60%	53%	60%	27%	
		31	11	12	7	0	23	15	18	5	9	8	9	4	
12.	Crest 佳洁士	82%	18%					63%	37%	35%	46%	50%	38%	31%	
		36	8	11.	1.	7.	25	26	15	9.	12.	13.	10.	8	
13.	Tian Qi 田七	77%	23%					29%	71%	70%	70%	50%	60%	40%	
		33	10	21.	0.	0.	22	10	24	7.	7.	5.	6.	4	
14.	Lengsanling 冷酸灵	75%	25%					25%	75%	63%	50%	38%	63%	13%	
		33	11	21.	0.	0.	23	8	24	5.	4.	3.	5.	1	
15.	Shuangxilinmen 双喜临门	17%	83%					10%	90%	33%	33%	0%	33%	33%	
		6	30	8.	2.	0.	26	3	28	1.	1.	0.	1.	1	
Other:															

Household Appliances (refrigerators, stoves (cookers), washing machines, tumble dryers) 家用电器(冰箱,火炉(炊具) ,洗衣机,干衣机)

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		I would say that this brand is … 我知道这种品牌是...				I/We buy this brand at least once in the past 2 years 我和我家人两年内购买这种品牌		If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚 （不包括中国大陆）	International 国际 （欧洲和北美洲）	Not sure,DK,No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	TCL	93%	7%					39%	61%	42%	8%	42%	17%	17%	
		42	3	16	4	4	21	12	19	5	1	5	2	2	
2.	三洋 Sanyo	100%	0%					24%	76%	14%	14%	43%	43%	14%	
		45	0	nr	nr	nr	nr	7	22	1	1	3	3	1	
3.	海尔Haier	88%	12%					51%	49%	30%	25%	65%	50%	5%	
		38	5	23	0	2	18	20	19	6	5	13	10	1	
4.	Whirlpool 惠而浦	92%	8%					33%	67%	20%	10%	40%	20%	0%	
		36	3	7	5	18	9	10	20	2	1	4	2	0	
5.	美的 Midea	100%	0%					52%	48%	35%	24%	29%	18%	12%	
		45	0	27	3	1	14	17	16	6	4	5	3	2	
6.	三星Samsung	100%	0%					67%	33%	21%	33%	42%	33%	25%	
		45	0	7	24	4	10	24	12	5	8	10	8	6	
7.	LG	100%	0%					48%	52%	40%	27%	33%	40%	27%	
		45	0	8	19	5	13	15	16	6	4	5	6	4	
8.	Sony 索尼	100%	0%					60%	40%	14%	24%	52%	48%	24%	
		45	0	nr	nr	nr	nr	21	14	3	5	11	10	5	
9.	Royal Star 容事达	58%	42%					4%	96%	0%	0%	0%	0%	100%	
		22	16	11	1	1	25	1	27	0	0	0	0	1	
10.	Hisense 海信	71%	29%					10%	90%	67%	33%	0%	0%	33%	
		30	12	17	0	1	24	3	26	2	1	0	0	1	
11.	Frestech 新飞	63%	37%					7%	93%	100%	0%	50%	0%	50%	
		26	15	16	0	2	23	2	27	2	0	1	0	1	
12.	Electrolux 伊莱克斯	73%	27%					20%	80%	0%	0%	17%	33%	17%	
		32	12	10	0	11	23	6	24	0	0	1	2	1	2
13.	Xiaoya 小鸭	74%	26%					3%	97%	0%	0%	0%	0%	0%	
		31	11	17.	1.	0.	24	1	28	0.	0.	0.	0.	0	1
14.	Dongzhi东芝	93%	7%					42%	58%	29%	29%	57%	29%	29%	
		41	3	4	26	3	11	14	19	4.	4.	8.	4.	4	
15.	Mei 美菱	74%	26%					4%	96%	100%	0%	100%	0%	100%	
		31	11	14	3	0	25	1	27	1	0	1	0	1	
Other:															

NB: Sony and Sanyo were mistakenly left off the awareness part of the questionnaire

Banks (Including ATM Machines) 银行（爆垮提款机）

	A		B				C		D					
	I am familiar with this brand 我很熟悉这个品牌		I would say that this brand is … 我知道这种品牌是...				I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌		If you answered 'YES' to C, please complete the following phrase: **I/We buy this brand because** … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
	Yes 是	No 否	Local 国内	Regional 东亚洲地区比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1. Minsheng Bank 中国民生银行	83%	17%					15%	85%	0%	25%	25%	50%	0%	
	30	6	21	0	0	15	4	22	0	1	1	2	0	
2. Bank of China 中国银行	98%	2%					72%	28%	8%	27%	31%	12%	12%	
	40	1	22	3	0	16	26	10	2	7	8	3	3	
3. Industrial and Commercial Bank of China 中国工商银行	95%	5%					75%	25%	7%	27%	13%	10%	13%	
	38	2	23	3	0	14	30	10	2	8	4	3	4	
4. Agricultural Bank of China 中国农业银行	90%	10%					47%	53%	19%	25%	6%	6%	6%	
	36	4	22	0	0	18	16	18	3	4	1	1	1	
5. Guangdong Development Bank 广东发展银行	86%	14%					23%	77%	0%	33%	17%	0%	0%	
	32	5	22	1	0	14	6	20	0	2	1	0	0	
6. China Construction Bank 中国建设银行	93%	7%					58%	42%	5%	32%	11%	11%	16%	
	38	3	22	0	0	19	19	14	1	6	2	2	3	
7. Bank of Communications 中国交通银行	100%	0%					44%	56%	7%	29%	7%	7%	7%	
	41	0	23	3	0	15	14	18	1	4	1	1	1	
8. HSBC 汇丰银行	100%	0%					35%	65%	22%	33%	44%	33%	33%	
	39	0	11	11	11	6	9	17	2	3	4	3	3	
9. Electrolux 中信银行	89%	11%					8%	92%	50%	50%	50%	50%	0%	
	34	4	20	3	0	15	2	23	1	1	1	1	0	
10. China Everbright Bank 中国光大银行	85%	15%					4%	96%	0%	0%	0%	0%	0%	
	33	6	18	1	0	20	1	23	0	0	0	0	0	1
11. Citibank花旗银行	70%	30%					13%	88%	0%	0%	0%	0%	0%	
	33	14	3	7	20	17	3	21	0	0	0	0	0	
12. Bank of America 美国银行	77%	23%					4%	96%	0%	100%	100%	0%	0%	
	27	8	1	1	20	13	1	22	0	1	1	0	0	
13. Zhaoshang Bank 招商银行	88%	13%					36%	64%	0%	30%	10%	10%	10%	
	35	5	21	0	0	19	10	18	0	3	1	1	1	
Other:														

Airlines 航空公司

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		**I would say that this brand is … 我知道这种品牌是...**				**I/We buy this brand at least once a month 我和我们每个月至少买一次这种品牌**		**If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes) 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)**					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Singapore Airlines 新加坡航空	94%	6%					12%	88%	0%	67%	33%	0%	0%	
		33	2	1	20	2	12	3	22	0	2	1	0	0	
2.	Cathay Pacific 国泰	88%	12%					36%	64%	20%	30%	70%	30%	30%	
		30	4	5	12	6	11	10	18	2	3	7	3	3	
3.	China Eastern 中国东方	89%	11%					46%	54%	31%	31%	23%	15%	15%	
		34	4	18	1	2	17	13	15	4	4	3	2	2	
4.	China Southern 中国南方	92%	8%					61%	39%	30%	25%	25%	20%	20%	
		36	3	20	1	1	17	20	13	6	5	5	4	4	
5.	Air China 中国航空	85%	15%					50%	50%	19%	25%	19%	6%	6%	
		33	6	18	1	1	19	16	16	3	4	3	1	1	
6.	Japan Airlines 日本航空	85%	15%					26%	74%	43%	43%	71%	57%	29%	
		29	5	2	18	5	9	7	20	3	3	5	4	2	
7.	Air Canada 加拿大航空	86%	14%					41%	59%	17%	42%	33%	25%	8%	
		31	5	1	3	20	12	12	17	2	5	4	3	1	
8.	Lufthansa 汉莎航空	47%	53%					13%	88%	0%	33%	33%	0%	0%	
		14	16	1	3	10	16	3	21	0	1	1	0	0	1
9.	British Airways英国航空公司	88%	12%					4%	96%	0%	100%	0%	0%	0%	
		29	4	1	1	19	12	1	22	0	1	0	0	0	
10.	Aeroflot 俄罗斯旗舰航空公司	39%	61%					0%	100%	0%	0%	0%	0%	0%	
		13	20	0	5	9	19	0	23	0	0	0	0	0	
11.	Continental Airlines 美国大陆航空	52%	48%					9%	91%	0%	0%	50%	0%	0%	
		16	15	1	0	13	17	2	21	0	0	1	0	0	1
12.	马来西亚航空 Malaysia Airlines	67%	33%					0%	100%	0%	0%	0%	0%	0%	
		22	11	1	17	2	13	0	23	0	0	0	0	0	

Hypermarket/Department Stores 百货公司以及杂货店

		A		B				C		D					
		I am familiar with this brand 我很熟悉这个品牌		**I would say that this brand is …** 我知道这种品牌是...				**I/We buy this brand at least once a month** 我和我们每个月至少买一次这种品牌		**If you answered 'YES' to C, please complete the following phrase: I/We buy this brand because … (please tick all relevant boxes)** 如果你在C栏里回答'是,请问您或者您的家人购买这种品牌的原因是。。。(请勾选所有相关箱)					
		Yes 是	No 否	Local 国内	Regional 东亚洲地区 比如港澳台、日本，韩国，东南亚（不包括中国大陆）	International 国际（欧洲和北美洲）	Not sure,DK, No answer 不确定	Yes 是	No 否	…it is good value for money 它是物有所值.	… it is readily available 它很方便购买	… it is of a consistent quality 它是一个连贯的质量	… it makes me feel good 它让我感觉很好	… my friends buy it 我的朋友买它	Other Reason (please specify) 其他原因(请注明)
1.	Sogo 太平洋百货	84%	16%					52%	48%	6%	35%	29%	29%	24%	
		32	6	5	10	4	19	17	16	1	6	5	5	4	
2.	Walmart 沃尔玛	95%	5%					47%	53%	71%	71%	36%	36%	43%	
		37	2	4	2	17	16	14	16	10	10	5	5	6	
3.	Hwalian 华联百货	86%	14%					45%	55%	36%	36%	14%	21%	14%	
		31	5	12	1	2	21	14	17	5	5	2	3	2	
4.	Lianhua 莲花百货	55%	45%					12%	88%	0%	67%	0%	0%	0%	
		18	15	6	2	0	25	3	22	0	2	0	0	0	1
5.	E-Mart	21%	79%					0%	100%	0%	0%	0%	0%	0%	
		6	22	1	1	4	22	0	23	0	0	0	0	0	
6.	Carrefour 佳乐福	92%	8%					66%	34%	30%	52%	30%	26%	17%	
		35	3	5	2	9	22	23	12	7	12	7	6	4	
7.	Metro 迈德龙	53%	47%					28%	72%	25%	38%	25%	13%	13%	
		18	16	2	0	5	27	8	21	2	3	2	1	1	
8.	百特 Baite	24%	76%					8%	92%	50%	0%	50%	0%	0%	
		7	22	4	0	0	25	2	22	1	0	1	0	0	
9.	Great Universal Store 大世界百货	21%	79%					9%	91%	100%	0%	100%	0%	0%	
		6	23	5	0	0	24	2	21	2	0	2	0	0	
10.	Tesco 坦斯科百货	0%	100%					0%	100%	0%	0%	0%	0%	0%	
		0	26	1	0	4	21	0	23	0	0	0	0	0	
11.	Parksons 百盛百货	68%	32%					32%	68%	11%	33%	44%	56%	22%	
		23	11	3	2	3	26	9	19	1	3	4	5	2	
12.	Park N Shop百佳	69%	31%					53%	47%	38%	56%	38%	31%	25%	
		25	11	7	5	0	24	16	14	6	9	6	5	4	
	TrustMart 好友多	mistakenly excluded from questionnaire													
Other:															

Appendix VI. Specification of brand country of origin and manufacture

		COO	COM
1.	**Floor Cleaners**		
	奇力洁洁厕剂 Cellit	PRC	PRC
	威猛先生 Mr. Muscle	USA	PRC
	除菌全能清洁剂 Walex	GERMANY	PRC
	可丽清洁厕液特强配方 Kiwi	USA	PRC
	滴露消毒药水 Dettol	UK	PRC
	碧丽珠木地板护理蜡 Pledge	USA	PRC
	Other______________		
2.	**Bottled Water**		
	农夫泉水Nongfu	PRC	PRC
	屈臣氏蒸馏水Watson's	HONG KONG	PRC
	依云泉水Evian	FRANCE	FRANCE
	娃哈哈 泉水Wahaha	PRC	PRC
	雀巢矿泉水Nestle	SWISS	PRC
	康师傅Kangshifu	PRC	PRC
	Other____________		
3.	**Toothpaste**		
	狮王Lion Zact	JAPAN	PRC
	中华Zhonghua	PRC/UK	PRC
	高露洁Colgate Total	USA	PRC
	黑妹Heimei	TAIWAN	PRC
	佳洁士Crest	USA	PRC
	田七 Tian Qi	PRC	PRC
	Other______________		
4.	**Household (White) Appliances**		
	TCL	PRC	PRC
	海尔Haier	PRC	PRC
	惠而浦 Whirlpool	USA	PRC
	三洋 Sanyo	JAPAN	PRC
	三星Samsung	KOREA	PRC
	美的Midea	PRC	PRC
	Other______________		
5.	**Potato Chips (Crisps)**		
	旺仔小馒头Wangzai	PRC	PRC
	品客Pringles	USA	PRC/USA
	商好佳Oishi	Philippines	PRC
	麦香鸡Maixiangji	PRC	PRC
	旺小小酥WangWang	PRC	PRC
	乐事 Lay's	USA	PRC
	Other______________		
		COO	**COM**

6.	**Packaged Specialty Chocolate**		
	吉百利Cadbury	UK	PRC
	明治Meiji	JAPAN	PRC
	费列罗Ferrero Rocher	ITALY	ITALY
	德芙Dove	USA	PRC
	金帝Leconte	PRC	PRC
	好时Hersheys	USA	PRC
	Other______________		
7.	**Perfume**		
	兰蔻Lancome	FRANCE	FRANCE
	香奈儿Chanel	FRANCE	FRANCE
	古姿Gucci	ITALY	FRANCE
	高田览三Kenzo	JAPAN	JAPAN
	迪奥Christian Dior	FRANCE	FRANCE
	雅诗兰黛Estee Lauder	USA	SWISS
	Other______________		
8.	**Mobile Phomes**		
	TCL	PRC	PRC
	索尼爱立信Sony Ericsson	JAP/SWE	PRC
	摩托罗拉Motorola	USA	PRC
	三星Anycall SamsungLG	KOREA	PRC
	联想Lenovo	PRC	PRC
	诺奇亚Nokia	FINLAND	PRC
	Other______________		
9.	**Vegetable Oil**		
	鹰唛 Eagle	PRC	PRC
	金龙鱼 Arawana	PRC	PRC
	刀唛Knife	PRC	PRC
	鲁花玉米油Luhua	PRC	PRC
	福临门玉米油Fulan	PRC	PRC
	欧丽微兰橄榄油 Olivoila	ITALY	ITALY
	Other______________		
10.	**Ice Cream Tubs**		
	明治雪糕Meiji	JAPAN	PRC
	阿波罗 Appolo	HONG KONG	PRC
	雀巢Nestle	SWISS	PRC
	蒙牛 Mengniu	PRC	PRC
	伊利 Yili	PRC	PRC
	和路雪 Walls	HOLLAND/UK	PRC
	Other______________		

		COO	COM
11.	**Banks (including ATMs)**		
	中国农业银行Agricultural Bank	PRC	
	汇丰银行HSBC	UK	
	中国工商银行ICBC	PRC	
	花旗银行Citibank	USA	
	中国银行Bank of China	PRC	
	中国交通银行Bank of Communications	PRC	
	Other_____________		
12.	**Hypermarkets**		
	百佳Park N Shop	HONG KONG	
	华联百货Hualian	PRC	
	佳乐福Carrefour	FRANCE	
	百盛百货Parksons	MALAYSIA	
	好友多Trustmart	PRC	
	沃尔玛Walmart	USA	
	Other__________		

Note: In some cases country-of-origin (COO) may be different than country of ownership (i.e. majority ownership.

Zhonghua toothpaste falls into this category whereby it was originally a Chinese company that first entered a joint venture with Unilever and then was subsequently purchases outright by Unilever. Similarly, Trustmart is originally Chinese but was purchased by Walmart in 2007.

Appendix VII. Main Consumer Survey – Chinese

消费者购买行为调查		
我们是属于一个学院的调查组织，正在寻求民众的帮助进行一次中国的市场调查, 调查的内容是关于消费者的购买行为. 本次调查将有助于我们的学术研究。回答这六页问题应该需要大约15分钟的时间. 所有问卷将会被保密 。回答完后，请您归还给我们的同事。对于你们的帮助，我们将不胜感激。谢谢您的合作！		
注意项目：发问卷的服务员口述以下两个问题。		
请问先生（或小姐） 你在两个星期之内是否会去购物一次?		
	是	否
我可以问你在你的家庭里面做购买决定的人时常是你吗？		
	是	否
服务员应该事先知道的事情：如果2个答案都是'是' 可以发给他全套问卷。		

Note to interviewer. There are two (2) key purposes to this research study: (1) is to better understand Chinese consumer behavior, and (2) to better understand differences among Chinese consumer behavior in various regions in China.

消费者购买行为调查

请根据以下5种不同的程度真实的回答下面的22个问题

1. 非常同意　　2. 同意　　3. 不确定　　4. 不同意　　5. 非常不同意

1.	任何时候只要有可能，我会买中国产的品牌。	1	2	3	4	5
2.	我喜欢尝试新品牌。	1	2	3	4	5
3.	通常一个月内我会到三个以上的超市或便利店购买商品。	1	2	3	4	5
4.	如果我经常买的品牌，在这个商店里没有货，我会买一种和它类似的而且我熟悉的品牌。	1	2	3	4	5
5.	任何时候只要有可能，我就会买外国品牌。	1	2	3	4	5
6.	一般来说,我喜欢买一些我喜爱的品牌 。	1	2	3	4	5
7.	如果我最喜爱的品牌买不到，我会考虑购买一些对于我来说不太熟悉的类似品牌。	1	2	3	4	5
8.	通常，我喜欢只在一家百货公司购买商品。	1	2	3	4	5
9.	不管价格高低，我都会选择我最喜爱的品牌。	1	2	3	4	5
10.	通常，我喜欢只在一家超市或便利店购买商品。	1	2	3	4	5
11.	即使不同的商店提供不同的价格，我还是宁愿去能提供服务质量好一点但价格稍为高一点的商店去买商品。	1	2	3	4	5
12.	我会宁愿购买比平均价格高的知名品牌而不购买比平均价格低的不知名的品牌。	1	2	3	4	5
13.	只要看见我购买过的产品，我的朋友也会经常去购买它。	1	2	3	4	5
14.	我经常碍于面子而经常去购买我朋友最近买过的名牌产品。	1	2	3	4	5
15.	当我逛街的时候,我心里已经知道我要准备购买那个品牌的产品。	1	2	3	4	5
16.	我经常发现在不同的商店同一样的产品会有价格差异。	1	2	3	4	5
17.	我比较喜欢选择去有折扣卡或会员积分卡的商店去购买商品。	1	2	3	4	5
18.	当有新的产品或产品作出不同的新改良推出时，我总是去购买它。	1	2	3	4	5
19.	当有新品牌的产品推出时，我会等到有人向我推荐它，我才会购买它。	1	2	3	4	5
20.	我会经常光顾允许我使用信用卡的商店。	1	2	3	4	5
21.	通常，如果产品的价格不是太高，我更愿意去购买我喜爱的品牌。	1	2	3	4	5
22.	我会经常使用我的折扣卡或会员积分卡去买商品。	1	2	3	4	5

<table>
<tr><td colspan="2" rowspan="2">相关产品类别</td><td colspan="10">当你选择了购买A项产品中的第2至5的答案时才需要回答B项</td></tr>
<tr><td colspan="5">A</td><td colspan="5">B</td></tr>
<tr><td colspan="2">产品分类</td><td colspan="5">请选择以下12种产品的购买频率。(例如:有多长时间会去买一次矿泉水,不管是哪个牌子)

1 从不
2 很少（一年少于1次）
3 较少（每年1-6次）
4 经常（每年7-12次）
5 非常频繁（每年多于12次）</td><td colspan="5">当我决定购买产品种类的时候，我很留意这个产品的起源地。

1 非常同意
2 同意
3 不太确定
4 不同意
5 非常不同意</td></tr>
<tr><td>1</td><td>通用洗涤剂(例如：碧丽珠木地板护理蜡或厕所清洁剂)</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>2</td><td>矿泉水或蒸馏水</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>3</td><td>牙膏</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>4</td><td>家用电器</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>5</td><td>移动电话</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>6</td><td>薯片(脆片)</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>7</td><td>盒装巧克力</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>8</td><td>高级百货商店或超级市场（多久去购物一次）</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>9</td><td>食油</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>10</td><td>冰淇淋</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>11</td><td>银行（包括提款机）</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>12</td><td>香水</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
</table>

品牌之间的关系								在你最经常购买的产品品牌当中（在‘C‘栏里打对号的）回答 **E,F** 的问题。		
C			**D**					**E**		**F**
对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'**X**'（如果有需要你可以多选）。 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。 **1** 从不 **2** 很少（每年少于1次） **3** 较少（每年1-6次） **4** 经常（每年7-12次） **5** 非常频繁（每年多于12次）					在'**C**'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
1. 通用洗涤剂	×	✓						它物有所值	☐	
奇力洁洁厕剂 Cellit	☐	☐	1	2	3	4	5	它很方便而且很容易买得到	☐	
威猛先生 Mr. Muscle	☐	☐	1	2	3	4	5	它的质量得到保证	☐	
除菌全能清洁剂 Walex	☐	☐	1	2	3	4	5	家里人都喜欢它	☐	
可丽清洁厕液特强配方 Kiwi	☐	☐	1	2	3	4	5	它令我感觉非常棒	☐	
滴露消毒药水 Dettol	☐	☐	1	2	3	4	5	我的朋友也买它	☐	
碧丽珠木地板护理蜡 Pledge	☐	☐	1	2	3	4	5			
其它Other____	☐	☐	1	2	3	4	5			
2. 矿泉水或纯净水	×	✓						它物有所值	☐	
农夫泉水Nongfu	☐	☐	1	2	3	4	5	它很方便而且很容易买得到	☐	
屈臣氏蒸馏水Watson's	☐	☐	1	2	3	4	5	它的质量得到保证	☐	
依云泉水Evian	☐	☐	1	2	3	4	5	家里人都喜欢它	☐	
娃哈哈 泉水Wahaha	☐	☐	1	2	3	4	5	它令我感觉非常棒	☐	
雀巢矿泉水Nestle	☐	☐	1	2	3	4	5	我的朋友也买它	☐	
康师傅Kangshifu	☐	☐	1	2	3	4	5			
Other____________	☐	☐	1	2	3	4	5			
3. 牙膏	×	✓						它物有所值	☐	
狮王Lion Zact	☐	☐	1	2	3	4	5	它很方便而且很容易买得到	☐	
中华Zhonghua	☐	☐	1	2	3	4	5	它的质量得到保证	☐	
高露洁Colgate Total	☐	☐	1	2	3	4	5	家里人都喜欢它	☐	
黑妹Heimei	☐	☐	1	2	3	4	5	它令我感觉非常棒	☐	
佳洁士Crest	☐	☐	1	2	3	4	5	我的朋友也买它	☐	
田七 Tian Qi	☐	☐	1	2	3	4	5			
Other______________	☐	☐	1	2	3	4	5			
4. 家用电器(冰箱,火炉,洗衣机,干衣机)	×	✓						它物有所值	☐	
TCL	☐	☐	1	2	3	4	5	它很方便而且很容易买得到	☐	
海尔Haier	☐	☐	1	2	3	4	5	它的质量得到保证	☐	
惠而浦 Whirlpool	☐	☐	1	2	3	4	5	家里人都喜欢它	☐	
三洋 Sanyo	☐	☐	1	2	3	4	5	它令我感觉非常棒	☐	
三星Samsung	☐	☐	1	2	3	4	5	我的朋友也买它	☐	
美的Midea	☐	☐	1	2	3	4	5			
Other______________	☐	☐	1	2	3	4	5			

品牌之间的关系				在你最经常购买的产品品牌当中（在‘C‘栏里打对号的）回答 E,F 的问题。		
C			D	E		F
对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。 1 从不 2 很少（每年少于1次） 3 较少（每年1-6次） 4 经常（每年7-12次） 5 非常频繁（每年多于12次）	在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
5. 薯片(脆片)	×	✓		它物有所值	□	
旺仔小馒头Wangzai	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
品客Pringles	□	□	1 2 3 4 5	它的质量得到保证	□	
商好佳Oishi	□	□	1 2 3 4 5	家里人都喜欢它	□	
麦香鸡Maixiangji	□	□	1 2 3 4 5	它令我感觉非常棒	□	
旺小小酥WangWang	□	□	1 2 3 4 5	我的朋友也买它	□	
乐事 Lay's	□	□	1 2 3 4 5			
Other_____________	□	□	1 2 3 4 5			
6. 盒装巧克力	×	✓		它物有所值	□	
吉百利Cadbury	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
明治Meiji	□	□	1 2 3 4 5	它的质量得到保证	□	
费列罗Ferrero Rocher	□	□	1 2 3 4 5	家里人都喜欢它	□	
德芙Dove	□	□	1 2 3 4 5	它令我感觉非常棒	□	
金帝Leconte	□	□	1 2 3 4 5	我的朋友也买它	□	
好时Hersheys	□	□	1 2 3 4 5			
Other_____________	□	□	1 2 3 4 5			
7. 香水	×	✓		它物有所值	□	
兰蔻Lancome	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
香奈儿Chanel	□	□	1 2 3 4 5	它的质量得到保证	□	
古姿Gucci	□	□	1 2 3 4 5	家里人都喜欢它	□	
高田览三Kenzo	□	□	1 2 3 4 5	它令我感觉非常棒	□	
迪奥Christian Dior	□	□	1 2 3 4 5	我的朋友也买它	□	
雅诗兰黛Estee Lauder	□	□	1 2 3 4 5			
Other_____________	□	□	1 2 3 4 5			
8. 移动电话（手提电话）	×	✓		它物有所值	□	
TCL	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
索尼爱立信Sony Ericsson	□	□	1 2 3 4 5	它的质量得到保证	□	
摩托罗拉Motorola	□	□	1 2 3 4 5	家里人都喜欢它	□	
三星Anycall SamsungLG	□	□	1 2 3 4 5	它令我感觉非常棒	□	
联想Lenovo	□	□	1 2 3 4 5	我的朋友也买它	□	
诺奇亚Nokia	□	□	1 2 3 4 5			
Other_____________	□	□	1 2 3 4 5			

品牌之间的关系				在你最经常购买的产品品牌当中（在‘C‘栏里打对号的）回答 E,F 的问题。		
C			D	E		F
对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。 1 从不 2 很少（每年少于1次） 3 较少（每年1-6次） 4 经常（每年7-12次） 5 非常频繁（每年多于12次）	在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
9. 食油	×	✓		它物有所值	□	
鹰唛 Eagle	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
金龙鱼 Arawana	□	□	1 2 3 4 5	它的质量得到保证	□	
刀唛Knife	□	□	1 2 3 4 5	家里人都喜欢它	□	
鲁花玉米油Luhua	□	□	1 2 3 4 5	它令我感觉非常棒	□	
福临门玉米油Fulan	□	□	1 2 3 4 5	我的朋友也买它	□	
欧丽微兰橄榄油 Olivoila	□	□	1 2 3 4 5			
Other____________	□	□	1 2 3 4 5			
10. 冰淇淋浴盆	×	✓		它物有所值	□	
明治雪糕Meiji	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
阿波罗 Appolo	□	□	1 2 3 4 5	它的质量得到保证	□	
雀巢Nestle	□	□	1 2 3 4 5	家里人都喜欢它	□	
蒙牛 Mengniu	□	□	1 2 3 4 5	它令我感觉非常棒	□	
伊利 Yili	□	□	1 2 3 4 5	我的朋友也买它	□	
和路雪 Walls	□	□	1 2 3 4 5			
Other____________	□	□	1 2 3 4 5			
11. 银行（包括提款机）	×	✓		它物有所值	□	
中国农业银行 Agricultural Bank	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
汇丰银行HSBC	□	□	1 2 3 4 5	它的质量得到保证	□	
中国工商银行ICBC	□	□	1 2 3 4 5	家里人都喜欢它	□	
花旗银行Citibank	□	□	1 2 3 4 5	它令我感觉非常棒	□	
中国银行Bank of China	□	□	1 2 3 4 5	我的朋友也买它	□	
中国交通银行Bank of Communications	□	□	1 2 3 4 5			
Other____________	□	□	1 2 3 4 5			
12. 百货公司以及杂货店	×	✓		它物有所值	□	
百佳Park N Shop	□	□	1 2 3 4 5	它很方便而且很容易买得到	□	
华联百货Hualian	□	□	1 2 3 4 5	它的质量得到保证	□	
家乐福Carrefour	□	□	1 2 3 4 5	家里人都喜欢它	□	
百盛百货Parksons	□	□	1 2 3 4 5	它令我感觉非常棒	□	
好又多Trustmart	□	□	1 2 3 4 5	我的朋友也买它	□	
沃尔玛Walmart	□	□	1 2 3 4 5			
Other___________	□	□	1 2 3 4 5			

品牌之间的关系	如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。

1.	通用洗涤剂															
	奇力洁洁厕剂 Cellit	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	威猛先生 Mr. Muscle	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	除菌全能清洁剂 Walex	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	可丽清洁厕液特强配方 Kiwi	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	滴露消毒药水 Dettol	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	碧丽珠木地板护理蜡 Pledge	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	其它Other___________	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
2.	矿泉水或纯净水															
	农夫泉水Nongfu	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	屈臣氏蒸馏水Watson's	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	依云泉水Evian	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	娃哈哈 泉水Wahaha	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	雀巢矿泉水Nestle	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	康师傅Kangshifu	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
	Other___________	起源地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐
		产地	中国大陆 ☐	芬兰 ☐	法国 ☐	德国 ☐	意大利 ☐	中国香港 ☐	韩国 ☐	荷兰 ☐	日本 ☐	瑞士 ☐	瑞典 ☐	英国 ☐	美国 ☐	不知道 ☐

品牌之间的关系			如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。													
3.	牙膏															
	狮王Lion Zact	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	中华Zhonghua	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	高露洁Colgate Total	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	黑妹Heimei	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	佳洁士Crest	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	田七 Tian Qi	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
4.	家用电器															
	TCL	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	海尔Haier	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	惠而浦 Whirlpool	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	三洋 Sanyo	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	三星Samsung	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	美的Midea	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

品牌之间的关系		如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。													
5.	**薯片(脆片)**														
	旺仔小馒头Wangzai	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	品客Pringles	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	商好佳Oishi	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	麦香鸡Maixiangji	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	旺小小酥WangWang	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	乐事 Lay's	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other_____________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
6.	**盒装巧克力**														
	吉百利Cadbury	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	明治Meiji	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	费列罗Ferrero Rocher	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	德芙Dove	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	金帝Leconte	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	好时Hersheys	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other_____________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

品牌之间的关系		如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。														
7.	**香水**															
	兰蔻Lancome	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	香奈儿Chanel	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	古姿Gucci	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	高田览三Kenzo	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	迪奥Christian Dior	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	雅诗兰黛Estee Lauder	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
8.	**移动电话（手提电话）**															
	TCL	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	索尼爱立信Sony Ericsson	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	摩托罗拉Motorola	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	三星Anycall Samsung	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	联想Lenovo	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	诺奇亚Nokia	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

品牌之间的关系		如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。														
9.	**食油**															
	鹰唛 Eagle	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	金龙鱼 Arawana	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	刀唛Knife	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	鲁花玉米油Luhua	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	福临门玉米油Fulan	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	欧丽微兰橄榄油 Olivoila	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
10.	**冰淇淋浴盆**															
	明治雪糕Meiji	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	阿波罗 Appolo	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	雀巢Nestle	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	蒙牛 Mengniu	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	伊利 Yili	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	和路雪 Walls	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
	Other______________	**起源地**	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
		产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

品牌之间的关系

如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。

11. 银行（包括提款机）

中国农业银行 Agricultural Bank	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
汇丰银行HSBC	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
中国工商银行ICBC	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
花旗银行Citibank	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
中国银行Bank of China	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
中国交通银行Bank of Communications	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
Other______________	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

12. 百货公司以及杂货店

百佳Park N Shop	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
华联百货Hualian	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
家乐福Carrefour	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
百盛百货Parksons	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
好又多Trustmart	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
沃尔玛Walmart	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
Other___________	起源地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □

调查人员信息记录

请完整填写以下的个人信息
（以下的任何一题如果你觉得属于个人私隐，你可以选择不回答。）

1. 请问你的性别

男 □ 女 □

2. 请选择您的年龄段

<20 □ 40-49 □
20-29 □ 50-59 □
30-39 □ >59 □

3. 在您现在生活的家庭中有几个成员

1-2 □ 5-6 □
3-4 □ >6 □

4. 你现在居住在以下的哪个城市（只选择一个）

北京 □
上海 □
重庆 □
广州 □
其他具体城市（请注明具体）：____

5. 您原来是那个城市的人？例如北京人、广州人等等）（只选择一个）

北京 □
上海 □
重庆 □
广州 □
其他具体城市（请注明具体）：_______

6. 在过去5年内您离开中国大陆的旅行一共有多少次？

0 □ 5-6 □
1-2 □ >6 □
3-4 □

7. 请说明您的最高学历

小学 □ 大专 □
初中 □ 大学本科 □
高中 □ 硕士或以上 □
职业技术中专 □

8. 请问你做哪一类的职业：

政府公务员 □
白领人士 – 经理 □
白领人士 –行政或 其他办公室文员等 □
蓝领人士-（工人） □
自由职业者 □
家庭主妇 □
学生 □
其他（请注明具体）：————

9. 请问你们的家庭每个月的总收入是多少？

<1001RMB □
1001~3000 □
3001~5000 □
5001~7000 □
7001~9000 □
9001~11,000 □
11,000 □

10. 可以留下您的联系方式以便我们和您取得联系？

电子邮件：————————————————————

如果你想要知道研究报告的结果，请在方格内打勾。 □

谢谢您的合作！

Appendix VIII. Main Consumer Behavior Survey – Bilingual Version

Survey of Consumer Purchasing Behaviour

I am seeking your help with a survey of consumer purchasing behaviour in China. The information gathered from this survey will contribute to my Ph.D. dissertation, and will also form the basis for cases which can be used within my university's marketing courses. 我寻求你们的帮助进行了一次调查,消费者购买行为中.
所收集的资料,从本次调查将有助于我国博士学位 论文,也将奠定基础案件,可以使用我的大学市场营销课程.

将不胜感激,如果不是你, 或会员,你的家属,使得大部分的购买决定, 将填写所附的问卷,并归还给我.
它应只需大约20分钟就可以完成. 所有反应都将保密

If you would like any additional information about the survey or would like a summary of the results, please feel free to contact me at darren.paproski@viu.ca. 如果您想任何额外资料调查或想总结的结果,
请随时与我联系在darren.paproski@viu.ca

Note to interviewer 注意项目： : Following the above preamble ask two prescreening questions.

Screening Question 1

Sir or Madam may I ask whether you go shopping at least once every two weeks? 请问先生（或小姐）你在两个星期之内是否会去购物一次?

Yes No

Screening Question 2

Do you make most of the purchasing decisions in your household?
你在你的家庭里面做购买决定的人时常是你吗？

Yes No

Note to Interviewer: If BOTH answers to Screening Q1 and Q2 are YES, ask respondents to complete FULL survey. If EITHER answer is NO then ask them to complete the SIMPLE demographic survey only.

Note to interviewer. There are two (2) key purposes to this research study: (1) is to better understand Chinese consumer behavior, and (2) to better understand differences among Chinese consumer behavior in various regions in China.

It is thus very important to ensure that respondents are qualified based on their ethnicity. Respondents must have grown up and be a current resident in one of the following regions: Beijing, Shanghai, Guangzhou, or Chongqing.

I. General Purchasing Behaviour

In thinking about your general purchase behaviour, please indicate your level of agreement or disagreement with each of the following statements:在思考你的一般购买行为，请说明你的水平协议或不同意以下每个报表

Strongly Agree 非常同意	Agree 同意	Uncertain 不确定	Disagree 不同意	Strongly Disagree 非常不同意
1	2	3	4	5

1.	I buy Chinese brands whenever possible. 任何时候只要有可能，我会买中国产的品牌。	1	2	3	4	5
2.	I like to try new brands. 我喜欢尝试新品牌。	1	2	3	4	5
3.	Typically, I would shop for groceries in more than three different stores over the course of a month. 通常一个月内我会到三个以上的超市或便利店购买商品。	1	2	3	4	5
4.	If my usual brand is unavailable, I would only purchase a substitute brand that is already familiar to me. 如果我经常买的品牌，在这个商店里没有货，我会买一种和它类似的而且我熟悉的品牌。	1	2	3	4	5
5.	I buy foreign brands whenever possible. 任何时候只要有可能，我就会买外国品牌。	1	2	3	4	5
6.	In general, I like to buy certain favourite brands. 一般来说,我喜欢买一些我喜爱的品牌 。	1	2	3	4	5
7.	If my favourite brand is unavailable, I would consider purchasing a substitute brand that isn't familiar to me. 如果我最喜爱的品牌买不到，我会考虑购买一些对于我来说不太熟悉的类似品牌。	1	2	3	4	5
8.	Usually, I prefer to shop in only one department store. 通常，我喜欢只在一家百货公司购买商品。	1	2	3	4	5
9.	No matter what the price of my favourite brand of product is, I will still purchase my favorite brand. 不管价格高低，我都会选择我最喜爱的品牌。	1	2	3	4	5
10.	Usually, I prefer to shop for groceries in just one store. 通常，我喜欢只在一家超市或便利店购买商品。	1	2	3	4	5
11.	I am willing to pay a higher-than-average price for a product at a store that provides above-average customer service. 即使不同的商店提供不同的价格，我还是宁愿去能提供服务质量好一点但价格稍为高一点的商店去买商品。	1	2	3	4	5
12.	I will pay an above-average price for a known brand instead of a below-average price for an unknown brand. 我会宁愿购买比平均价格高的知名品牌而不购买比平均价格低的不知名的品牌。	1	2	3	4	5
13.	My friends often go out and purchase something only after seeing me purchase it. 只要看见我购买过的产品，我的朋友也会经常去购买它。	1	2	3	4	5
14.	I often feel pressured to purchase a product brand because some of my friends have recently bought it. 我经常碍于面子而经常去购买我朋友最近买过的名牌产品。	1	2	3	4	5
15.	When I go shopping I always have a certain brand of a product in mind. 当我逛街的时候,我心里已经知道我要准备购买那个品牌的产品。	1	2	3	4	5
16.	I frequently find price differences on the exact same product brands in different stores. 我经常发现在不同的商店同一样的产品会有价格差异。	1	2	3	4	5
17.	I prefer to shop at a store where I have a store discount or store membership benefits card. 我比较喜欢选择去有折扣卡或会员积分卡的商店去购买商品。	1	2	3	4	5
18.	When new products or products variants come onto the market I always buy them. 当有新的产品或产品作出不同的新改良推出时，我总是去购买它。	1	2	3	4	5
19.	When a new brand of an existing product comes onto the market, I always wait to buy it until someone recommends it to me. 当有新品牌的产品推出时，我会等到有人向我推荐它，我才会购买它。	1	2	3	4	5
20.	I often shop at a store mainly because they allow me to pay with my credit card. 我会经常光顾允许我使用信用卡的商店。	1	2	3	4	5
21.	Usually, if a product is not too expensive to buy, I am more likely to purchase the brand I most prefer. 通常，如果产品的价格不是太高，我更愿意去购买我喜爱的品牌。	1	2	3	4	5
22.	I often use either a store discount card or store membership benefits card when shopping. 我会经常使用我的折扣卡或会员积分卡去买商品。	1	2	3	4	5

II. Relationship to Product Categories

	A	B
		Only answer 'B' for those product categories that you indicated you purchased in'A'.
Product Categories	Using the scale below , please choose the number which best describes the frequency with which you buy the product categories 1 to 12 (e.g. how often do you buy soya sauce, regardless of which specific brand you purchase) 请选择以下12种产品的购买频率。(例如:有多长时间会去买一次矿泉水,不管是哪个牌子)	When making a purchase in this category, it is important to me where the product/service originates from. 当我决定购买产品种类的时候，我很留意这个产品的起源地。
	1 **Never 从不**	**1** **Strongly Agree 非常同意**
	2 **Very infrequently (<1 X per year) 很少（一年少于1次）**	**2** **Agree 同意**
	3 **Infrequently (1-6 X per year) 较少（每年1-6次）**	**3** **Uncertain 不太确定**
	4 **Frequently (7-12 X per year) 经常（每年7-12次）**	**4** **Disagree 不同意**
	5 **Very Frequently (>12 X per year) 非常频繁（每年多于12次）**	**5** **Strongly Disagree 非常不同意**

		A					B				
1.	Household Cleaner 通用洗涤剂(例如：碧丽珠木地板护理蜡或厕所清洁剂)	1	2	3	4	5	1	2	3	4	5
2.	Bottled Water 矿泉水或蒸馏水	1	2	3	4	5	1	2	3	4	5
3.	Toothpaste 牙膏	1	2	3	4	5	1	2	3	4	5
4.	Appliances 家用电器	1	2	3	4	5	1	2	3	4	5
5.	Mobile Phones 移动电话	1	2	3	4	5	1	2	3	4	5
6.	Potato Chips 薯片(脆片)	1	2	3	4	5	1	2	3	4	5
7.	Specialty Chocolates 盒装巧克力	1	2	3	4	5	1	2	3	4	5
8.	Hypermarket/Department Stores (How often do you shop at one?) 高级百货商店或超级市场（多久去购物一次）	1	2	3	4	5	1	2	3	4	5
9.	Cooking Oil 食油	1	2	3	4	5	1	2	3	4	5
10	Ice Cream Tubs 冰淇淋	1	2	3	4	5	1	2	3	4	5
11	Banks (Including ATMs) 银行（包括提款机）	1	2	3	4	5	1	2	3	4	5
12	Perfume 香水	1	2	3	4	5	1	2	3	4	5

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C	D	E	F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。 Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。	Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。 1 Never 从不 2 Very infrequently (<1 X per year) 很少（每年少于1次） 3 Infrequently (1-6 X per year) 较少（每年1-6次） 4 Frequently (7-12 X per year) 经常（每年7-12次） 5 Very Frequently (>12 X per year) 非常频繁（每年多于12次）	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）	If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）

1. Household Cleaners	✗	✓								
奇力洁洁厕剂 Cellit	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
威猛先生 Mr. Muscle	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
除菌全能清洁剂 Walex	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
可丽清洁厕液特强配方 Kiwi	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
滴露消毒药水 Dettol	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
碧丽珠木地板护理蜡 Pledge	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
Other____________	☐	☐	1	2	3	4	5			

2. Bottled Water	✗	✓								
农夫泉水Nongfu	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
屈臣氏蒸馏水Watson's	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
依云泉水Evian	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
娃哈哈 泉水Wahaha	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
雀巢矿泉水Nestle	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
康师傅Kangshifu	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
Other___________	☐	☐	1	2	3	4	5			

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C				D	E		F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。				Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			1	Never 从不			
			2	Very infrequently (<1 X per year) 很少（每年少于1次）			
			3	Infrequently (1-6 X per year) 较少（每年1-6次）			
			4	Frequently (7-12 X per year) 经常（每年7-12次）			
			5	Very Frequently (>12 X per year) 非常频繁（每年多于12次）			

		×	✓								
3.	**Toothpaste**	×	✓								
	狮王Lion Zact	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
	中华Zhonghua	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
	高露洁Colgate Total	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
	黑妹Heimei	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
	佳洁士Crest	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
	田七 Tian Qi	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
	Other_____________	☐	☐	1	2	3	4	5			
4.	**White Appliances**	×	✓								
	TCL	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
	海尔Haier	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
	惠而浦 Whirlpool	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
	三洋 Sanyo	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
	三星Samsung	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
	美的Midea	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
	Other_____________	☐	☐	1	2	3	4	5			

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C			D	E		F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。			Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			1 Never 从不 2 Very infrequently (<1 X per year) 很少（每年少于1次） 3 Infrequently (1-6 X per year) 较少（每年1-6次） 4 Frequently (7-12 X per year) 经常（每年7-12次） 5 Very Frequently (>12 X per year) 非常频繁（每年多于12次）			

5.	**Potato Chips (Crisps)**	✗	✓							
	旺仔小馒头Wangzai	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐
	品客Pringles	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐
	商好佳Oishi	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐
	麦香鸡Maixiangji	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐
	旺小小酥WangWang	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐
	乐事 Lay's	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐
	Other_____________	☐	☐	1	2	3	4	5		
6.	**Packaged Specialty Chocolate**	✗	✓							
	吉百利Cadbury	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐
	明治Meiji	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐
	费列罗Ferrero Rocher	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐
	德芙Dove	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐
	金帝Leconte	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐
	好时Hersheys	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐
	Other_____________	☐	☐	1	2	3	4	5		

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C			D	E		F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。			Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			1 Never 从不 2 Very infrequently (<1 X per year) 很少（每年少于1次） 3 Infrequently (1-6 X per year) 较少（每年1-6次） 4 Frequently (7-12 X per year) 经常（每年7-12次） 5 Very Frequently (>12 X per year) 非常频繁（每年多于12次）			

	X	✓						E		F
7. Perfume	×	✓								
兰蔻Lancome	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
香奈儿Chanel	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
古姿Gucci	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
高田览三Kenzo	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
迪奥Christian Dior	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
雅诗兰黛Estee Lauder	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
Other_____________	☐	☐	1	2	3	4	5			
8. Mobile Phomes	×	✓								
TCL	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
索尼爱立信Sony Ericsson	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
摩托罗拉Motorola	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
三星Anycall SamsungLG	☐	☐	1	2	3	4	5	家里人都喜欢它	☐	
联想Lenovo	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
诺奇亚Nokia	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
Other_____________	☐	☐	1	2	3	4	5			

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C			D	E		F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。			Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）		If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。			1 Never 从不 2 Very infrequently (<1 X per year) 很少（每年少于1次） 3 Infrequently (1-6 X per year) 较少（每年1-6次） 4 Frequently (7-12 X per year) 经常（每年7-12次） 5 Very Frequently (>12 X per year) 非常频繁（每年多于12次）			

		✗	✓								
9.	**Vegetable Oil**	✗	✓								
	鹰唛 Eagle	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
	金龙鱼 Arawana	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
	刀唛Knife	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
	鲁花玉米油Luhua	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
	福临门玉米油Fulan	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
	欧丽微兰橄榄油 Olivoila	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
	Other_______________	☐	☐	1	2	3	4	5			
10.	**Ice Cream Tubs**	✗	✓								
	明治雪糕Meiji	☐	☐	1	2	3	4	5	It is good value. 它物有所值	☐	
	阿波罗 Appolo	☐	☐	1	2	3	4	5	It is readily available 它很方便而且很容易买得到	☐	
	雀巢Nestle	☐	☐	1	2	3	4	5	It is of a consistent quality 它的质量得到保证	☐	
	蒙牛 Mengniu	☐	☐	1	2	3	4	5	Family members like it 家里人都喜欢它	☐	
	伊利 Yili	☐	☐	1	2	3	4	5	It makes me feel good 它令我感觉非常棒	☐	
	和路雪 Walls	☐	☐	1	2	3	4	5	My friends also buy it 我的朋友也买它	☐	
	Other_______________	☐	☐	1	2	3	4	5			

III. Relationship to Brands

Answer E and F for the brands you buy most often.

C	D	E	F
Specific Brands Put an '*X*' against all those brands you have bought at least once in the last two years. (You may select as many as necessary). 对于以下品牌产品当中，在过去二年中你至少购买过一次的请在左列方格内打'X'（如果有需要你可以多选）。	Using the scale below, please choose the number by placing a '✓' which best describes the frequency with which you buy (or patronize the venue) the MOST OFTEN purchased brand in each product category. 如下所示，根据您的购买频率请在下面你最经常购买的商品或最经常光顾的场地中选择，在对应的选项中打圆圈。	The main reason you buy the brand (or patronize the venue) ticked in 'C' most often is because (only tick one box). 在'C'栏中的商品或场所你最经常购买某个品牌或光顾或惠顾某个场地的最主要原因是什么？（只选择一个选项）	If the brand you wanted to buy was not available (or were not able to patronize a specific venue) which alternative brand (venue) would you buy (patronize)? 如果你想要购买的品牌暂时没有供应或你想光顾的场地暂时去不到，你会选择哪个另外的品牌或场地呢？（请逐格填写）
Place a '✓' by the one brand you buy **most often**. If this brand is not listed below, write the brand you buy most often beside "other". (Please check only ONE) 请在右列的方格内打勾选择你经常购买的产品（只能选一个）。如果你经常购买的产品名称不在示例里面，请在其他的位置上加以补充。	1 Never 从不 2 Very infrequently (<1 X per year) 很少（每年少于1次） 3 Infrequently (1-6 X per year) 较少（每年1-6次） 4 Frequently (7-12 X per year) 经常（每年7-12次） 5 Very Frequently (>12 X per year) 非常频繁（每年多于12次）		

11.	**Banks (including ATMs)**	×	✓								
	中国银行Bank of China	□	□	1	2	3	4	5	Value of the service is good. 它物有所值	□	
	中国工商银行ICBC	□	□	1	2	3	4	5	The venue is readily accessible. 它很方便而且很容易买得到	□	
	中国农业银行 Agricultural Bank	□	□	1	2	3	4	5	Service quality is consistent. 它的质量得到保证	□	
	中国交通银行Bank of Communications	□	□	1	2	3	4	5	Family members like the venue. 家里人都喜欢它	□	
	汇丰银行HSBC	□	□	1	2	3	4	5	The service makes me feel good. 它令我感觉非常棒	□	
	花旗银行Citibank	□	□	1	2	3	4	5	My friends also patronize it. 我的朋友也买它	□	
	Other______________	□	□	1	2	3	4	5			

12.	**Hypermarkets**	×	✓								
	百佳Park N Shop	□	□	1	2	3	4	5	Value of the service is good. 它物有所值	□	
	华联百货Hualian	□	□	1	2	3	4	5	The venue is readily accessible. 它很方便而且很容易买得到	□	
	佳乐福Carrefour	□	□	1	2	3	4	5	Service quality is consistent. 它的质量得到保证	□	
	百盛百货Parksons	□	□	1	2	3	4	5	Family members like the venue. 家里人都喜欢它	□	
	好友多Trustmart	□	□	1	2	3	4	5	The service makes me feel good. 它令我感觉非常棒	□	
	沃尔玛Walmart	□	□	1	2	3	4	5	My friends also patronize it. 我的朋友也买它	□	
	Other____________	□	□	1	2	3	4	5			

COO/COM 品牌之间的关系			From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。													
1.	**Household Cleaners 通用洗涤剂**															
	奇力洁洁厕剂 Cellit	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	威猛先生 Mr. Muscle	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	除菌全能清洁剂 Walex	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	可丽清洁厕液特强配方 Kiwi	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	滴露消毒药水 Dettol	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	碧丽珠木地板护理蜡 Pledge	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	其它Other__________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
2.	**Bottle Water 矿泉水或纯净水**															
	农夫泉水Nongfu	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	屈臣氏蒸馏水Watson's	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	依云泉水Evian	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	娃哈哈 泉水Wahaha	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	雀巢矿泉水Nestle	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	康师傅Kangshifu	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other___________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □

COO/COM 品牌之间的关系		From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。														
3.	Toothpaste 牙膏															
	狮王Lion Zact	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	中华Zhonghua	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	高露洁Colgate Total	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	黑妹Heimei	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	佳洁士Crest	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	田七 Tian Qi	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	Other_____________	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
4.	White Appliances 家用电器															
	TCL	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	海尔Haier	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	惠而浦 Whirlpool	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	三洋 Sanyo	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	三星Samsung	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	美的Midea	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
	Other_____________	**COO 起源地**	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐
		COM 产地	PRC 中国大陆 ☐	FIN 芬兰 ☐	FRA 法国 ☐	GER 德国 ☐	ITA 意大利 ☐	HK 中国香港 ☐	S. KOR 韩国 ☐	NETH 荷兰 ☐	JAP 日本 ☐	SUI 瑞士 ☐	SWE 瑞典 ☐	UK 英国 ☐	USA 美国 ☐	DK 不知道 ☐

	COO/COM 品牌之间的关系	From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。														
5.	Potato Chips 薯片(脆片)															
	旺仔小馒头Wangzai	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	品客Pringles	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	商好佳Oishi	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	麦香鸡Maixiangji	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	旺小小酥WangWang	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	乐事 Lay's	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other______________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	中国大陆 □	芬兰 □	法国 □	德国 □	意大利 □	中国香港 □	韩国 □	荷兰 □	日本 □	瑞士 □	瑞典 □	英国 □	美国 □	不知道 □
6.	Specialty Chocolates 盒装巧克力															
	吉百利Cadbury	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	明治Meiji	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	费列罗Ferrero Rocher	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	德芙Dove	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	金帝Leconte	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	好时Hersheys	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other______________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □

COO/COM 品牌之间的关系			From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。													
7.	Perfume 香水															
	兰蔻Lancome	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	香奈儿Chanel	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	古姿Gucci	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	高田览三Kenzo	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	迪奥Christian Dior	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	雅诗兰黛Estee Lauder	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other_____________	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
8.	Mobile Phones 移动电话（手提电话）															
	TCL	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	索尼爱立信Sony Ericsson	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	摩托罗拉Motorola	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	三星Anycall Samsung	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	联想Lenovo	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	诺奇亚Nokia	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other_____________	COO 起源地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S. KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □

COO/COM 品牌之间的关系			From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。													
9.	Cooking Oil 食油															
	鹰唛 Eagle	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	金龙鱼 Arawana	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	刀唛Knife	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	鲁花玉米油Luhua	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	福临门玉米油Fulan	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	欧丽微兰橄榄油 Olivoila	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other____________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
10.	Ice cream tubs 冰淇淋浴盆															
	明治雪糕Meiji	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	阿波罗 Appolo	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	雀巢Nestle	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	蒙牛 Mengniu	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	伊利 Yili	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	和路雪 Walls	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other____________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
		COM 产地	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □

COO/COM 品牌之间的关系		From which country does the brand originate? Where is the brand manufactured (products only)? Answer for all brands listed in 'C'. 如下所示，请选择以下商品的起源地或产地，在对应的选项中打勾。														
11.	Banks (ATMs) 银行（包括提款机）															
	中国农业银行 Agricultural Bank	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	汇丰银行HSBC	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	中国工商银行ICBC	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	花旗银行Citibank	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	中国银行Bank of China	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	中国交通银行Bank of Communications	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other____________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
12.	Hypermarkets/ Dept Stores 百货公司以及杂货店															
	百佳Park N Shop	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	华联百货Hualian	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	家乐福Carrefour	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	百盛百货Parksons	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	好又多Trustmart	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	沃尔玛Walmart	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □
	Other___________	**COO 起源地**	PRC 中国大陆 □	FIN 芬兰 □	FRA 法国 □	GER 德国 □	ITA 意大利 □	HK 中国香港 □	S.KOR 韩国 □	NETH 荷兰 □	JAP 日本 □	SUI 瑞士 □	SWE 瑞典 □	UK 英国 □	USA 美国 □	DK 不知道 □

IV. Demographic Profile

Please complete the following information about yourself: 请填写完整以下的个人信息

1. Sex 请问你的性别 M男 □ F女 □

2. Please indicate which age range you belong to: 请选择您的年龄段

<20 □ 20-29 □ 30-39 □ 40-49 □ 50-59 □ >59 □

3. How many members are there currently living in your household? 在您现在生活的家庭中有几个成员

1-2 □ 3-4 □ 5-6 □ >6 □

4 In which city do you currently reside? (Please indicate by ticking one only) 你现在居住在以下的哪个城市（只选择一个）

Beijing 北京人 □
Shanghai 上海人 □
Chongqing 重庆 □
Guangzhou 广州 □
Other其它: ________ □ (Please specify city （请注明具体)

5 In which city or province do you consider yourself to be an ethnic member of? (e.g. Beijing native, Guangdong native, Sichuan native, etc) 您原来是那个省份或城市的人？例如北京人、广东人等等）

____

6 How many trips have you taken outside of mainland China in the last 5 years? 在过去5年内您离开中国大陆的旅行一共有多少次？

0 □ 1-2 □ 3-4 □ 5-6 □ >6 □

7 Please indicate with a tick your highest educational attainment achieved 请说明您的最高学历

Elementary School 小学 □
Junior High School 初中 □
Senior High School 高中 □
Trade/Technical Diploma 职业技术中专 □
College Diploma/Certificate 大专 □
College/university Bachelor Degree 大学本科 □
Master's degree or above 硕士或以上 □

8 Please indicate the occupational category to which you belong. 请问你做哪一类的职业

Government/Military/Education 政府公务员 □
White collar - Management/Executive/Professional 白领人士 - 经理 □
White collar- Administration/Clerical 白领人士 - 办公室职员，行政人员 □
Tradesman, Labourer 蓝领人士-（工人） □
Self-Employed/Entrepreneur 自由职业者，老伴 □
Homemaker 家庭主妇 □
Student 学生 □
Not currently employed 没有工作 □
Other: (Please specify) 其他（请注明具体）: __________________

9 May I ask what your approximate monthly household income is 请问你们的家庭每个月的总收入是多少？

<1001RMB □
1001~3000 □
3001~5000 □
5001~7000 □
7001~9000 □
9001~11,000 □
11,000 □

10 For Quality Control Purposes may we contact you regarding your responses? 可以留下您的联系方式以便我们和您取得联系？

Name 姓名 __________________
Telephone Number 电话号码 __________________
Email Address 电子邮件 __________________

Thanks again for your valuable cooperation! 谢谢您的合作！

Appendix IX. Interview Guide for Marketing Experts

Based on your professional marketing-related experience please answer the following questions to the best of your knowledge.

1. General:
   1.1. Person interviewed 姓名:
   1.2. Title 职务:
   1.3. Organization 组织:
   1.4. City of residence:

2. General questions on Chinese consumer behavior: 关于一般中国人的消费者行为：
   2.1. Do Chinese consumers usually try to buy local brands if available? Probe: Why?中国的消费者是否会经常尝试购买本地的产品品牌？

   2.2. Do Chinese consumers try to buy foreign brands whenever possible? Probe: Why? 是不是中国消费者如果可以的话尽量选择外国品牌?

   2.3. Would Chinese consumers' prefer to buy a local brand if the quality, price, and service were considered to be equal? 如果中国消费者认为产品的质量,价格以及服务是一样的情况下，是否他们会宁愿买本地的产品品牌？

   2.4. Are Chinese consumers generally desirous of trying new brands (regardless whether foreign or local) whenever possible? 是否无论任何时候中国的消费者都想渴望尝试新的品牌（不管外国的或国内的）？

   2.5. Are Chinese consumers slow to accepting new products or brand variants? 是否中国消费者接受各种各样的新产品或新品牌的速度很慢？

2.6. Are Chinese consumers loyal to the stores they shop? For example, would they shop for groceries in more than three different stores in a month? Probe: How about for clothing, daily use, or personal care products? 是否中国的消费者会忠诚于他们经常去的商店购物？例如：他们是否最在一个月之内回去三。如果是服装，日用品，个人用的商品呢？

2.7. If Chinese consumers' favorite brand is unavailable in a store will they purchase a substitute brand? Are there any categories that they will not substitute? 如果中国消费者所喜爱的产品品牌没有得供应，是否他们会购买代替品？

2.8. Will Chinese consumers pay a price premium (e.g. 20% or more) for good customer service? 中国消费者是否愿意为了商店较好的服务质量而在同等商品/品牌上花费更多金钱（甚至价格可能会多付 20%或者更多）？

2.9. Do Chinese consumers generally have a clear idea as to the type of brand they will buy before they get to the shopping venue? 是否中国消费者去商店购物都是有很清晰的目的地去购买产品品牌？

2.10. Are Chinese consumers attracted to consumer loyalty programs in China? 是否中国消费者都会被商店的会员优惠制度所吸引？

3. General questions on differences in regional consumer behavior：关于中国不同地区消费者行为差别：

3.1. What observations have you made with respect to differences in consumer or buying behavior among people from Beijing, Guangzhou, Shanghai, and Chongqing?
你观察到关于中国东，南，西，和 北部的消费者的消费者行为或买行为之间有什么差别？

3.2. Would you consider consumers in Chongqing and Beijing to be more similar to each other than consumers from Beijing and rural Hebei? 重庆和北京的消费者的消费者行为与北京和河北省内其它农村地区消费者的行为相比，你是否认为前者更相近？

3.3. Would you consider urban consumers in Guangzhou and Shanghai to be more similar to each other than consumers are between Guangzhou and rural Guangdong? 广州和上海的消费者的消费者行为与广州和广东省内其它农村地区消费者的行为相比，你是否认为前者更相近？

3.4. Are there any differences in marketing strategies to attracting consumers with respect to the four key cities in China? If so, can you give an example? (Probe: Any others e.g. related to pricing, product selection, packaging, marketing communication, marketing channels, target market) 对于中国不同地区的市场是否有不同的市场策略？（价格策略，销售渠道，产品包装风格，市场推广，产品选择，目标市场选择，等）

3.5. What is the single biggest difference in targeting consumers from the four key cities in China? 在中国不同地区目标消费者之间所存在的最大差异是什么？

Appendix X. Summary of statistical tools used in data analyses

A10. 1 T-test

The *t-test* was used in testing various hypotheses in the study. The *t-test* was implemented as a tool to analyze the hypothesis testing related to differences (Malhotra, 2007). It an appropriate testing where the assumption of an unknown standard deviation applies (Malhotra, 2007). The significance of each hypothesis is calculated by using the *t-distribution* tables.

$$t = \frac{(\overline{X} - \mu)}{S_{\bar{x}}}$$

where

$$S_{\bar{x}} = \frac{s}{\sqrt{n}}$$

A10.2 Z-test

The *z-test* is the standard normal if the samples both contain at least 30 observations so that we can assume the sample means follow a normal distribution and the population standard deviations are unknown. In our cases the samples are from independent populations (Lind *et al*, 2004). This test statistic is particularly appropriate for our analyses of differences in proportions between specific samples such as between the proportion of consumers correct regarding brand origin and country of manufacture.

$$z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

A10.3 Analysis of variance (ANOVA)

The *F*-distribution is used as the test statistic for several situations, among them, to test whether two samples are from populations having equal variances, and it is also applied when we want to compare several population means simultaneously. The simultaneous comparison of several population means is called analysis of variance (ANOVA) (Lind *et al*, 2004, p.343). This is appropriate to our context because we are testing multiple population means between key cities in China, populations are assumed normal, the variance of the response variable is the same for all populations, the populations are independent, and our data are interval scaled. Anderson *et al* (2008) noted that if the sample sizes are equal, analysis of variance is not sensitive to departures from the assumption of normally distributed populations. In our survey, samples sizes were all approximately 100 in each region studied.

The null hypothesis (H_0) for ANOVA typically is that all means are equal between the populations or in the other words $H_0 : \mu_1 = \mu_2 = \mu_3 = \ldots = \mu_c$ (Malhotra, 2007). We recognize that if H_0 is rejected, we cannot conclude that all population means are different. Rejecting H_0 means that at least two population means have different values. While we test all means in the first GRQ#1 we test pairs of means in GRQ#2.

Another reason for using ANOVAs is that such tests are more efficient than using *t-tests* because there would need to be six tests done for each general statement in the survey. This would also increase the potential sampling (Type I) error because for example the probability of not making an error in one test is 95% at a 5% significance level but with six tests the probability reduces to P(All Correct=(0.95)6 =0.735. In other words the probability of making at least one error using *t-tests* would be 26.5% (1 - 0.735) (Lind et al, 2004).

This paper uses primarily one-way ANOVA for testing significances but employs two-way ANOVA tests to determine particularly the possible interaction effects between income and ethnicity. Such testing allows us to justify, or not, the analysis of the main effects (i.e. ethnicity on purchasing intentions)

$$\eta^2 = \frac{\mathrm{SS}_{\mathrm{between}}}{\mathrm{SS}_{\mathrm{within}}}$$

Measures of eta are taken to determine the significance of ANOVAs.

A10.4 Fisher's Least Square Difference

We use ANOVA to determine if differences in means of populations are equal but where we find we can reject the null hypothesis of equality we cannot immediately identify where the differences occur. To address this question we can use Fisher's Least Square Difference (LSD) which is a multiple comparison procedure that can be used to conveniently conduct comparisons between pairs of populations (Anderson, *et al* 2008). In particular the method allows us to establish how large the difference between sample means must be to reject H_0. In our study, since the sample sizes differ slightly we needed to develop a range of LSDs in order to accurately determine which pair-wise mean differences were significant (see Anderson *et al*, 2008).

Fisher's LSD Procedure Based on the Test Statistic $\bar{x}_i - \bar{x}_j$

$$H_0 : \mu_i = \mu_j$$

$$H_A : \mu_i \neq \mu_j$$

$$\text{Reject } H_0 \text{ if } \left|\bar{x}_i - \bar{x}_j\right| \geq \mathrm{LSD}$$

$$where\ \ \mathrm{LSD} = t_{\alpha/2}\sqrt{\mathrm{MSE}}\left(\frac{1}{n_i} + \frac{1}{n_j}\right)$$

A10.5 Reliability analysis: Cronbach's Alpha - An Index of Reliability

The coefficient alpha or Cronbach's alpha is the average of all possible split half coefficients resulting from different ways of splitting the scale items. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct" (Hatcher, 1994).

The alpha coefficient ranges in value from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multi-point formatted questionnaires or scales (i.e., rating scale: 1 = poor, 5 = excellent). The higher the score, the more reliable the generated scale is. In order to show good reliability of the scale, a score of 0.6 or higher in Cronbach's alpha should be reached. According to Malhotra (2007) an alpha above 0.6 indicates satisfactory internal reliability. Nunnaly (1978) and Lin and Chen (2006), among others, have indicated 0.7 to be an acceptable reliability coefficient but lower thresholds are sometimes used in the literature. If a value is larger than 0.70, it shows that reliability of measurement is fairly high.

This important relation states a clear meaning for α as n/(n-1) times the ratio of inter-item covariance to total variance. The multiplier n/(n-1) allows for the proportion of variance in any item which is due to the same elements as the covariance (Cronbach, 1951, p. 305).

$$\alpha = \frac{n}{n-1}\frac{\sum_i \sum_j C_{ij}}{V_t};\; i, j = 1, 2, \ldots n; i \neq j).$$

Where C_{ij} is the covariance of two items *i* and *j*. V_t is variance of the total test. *n* is the number of items *i* and *j.*

A10.6 Distribution Frequency

Distribution frequencies were made for the general purchasing statements. Distribution frequencies help determine the shape of the empirical distribution of variables which occurs during the process of data collection (Malhotra, 2007).

A10.7 Cross-Tabulation

Cross-tabulation was used to measure the strength of association between demographic factors and related variables to current attitudes of existing users based on the survey questionnaires. The significance of cross-tabulation is calculated by using Chi-Square tables to justify the hypotheses examined in this thesis (Anderson *et al*, 2008; Malhotra, 2007). Therefore, the strength of any association between each variable can be statistically determined from data collection that has been conducted. Chi-Square analysis is used to assess the presence of a significant Boolean relationship in a cross-tabulation table (Burns and Bush, 2005). The Chi-Test formula is given below with degrees of freedom equal to the product of (r-1) and (c-1).

$$\chi^2 = \sum_{i=1}^{k} \frac{O_i - E_i}{E_i}$$

where O_i and E_i are observed values and derived expected values respectively.

A10.8 Cramer's *V*

To measure the correlations involving nominal data we used Cramer's *V*, which is used as a measure of association in nonparametric statistical tests where data is in nominal form (Cooper and Schindler, 2006). Cramer's *V* is used in contingency tables of size greater than 2x2. A large value of *V* indicates a higher degree of association but does not indicate how the variables are associated (Malhotra, 2007).

Cramer's *V* is typically used with Chi-Square analysis to measure the strength of association between variables determined to be statistically significantly. Cramer's *V* essentially measures the proportion of observed departure from independence from the maximum departure of independence (Cooper and Schindler, 2006). The calculation is as follows:

$$V = \sqrt{\frac{\frac{\chi^2}{n}}{\min(r-1),(c-1)}}$$

where the denominator is the smaller of the value of $(r - 1)$ and $(c - 1)$.

A10.9 Coefficients of Correlation

For interval data used in the study, primarily to measure correlations between ethnicity and the purchasing intentions statements the product moment correlation coefficient was determined. This coefficient of correlation, often named after its originator Karl Pearson, describes the strength of the linear relationship between two sets of interval-scaled or ratio-scaled variables. The Pearson correlation coefficient varies over a range of -1.0 or +1.0 and indicates that the association will range from perfect negative or perfect positive correlation respectively. If the correlation coefficient is near zero there is considered to be little or no correlation between the variables. (Cooper and Schindler, 2006)

$$r = \frac{\sum(X-\overline{X})(Y-\overline{Y})}{(n-1)s_x s_y}$$

where n = the number of pairs of cases

$s_x s_y$ = the standard deviations of X and Y

To test the significance of the correlation (Ho: ρ=0) a *t-test* was used in significance testing with n-2 degrees of freedom (see Cooper and Schindler, p.584-585).

$$t = \frac{r}{\sqrt{\frac{1-r^2}{n-2}}}$$

A10.10 Kendall's Tau-b

To measure correlations involving other demographic variables, aside from ethnicity, and respondents' measures of agreement to the purchasing intent statements we used Kendall's tau-b, which is used between variables generating ordinal data (Cooper and Schindler, 2006; Malhotra, 2007). We may have used Spearman's ρ, but anticipated a number of ties in the data. As Malhotra (2007) points out when data contains a large number of tied ranks, Kendall's tau seems more appropriate.

$$\tau_b = \frac{P-Q}{\sqrt{\left(\frac{(n(n-1)}{2}-T_x\right)\left(\frac{(n(n-1)}{2}-T_y\right)}}$$

Where

T_x is the total pairs of ties on the column variable

T_y is the total pairs of ties on the row variable

P and Q are the numbers of concordant and discordant pairs respectively

Appendix XI. Summary of General Research Questions, Objectives, and Propositions

The main general research questions (GRQs), research objectives (RO) and general research propositions (GRPs)of the study are as follows:[1]

General Research Questions	Research Objectives	General Research Proposition
1.0: Are there differences in purchasing intentions among ethnic consumers in key cities in China?	1.0: To determine whether purchasing intentions are different among ethnic consumers from four key cities.	1.0: Purchasing intentions are the same among ethnic consumers in the four key cities studied.
	1.1: To determine if consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions.	1.1: Consumers from key cities exhibit similar levels of "conservatism" in their purchasing intentions.
	1.1.1: To determine if ethnocentrism tendencies in purchasing intentions are similar among consumers from key cities.	1.1.1: Ethnocentrism tendencies in purchasing intentions are similar among consumers from key cities.
	1.1.2: To determine if the intentions to try new products are similar among consumers from key cities.	1.1.2: The intentions to try new products are similar among consumers from key cities.
	1.1.3: To determine if the extent of store loyalties is similar among consumers from key cities.	1.1.3: The extent of store loyalties is similar among consumers from key cities.
	1.1.4: To determine if the extent of brand loyalty is similar among consumers from key cities.	1.1.4: The extent of brand loyalty is similar among consumers from key cities.
	1.1.5: To determine if friends' impact on purchasing intentions is similar among consumers from key cities.	1.1.5: Friends' impact on purchasing intentions is similar among consumers from key cities.
	1.2.0: To determine whether situational influencers such as offering a store membership or allowing paying using credit cards are important in choosing a shopping venue.	1.2.0: Store membership or loyalty programs are not an important consideration in store choice among Chinese consumers.

The main general research questions (GRQs), research objectives (RO) and general research propositions (GRPs)of the study are as follows:[1]		
General Research Questions	**Research Objectives**	**General Research Proposition**
	1.2.1: To determine if having a credit payment option is important in store choice among consumers from key cities.	1.2.1: Having a credit card payment option is not an important consideration in store choice among Chinese consumers from key cities.
	1.2.2: To determine if consumers from the key cities are similar in their intention to shop at a store because they can pay with a credit card.	1.2.2: Chinese consumers from key cities are similar in their intention to shop at a store because they can pay with a credit card.
	1.2.3: To determine if having a store membership is important in choosing a shopping venue among consumers from key cities.	1.2.3: Having a store membership is important in choosing a shopping venue among Chinese consumers from key cities.
	1.2.4: To determine if the importance of store membership to shopping venue selection is similar among Chinese consumer from key cities.	1.2.4: The importance of store membership to shopping venue selection is similar among Chinese consumer from key cities.
	1.2.5: To determine if consumers from the key cities are similar in often using a store discount or membership card when shopping.	1.2.5: Consumers from the key cities are similar in often using a store discount or membership card when shopping.
	1.3.0: To determine if consumers from the four key cities are similar in the extent they frequently find price differences on the same brands in different stores.	1.3.0: The extent that consumers from the four key cities frequently finding price differences on the same brands in different stores is similar.
	1.4.0: To determine if consumers have similar *a priori* brand purchase intent.	1.4.0: Chinese consumers are similar in the extent they have *a priori* brand purchasing intentions.
	1.5.0: To determine if Chinese are willing to pay more for better service.	1.5.0: Chinese are willing to pay more for service.
	1.5.1: To determine if the willingness to pay more for service is similar among Chinese consumers from key	1.5.1: Chinese consumers from key cities are similar in the extent they are willing to pay more for better

The main general research questions (GRQs), research objectives (RO) and general research propositions (GRPs)of the study are as follows:[1]		
General Research Questions	**Research Objectives**	**General Research Proposition**
	cities.	service.
	1.6.0: To determine if product category purchase frequency is influenced by ethnicity of consumers in key cities.	1.6.0: Product category purchase frequency is influenced by ethnicity of consumers in key cities.
	1.7.0: To determine if differences in purchasing intentions, if any, among consumers in key Chinese cities are related to income differences.	1.7.0: Differences in purchasing intentions, if any, among consumers from key Chinese cities are due to income differences.
2.0: Are particular brand choices related to ethnicity among consumers in key cities in China?	2.0: To determine whether consumers have differences in specific brand purchase intent when shopping.	2.0: Specific brand intentions are influenced by ethnicity in key Chinese cities.
	2.1: To determine if the composition of brand repertoire is similar among ethnic consumers in key Chinese cities within the 12 product categories studied.	2.1: The composition of brand repertoires is different among ethnic consumers in key Chinese cities within the 12 product categories studied.
	2.2: To identify whether specific brand choices among the 12 product categories studied are similar among ethnic consumers in key Chinese cities.	2.2: Specific brand choices among the 12 product categories studied are different among ethnic consumers in key Chinese cities.
3.0: Are the reasons given for the purchase of favorite brands influenced by ethnicity of consumers in key Chinese cities?	3.0: To determine whether the reasons for purchasing favorite brands is influenced by ethnicity.	3.0: The main reason for purchasing favorite brands is the same among Chinese consumers from the four key cities.
4.0: Is actual purchase frequency of favorite brand influenced by ethnicity among consumers in key cities in China?	4.0: To determine if actual purchase frequency of their favorite brands is influenced by ethnicity	4.0: The frequency of making purchases in influenced by ethnicity in China.

The main general research questions (GRQs), research objectives (RO) and general research propositions (GRPs)of the study are as follows:[1]		
General Research Questions	**Research Objectives**	**General Research Proposition**
5.0: What influences, if any, does a brand's country of origin have on purchasing intention of consumers in key Chinese cities?	5.0: To determine the extent that country of origin influences purchasing intentions among consumers from four key cities in China.	5.0: Country of origin is an important factor in the purchasing decisions of ethnic consumers.
	5.1: To determine if the importance of country of origin to purchasing intentions is influenced by product category.	5.1: The extent of influence of country of origin on purchasing intentions is related to product category.
	5.2: To determine if country-of-origin influences are the same among consumers from four key cities in China.	5.2: Country-of-origin influences are the same among consumers from the key cities.
	5.3.0: To determine the extent that Chinese consumers are able to determine the country of origin for brands in a variety of product classes.	5.3.0: Chinese consumers are knowledgeable about the country of origin for brands in a variety of product classes.
	5.3.1: To determine if consumers are similar in their knowledge of their favorite brands’ country of origin.	5.3.1: Consumers are similar in their knowledge of their favorite brands' country of origin.
	5.4.0: To determine if urban Chinese consumers are knowledgeable about the country of manufacture of their favorite brands.	5.4.0 Chinese consumers are not able to determine the country of manufacture of their favorite brands.
	5.4.1: To determine if consumers are similar in their knowledge of country of manufacture.	5.4.1: Consumers are similar in their knowledge of their favorite brands' country of manufacture.
	5.4.2: To determine if consumers are more knowledgeable of the country of manufacture than country of origin.	5.4.2: Consumers are more knowledgeable of the country of manufacture than country of origin.

[1] Additional Specific Research Questions (SRQs) were drawn from the GRQs in order to provide further depth to the analysis. See the research questions outlined in Chapter 6.

Appendix XII. Summary of selected studies on country of origin effects on consumer behavior

Study(Year)	Country	Findings
Gaedeke (1973)	Finland	Finnish consumers rated foreign products lower than domestic products because they are loyal and proud of the Finnish people.
Darling and Kraft (1977),	United States	US consumers tend to rate domestic products higher because of patriotism.
Nederlanse Stichting voor Statistics (1983)	Netherlands	Dutch and Japanese consumers preferred products that are made in their own countries.
Wall, Heslop and Hofstra (1988)	Canada	Canadian consumers are willing to purchase Canadian products which are equal to foreign products even though the price is higher for Canadian products.
Roth and Romeo (1992)	Ireland, Mexico	The image of country of origin is related to product category dimensions.
Ettenson (1993)	Russia, Poland, Hungary	Country of origin has differential influence, brand name plays a lesser role, and interaction of country of origin and brand name has a minor role.
Papadopoulos and Heslop (1993)	The Netherlands, France, Germany, Greece, Hungary. Canada and The UK	Western and eastern consumers have strong and positive attitudes about Japanese products. Western products are not viewed the same way.
Ger, Belk, and Lascu (1993)	Romania, Turkey	A western product’s origin has a substantial positive effect on brand attitudes.
Levin (1993) and Bos (1994)	Mexico	Mexicans are obsessed with American products and Mexicans have a poor perception of domestic goods.
Johansson, Ronkainen and Czinkota (1994)	Russia	Country of origin and risk attitude influence product evaluation.
Maheraswan (1994)	Various	Observed that the degree of the COO effect is negatively correlated with a consumer's familiarity with the product and its country of origin.
Li and Wyer(1994)	Various	Consumers with high levels of involvement are more willing to search for country of origin information.
Jaff and Martinez (1995)	India	Indian consumers are highly willing to purchase UK products rather than Taiwanese products.
Ettenson (1996), Papadopoulos, Heslop, Beracs(1990)	France, Netherlands, Germany, Greece	Consumers in France, the Netherlands, Germany, and Greece have strong and positive attitudes toward Japanese products. Western products are not viewed the same way.

Study(Year)	Country	Findings
Jordan (1996)	Central/Eastern Europe	Consumers in the former socialist countries of eastern and central Europe prefer Western to domestic products.
Bhuian (1997)	Saudi Arabia	Consumers had more positive evaluations of products from the USA, Japan, Germany, Italy, the UK and France.
Siu and Chan (1997)	Hong Kong	Found that in a study of Hong Kong consumers that American products were regarded as prestigious, Japanese products as innovative, and Chinese products as cheap.
Klein, Ettenson, and Morris (1998)	China	Chinese consumers' willingness to buy Japanese products is affected by the economic and military rivalry between the two nations.
Wang (2003)	China and others	When evaluating a country's image in terms of brand origin, Chinese consumers had a favorable image of the US and an unfavorable image of China.
Zhou, Lianxi and Hui, Michael K. (2003)	China	Symbolic effects related to COO on inconspicuous products such as Canadian sausage are still significant and outweigh utilitarian attributes even related to such low involvement products.
Balestrini and Gamble (2006)	China	Chinese consumers are more likely to use extrinsic cues than intrinsic cues to evaluate wine quality. When purchasing wine, COO information is a significantly more important cue than price for Chinese consumers as a quality cue.
Kwok, Uncles and Huang (2006)	China	Traditionally, Chinese consumers have a strong preference for foreign products. However, recently, Chinese consumers in general prefer local products over comparable foreign products; yet, this preference relates more to stated intention than actual behavior.
Lin and Chen (2006)	Taiwan	Country-of-origin image in Taiwan has a significantly positive influence on consumer purchase decision under different product-involvement levels.
Liu, Murphy, Li & Liu (2006)	China	Identifying the brand's country of origin may induce Chinese consumers with relatively lower levels of ethnocentrism but only when there is a favorable consumer image of the COO.
Peng and Zou (2007)	China	Multicultural competence, measured by need for cognitive closure (NFCC) moderates brand-of-origin effect. But this depends on consumer's NFCC – country brand is more influential for those with low multicultural competencies when they make product brand evaluations while for those with low NFCC, COO had no significant impact on product quality judgment.
Chan, Cui, and Zhou (2009)	China	Found that purchase and ownership of foreign brands in both consumable and durable goods vary greatly across geographic markets and product categories.

Sources: Compiled from authors indicated.

Appendix XIII. Summary of selected studies on consumer ethnocentrism

Source	Country	Respondent	Mean	SD
Saffu and Walker (2005)	Russia	General Population	53.45	NA
	Canada	General Population	48.61	NA
Watson and Wright (2000)	New Zealand	General Population	62.21	25.79
Hult et al. (1999)	USA	Students	61.50	19.3
	Japan	General Population	40.10	17.3
	Sweden	General Population and students	38.40	18.5
Steenkamp and Baumgartner (1998)	Belgium	General Population	28.70	9.21
Acharya (1998)	Great Britain	General Population	30.29	9.47
	Greece	General Population	37.84	7.39
	Australia	General Population	61.68	NA
Caruana (1996)	Malta	General Population	56.80	NA
Sharma et al. (1995)	Korea	General Population	85.07	NA
Good and Huddleston (1995)	Poland	General Population	69.19	NA
	Russia	General Population	51.68	NA
Shimp and Sharma (1987)	USA	Students	51.92	16.37
	Detroit	General Population	68.58	25.96
	Carolinas	General Population	61.28	24.41
	Denver	General Population	57.84	26.10
	Los Angeles	General Population	56.62	26.37

Sources: Compiled from authors indicated.

Appendix XIV. Brand Choice - Other brands listing by category (for brands with multiple mentions only)

Category Brand	Beijing	Shanghai	Chongqing	Guangzhou
Household Cleaner				
Baimao	0	10	14	5
84	5	5	0	0
Gaofuli	0	0	0	20
Qiaoshou	3	0	0	0
Qiqiang	3	0	1	0
Taiji	2	0	0	0
Anli	2	5	5	0
Libai	0	0	10	12
Tianli	0	0	0	15
Bottled Water				
Meilianda	1	2	0	0
Lebaishui	3	0	0	0
Jiebao	2	0	3	2
Huiyongguozhi	2	0	0	0
bingchunshui	2	0	0	0
Tongyi	3	1	3	
Yibao	1	0	1	23
Zhenguanhe	0	6	0	0
Bingdianshui	0	0	18	0
Yulu	0	2	0	0
Qingzhilu	0	2	0	0
Daxiage	0	0	0	8
Fudi	0	0	0	9
Dingfushen	0	0	0	2
Rizhucun	0	0	0	3
Toothpaste				
Yunnan	1	0	2	0
Zhuyan	3	0	0	1

Category Brand	Beijing	Shanghai	Chongqing	Guangzhou
Lengshan	2	0	15	0
Heiren	3	19	9	14
Liubizhi	3	0	0	0
Lantian	1	0	0	2
Anli	0	3	0	0
White appliances				
Ximenzi	2	5	2	0
Feilipu	2	2	0	0
Sony	0	4	3	0
Rili	0	2	1	0
Songxia	0	12	3	2
Geli	0	0	3	1
Dongzhi	5	0	0	0
Changhong	0	0	16	0
Xiaotian	0	0	4	0
Rongshide	0	0	5	0
Potato Chips				
Kebike	2	4	2	1
Qiduo	0	3	0	0
Letian	0	0	0	2
Zhenzhen	0	0	0	4
Specialty Chocolates				
Yikoulian	6	1	0	6
Meijue	0	4	0	0
Youhao	0	4	0	0
Perfume				
Lucha	3	0	0	0
Gulong	2	0	2	3
Addidas	0	6	0	0
Tommy	0	2	2	0
Mobile Phones				
Zhongdian	3	0	0	0

Category Brand	Beijing	Shanghai	Chongqing	Guangzhou
Tianyu	2	0	3	0
Sony	1	1	0	0
Xiaxin	0	1	3	0
Apple	0	2	0	0
Lianxing	0	0	5	0
Cooking Oil				
Duoli	6	0	1	7
Haishi	0	6	0	0
Hongqingting	0	0	34	0
Caiyou	0	0	2	0
Huoqi	0	0	0	2
Hujichun	0	0	0	4
Ice Cream Tubs				
Haagen-Dazs	1	3	0	3
Hongbaobai	4	0	0	0
Guangming	0	3	0	0
Wuyong	0	0	0	11
Banks (ATMs)				
China Construction	4	6	25	0
Beijing	3	0	0	0
Minsheng	2	3	0	0
Pufa	0	6	0	0
Shanghai	0	3	0	0
Zhaoshang	0	7	1	0
Zhongxin	0	2	0	0
Youzheng	0	0	10	0
Hypermarket/ Department Stores				
Meilian	5	0	0	0
Zhongyou	2	0	0	0
Cuiwei	2	0	0	0
Xinhua	4	0	0	0
Jingkelong	4	0	0	0

Category Brand	Beijing	Shanghai	Chongqing	Guangzhou
Xinshijie	3	0	0	0
Taipingyang	1	0	8	0
Wumei	6	0	0	0
Jiadeli	0	4	0	0
Legou	0	12	0	0
Maidelong	0	4	0	0
Darunfa	0	3	0	0
Yiculian	0	7	0	0
Nonggong	0	3	0	0
Yimaide	0	5	0	0
Haode	0	8	0	0
Xinshijie	0	0	0	42
Chongqing	0	0	0	22
Yonghui	0	0	0	13
Congle	0	0	0	7
Dongshen	0	0	0	2
Guanghai	0	0	0	6
Xinda	0	0	0	4
Huarun	0	0	0	2

Appendix XV. Unique Promotional Approaches in China.

This appendix identifies some unique promotional approaches used in China. It is not an exhaustive or comprehensive list but serves to give the reader some idea of the creative marketing communications utilized by companies in China.

Experience Marketing in China. Ding (2008) observed that *experience marketing* is being increasingly used as a promotional approach in China. According to David Rich, an expert in a leading international experience marketing consultancy, experience marketing is "multidirectional dialogue through which customers could find the event relevant to themselves, as they can co-author the event and play some part in it" (Ding, 2008).   In China, Lenovo, a PC maker, has spent ¥10 million to develop a ‘grand experience center designed to showcase Lenovo's history, culture, and a series of its existing and concept high-tech products (Ding, 2008). It is felt that with increasing wealth and abundant goods available, traditional marketing skills such as sales discounts, promotions, public relations, and advertising are not playing a dominant role in affecting purchase decisions any more (Ding, 2008). Other mass branders such as Sony with its Sony Exploration Science Center, IKEA with its higher price and DIY has a "uniquely relaxing, entertaining, and purchase-provoking atmosphere" (Ding, 2008).

Taxi. One relatively unique method of marketing communication seen in China but not normally seen in North America is the televisions in taxis that play a variety of advertisements for different companies. The television screens can be found on the back of the front passenger seat, and are mostly seen in larger Chinese cities. Some screens use touch technology to switch between advertisements, and even allow for participation in surveys for certain companies to gain customer information.   With little to do during the cab ride it easy for ads to grab a potential customer’s attention in short clips promoting their brand or product (Bandurka *et al*, 2010; Sponaugle *et al*, 2010).   This is a great way to take advantage of the fact that while people ride in cab they may feel bored and allows the passenger to become more involved in the message (Byansi *et al*, 2010).

Some experts in China predict companies will take their advertising money out of traditional TV commercials and direct their spending to website advertisements or they will abandon a newspaper ad campaign to spend on targeted text ads on mobile phones (Yu, 2009). In Beijing, Shanghai, Guangzhou and Shenzhen there are more than 10 million taxi passengers a day and about 89 percent of those passengers are interested in their backseat screens (Yu, 2009).

Video billboards and laser projection. One relatively unique method of marketing communications in China is the use of video billboards. These are used on high-rise residential complexes, shopping centers, streets, boats, etc.. These billboards are visible from a distance and are designed to be eye-catching so passersby will notice them. There is noticeably less of this method of advertising in Canada (Bradley and Lu Qiu, 2009).   The advantage of such billboards are that screens are large and can be seen by significant numbers of viewers and companies can use this space as often or as little as they deem necessary, and it adds variety for frequent viewers of the ad space (Bandurka *et al*, 2010) and also allows for more efficient use of space (Kay and Sang, 2009). The billboards are located on main highways and in very dense areas where there is high traffic of people and cars. Many of the signs are located on rural land displaying large slogans and advertisements.

Similar in purpose, a related form of advertising is the use of large-scale laser projection on high-rises and many buildings which show advertisements and have rotating messages projected on buildings throughout cities (Sponaugle *et al*, 2010). Another unique way of marketing is displaying advertisements onto residential houses. These approaches can be very effective methods of reaching a large volume of potential consumers (Pickard and Li, 2009).

Hedge cut-outs. Hedge cut-outs of brand names and other animate and inanimate objects often of sophisticated designs are increasingly being used in China. Many examples could be found during the 2010 Shanghai World Expo with hedge displays of life-sized Expo characters which created visually dynamic displays. Viewers were frequently seen taking pictures with the displays and creating memories, not only gaining awareness (Sponaugle *et al*, 2010).

Advertisements on kiosk frames. In shopping malls there is an effective use of marketing space by using the tops of kiosks. Marketers are taking full advantage of the limited space that is available. In shopping malls when customers ride the escalators or stand at higher levels they are able to see the promotional messages and are tempted to then visit that kiosk (Perrin and Gong, 2010; Cook and Leung, 2010).

Scrolling advertisements at bus stops. Many bus stop shelters have been designed to accommodate scrolling advertisement on the rear-facing walls. These advertisements are seen by transit users and others. Such advertisements are suited for low-involvement products like shampoos and toothpaste (Tyler Higginson *et al*, 2010).

Street Pamphleteering. Pamphleteers not only hand out promotional flyers but will actually take potential customers to where the products are sold. There is an extremely high volume of these pamphleteers in China. Although there is some pamphleteering done in Canada, for example, it is not as common nor would such promoters ever escort you to their place of business. Such tactics are often used for counterfeit merchandise (Zhao and Kenny, 2009). Those handing out flyers also tend to use verbal communication to tell people what the flyer is for and that it is something potential customers can hold on to and refer back to when there is a more appropriate time for them (Bandurka *et al*, 2010). Flyers are handed out on streets during day and night. This marketing method gains a great deal of attention; however, it can often create information overload and discourage the consumer from trying the product or entering the store (Kay and Sang, 2009).

Recorded advertising. In retail setting sales people record sales promotions and prices of their products then use loud speakers to repeatedly play the promotional message. The store is trying to gain attention in the crowd where the competition is quite strong and intense (Dai and Eubank, 2009).

Distribution of shopping discount cards. Handing out free promotional discount cards is popular in China. Cards come with various percentage discounts and are available to any holder of the card upon presentation in the store (Heppell and Ma, 2009).

Promotions in shopping malls. In China companies often put on shows in shopping malls or set up booths in front of stores to showcase their products. This marketing method rarely occurs in North America but can be an effective way to gain people's attention, provide samples, and show consumers how their product works (Kay and Sang, 2009). Live performances in front of stores can create a carnival atmosphere and thereby generate excitement and buzz around the store's products (Chen and Diubaldo, 2009). At the same time, event coordinators usually have teams of staff explaining and showing the functionality of their products to potential consumers (Galvin and Li, 2009).

SMS ads. Short Message System (SMS) advertising already has broad use in China. Cell phones frequently receive free short messages regarding apartment's promotions, discount air tickets, and the like (Chen and Diubaldo, 2009).

Appendix XVI. Online Survey

Survey on Consumer Brands ????????

1. 问卷介绍

我有一项调查研究,是关于中国消费者在中国购买产品的信息。请您帮我回答以下问题,以及你购买或者不买的原因。谢谢您的合作.

请你在下面的方块里点击打勾.

1. 请问你的性别?

- ○ 男
- ○ 女

2. 有多少人,目前住在你家里?

- ○ 1-2
- ○ 3-4
- ○ 5-6
- ○ >6

3. 你目前居住在哪个城市?

- ○ 北京
- ○ 上海
- ○ 成都
- ○ 广州

其他城市

4. 户口所在地: ————————

5. 你在两个星期之内是否会去逛一次商场或超市?

- ○ 是
- ○ 否

Survey on Consumer Brands ????????

2. 关于薯片

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	[illegible]	国际(欧美)	不确定
乐事	☐	☐	☐	☐	☐	☐
品客	☐	☐	☐	☐	☐	☐
可比克	☐	☐	☐	☐	☐	☐
上好佳	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐
太阳锅巴	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐
麦香鸡	☐	☐	☐	☐	☐	☐
薯乡	☐	☐	☐	☐	☐	☐
波卡	☐	☐	☐	☐	☐	☐
旺旺小小酥	☐	☐	☐	☐	☐	☐
旺仔小馒头	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人每个月至少买一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都要买它
乐事	☐	☐	☐	☐	☐	☐	☐
品客	☐	☐	☐	☐	☐	☐	☐
可比克	☐	☐	☐	☐	☐	☐	☐
上好佳	☐	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐	☐
太阳锅巴	☐	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐	☐
麦香鸡	☐	☐	☐	☐	☐	☐	☐
薯乡	☐	☐	☐	☐	☐	☐	☐
波卡	☐	☐	☐	☐	☐	☐	☐
旺旺小小酥	☐	☐	☐	☐	☐	☐	☐
旺仔小馒头	☐	☐	☐	☐	☐	☐	☐
[illegible]	☐	☐	☐	☐	☐	☐	☐

其它原因（请写下）

Survey on Consumer Brands ????????

3. 关于通用洗涤剂

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚洲地区	国际(欧美)	不确定
碧丽珠木地板护理蜡	☐	☐	☐	☐	☐	☐
威猛先生	☐	☐	☐	☐	☐	☐
龙安84消毒液	☐	☐	☐	☐	☐	☐
Soflx 清洁护理地板蜡	☐	☐	☐	☐	☐	☐
除菌全能清洁剂 Walex	☐	☐	☐	☐	☐	☐
斧头AXE 芦荟洗洁精	☐	☐	☐	☐	☐	☐
超力洗洁精剂	☐	☐	☐	☐	☐	☐
可丽洁洗洁精特强配方	☐	☐	☐	☐	☐	☐
开米洗洁精	☐	☐	☐	☐	☐	☐
滴露消毒药水	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人一年内购买过这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都有买它
碧丽珠木地板护理蜡	☐	☐	☐	☐	☐	☐	☐
威猛先生	☐	☐	☐	☐	☐	☐	☐
龙安84消毒液	☐	☐	☐	☐	☐	☐	☐
Soflx 清洁护理地板蜡	☐	☐	☐	☐	☐	☐	☐
除菌全能清洁剂 Walex	☐	☐	☐	☐	☐	☐	☐
斧头AXE 芦荟洗洁精	☐	☐	☐	☐	☐	☐	☐
超力洗洁精剂	☐	☐	☐	☐	☐	☐	☐
可丽洁洗洁精特强配方	☐	☐	☐	☐	☐	☐	☐
开米洗洁精	☐	☐	☐	☐	☐	☐	☐
滴露消毒药水	☐	☐	☐	☐	☐	☐	☐

其它原因买（请写下）

Survey on Consumer Brands ????????

4. 关于矿泉水或纯净水

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
农夫山泉						
屈臣氏蒸馏水Watson's						
依云矿泉水Evian						
富维克天然矿泉水Volvic						
娃哈哈矿泉水						
绿色阳光						
康师傅						
益力矿泉水						
怡宝						
景田						
雀巢矿泉水						
冰纯水Pepsi						
昆仑天然						

其他（请写下）

2. 我和我的家人每个月至少买一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	贵	贱	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都喜欢它
农夫山泉							
屈臣氏蒸馏水Watson's							
依云矿泉水Evian							
富维克天然矿泉水Volvic							
娃哈哈矿泉水							
绿色阳光							
康师傅							
益力矿泉水							
怡宝							
景田							
雀巢矿泉水							
冰纯水Pepsi							
昆仑天然							

其它原因买（请写下）

5. 关于食用油

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
金浩油	☐	☐	☐	☐	☐	☐
红花大豆油	☐	☐	☐	☐	☐	☐
鹏宝油	☐	☐	☐	☐	☐	☐
合佳一级油	☐	☐	☐	☐	☐	☐
金龙鱼	☐	☐	☐	☐	☐	☐
元宝牌	☐	☐	☐	☐	☐	☐
长寿花玉米油	☐	☐	☐	☐	☐	☐
鲁花玉米油	☐	☐	☐	☐	☐	☐
多力山茶葵花油	☐	☐	☐	☐	☐	☐
福临门玉米油	☐	☐	☐	☐	☐	☐
品利特级纯橄榄油	☐	☐	☐	☐	☐	☐
得尔乐山茶油Deerle Camilla	☐	☐	☐	☐	☐	☐
欧丽薇兰橄榄油Olivoila	☐	☐	☐	☐	☐	☐
卡拉佩利特级初榨橄榄油Carapelli	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人每六个月至少买一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都推荐它
金浩油	☐	☐	☐	☐	☐	☐	☐
红花大豆油	☐	☐	☐	☐	☐	☐	☐
鹏宝油	☐	☐	☐	☐	☐	☐	☐
合佳一级油	☐	☐	☐	☐	☐	☐	☐
金龙鱼	☐	☐	☐	☐	☐	☐	☐
元宝牌	☐	☐	☐	☐	☐	☐	☐
长寿花玉米油	☐	☐	☐	☐	☐	☐	☐
鲁花玉米油	☐	☐	☐	☐	☐	☐	☐
多力山茶葵花油	☐	☐	☐	☐	☐	☐	☐
福临门玉米油	☐	☐	☐	☐	☐	☐	☐
品利特级纯橄榄油	☐	☐	☐	☐	☐	☐	☐
得尔乐山茶油Deerle Camilla	☐	☐	☐	☐	☐	☐	☐
欧丽薇兰橄榄油Olivoila	☐	☐	☐	☐	☐	☐	☐
卡拉佩利特级初榨橄榄油Carapelli	☐	☐	☐	☐	☐	☐	☐

其它原因买（请写下）

Survey on Consumer Brands ????????

6. 关于牙膏

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
高露洁	☐	☐	☐	☐	☐	☐
黑人	☐	☐	☐	☐	☐	☐
中华	☐	☐	☐	☐	☐	☐
狮王	☐	☐	☐	☐	☐	☐
洁诺	☐	☐	☐	☐	☐	☐
科[illegible]	☐	☐	☐	☐	☐	☐
云南白药	☐	☐	☐	☐	☐	☐
玉[illegible]洁	☐	☐	☐	☐	☐	☐
黑妹	☐	☐	☐	☐	☐	☐
纳爱斯	☐	☐	☐	☐	☐	☐
竹盐	☐	☐	☐	☐	☐	☐
佳洁士	☐	☐	☐	☐	☐	☐
田七	☐	☐	☐	☐	☐	☐
冷酸灵	☐	☐	☐	☐	☐	☐
双[illegible]门	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人六个月内购买过一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都要买它
高露洁	☐	☐	☐	☐	☐	☐	☐
黑人	☐	☐	☐	☐	☐	☐	☐
中华	☐	☐	☐	☐	☐	☐	☐
狮王	☐	☐	☐	☐	☐	☐	☐
洁诺	☐	☐	☐	☐	☐	☐	☐
玉[illegible]洁	☐	☐	☐	☐	☐	☐	☐
黑妹	☐	☐	☐	☐	☐	☐	☐
纳爱斯	☐	☐	☐	☐	☐	☐	☐
竹盐	☐	☐	☐	☐	☐	☐	☐
佳洁士	☐	☐	☐	☐	☐	☐	☐
田七	☐	☐	☐	☐	☐	☐	☐
冷酸灵	☐	☐	☐	☐	☐	☐	☐
双[illegible]门	☐	☐	☐	☐	☐	☐	☐

其它原因（请写下）

Survey on Consumer Brands ????????

7. 关于 家用电器(冰箱，炊具 ,洗衣机,干衣机等)

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
TCL	☐	☐	☐	☐	☐	☐
海尔	☐	☐	☐	☐	☐	☐
惠而浦	☐	☐	☐	☐	☐	☐
美的	☐	☐	☐	☐	☐	☐
三星	☐	☐	☐	☐	☐	☐
LG	☐	☐	☐	☐	☐	☐
荣事达	☐	☐	☐	☐	☐	☐
海信	☐	☐	☐	☐	☐	☐
新飞	☐	☐	☐	☐	☐	☐
伊莱克斯	☐	☐	☐	☐	☐	☐
小鸭	☐	☐	☐	☐	☐	☐
东芝	☐	☐	☐	☐	☐	☐
美菱	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人两年内购买过一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	高	低	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都要买它
TCL	☐	☐	☐	☐	☐	☐	☐
三洋	☐	☐	☐	☐	☐	☐	☐
海尔	☐	☐	☐	☐	☐	☐	☐
惠而浦	☐	☐	☐	☐	☐	☐	☐
美的	☐	☐	☐	☐	☐	☐	☐
三星	☐	☐	☐	☐	☐	☐	☐
LG	☐	☐	☐	☐	☐	☐	☐
索尼	☐	☐	☐	☐	☐	☐	☐
荣事达	☐	☐	☐	☐	☐	☐	☐
海信	☐	☐	☐	☐	☐	☐	☐
新飞	☐	☐	☐	☐	☐	☐	☐
伊莱克斯	☐	☐	☐	☐	☐	☐	☐
小鸭	☐	☐	☐	☐	☐	☐	☐
东芝	☐	☐	☐	☐	☐	☐	☐
美菱	☐	☐	☐	☐	☐	☐	☐

其它原因买（请写下）

Survey on Consumer Brands ????????

8. 关于手机电话

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
诺基亚	☐	☐	☐	☐	☐	☐
飞利浦	☐	☐	☐	☐	☐	☐
索尼爱立信	☐	☐	☐	☐	☐	☐
摩托罗拉	☐	☐	☐	☐	☐	☐
LG Anycall	☐	☐	☐	☐	☐	☐
TCL	☐	☐	☐	☐	☐	☐
三星	☐	☐	☐	☐	☐	☐
联想	☐	☐	☐	☐	☐	☐
波导	☐	☐	☐	☐	☐	☐
步步高	☐	☐	☐	☐	☐	☐
长虹	☐	☐	☐	☐	☐	☐
海信	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人两年内购买过这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都用它
诺基亚	☐	☐	☐	☐	☐	☐	☐
飞利浦	☐	☐	☐	☐	☐	☐	☐
索尼爱立信	☐	☐	☐	☐	☐	☐	☐
摩托罗拉	☐	☐	☐	☐	☐	☐	☐
LG Anycall	☐	☐	☐	☐	☐	☐	☐
TCL	☐	☐	☐	☐	☐	☐	☐
三星	☐	☐	☐	☐	☐	☐	☐
联想	☐	☐	☐	☐	☐	☐	☐
波导	☐	☐	☐	☐	☐	☐	☐
步步高	☐	☐	☐	☐	☐	☐	☐
长虹	☐	☐	☐	☐	☐	☐	☐
海信	☐	☐	☐	☐	☐	☐	☐

其它原因等（请写下）

Survey on Consumer Brands ????????

9. 关于盒装巧克力

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	亚洲其他地区	国际(欧美)	不确定
吉百利						
明治						
费列罗						
妙卡牛奶巧克力						
德芙						
金帝						
[illegible]						
[illegible]						
好时						
[illegible]						
瑞士莲薄片巧克力						

其他（请写下）

2. 我和我的家人每六个月至少买一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都喜欢它
吉百利							
明治							
费列罗							
妙卡牛奶巧克力							
德芙							
金帝							
[illegible]							
[illegible]							
好时							
[illegible]							
瑞士莲薄片巧克力							

其它原因（请写下）

10. 关于盒装冰淇淋

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚两地区	国际(欧美)	不确定
[illegible]	☐	☐	☐	☐	☐	☐
美怡乐	☐	☐	☐	☐	☐	☐
龙凤	☐	☐	☐	☐	☐	☐
雀巢	☐	☐	☐	☐	☐	☐
明治雪糕	☐	☐	☐	☐	☐	☐
阿波罗	☐	☐	☐	☐	☐	☐
蒙牛	☐	☐	☐	☐	☐	☐
梦龙	☐	☐	☐	☐	☐	☐
伊利	☐	☐	☐	☐	☐	☐
和路雪	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人每六个月至少买一次这种品牌，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都常买它
[illegible]	☐	☐	☐	☐	☐	☐	☐
美怡乐	☐	☐	☐	☐	☐	☐	☐
龙凤	☐	☐	☐	☐	☐	☐	☐
雀巢	☐	☐	☐	☐	☐	☐	☐
明治雪糕	☐	☐	☐	☐	☐	☐	☐
阿波罗	☐	☐	☐	☐	☐	☐	☐
蒙牛	☐	☐	☐	☐	☐	☐	☐
梦龙	☐	☐	☐	☐	☐	☐	☐
伊利	☐	☐	☐	☐	☐	☐	☐
和路雪	☐	☐	☐	☐	☐	☐	☐

其它原因买（请写下）

Survey on Consumer Brands ????????

11. 关于百货商场

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
太平洋百货Sogo						
沃尔玛						
华联百货						
莲花百货						
E-Mart						
佳乐福						
麦德龙						
百特量贩						
大世界百货						
德斯科百货						
百盛百货						
百佳						

其他（请写下）

2. 我和我的家人每六个月至少去一次百货公司，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友也都买它
太平洋百货Sogo							
沃尔玛							
华联百货							
莲花百货							
E-Mart							
佳乐福							
麦德龙							
百特量贩							
大世界百货							
德斯科百货							
百盛百货							
百佳							

其它原因（请写下）

Survey on Consumer Brands ????????

12. 关于银行

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
中国民生银	☐	☐	☐	☐	☐	☐
中国银行	☐	☐	☐	☐	☐	☐
中国工商银行	☐	☐	☐	☐	☐	☐
中国农业银行	☐	☐	☐	☐	☐	☐
广东发展银行	☐	☐	☐	☐	☐	☐
中国建设银行	☐	☐	☐	☐	☐	☐
中国交通银行	☐	☐	☐	☐	☐	☐
汇丰银行	☐	☐	☐	☐	☐	☐
中信银行	☐	☐	☐	☐	☐	☐
中国光大银行	☐	☐	☐	☐	☐	☐
花旗银行	☐	☐	☐	☐	☐	☐
美国银行	☐	☐	☐	☐	☐	☐
招商银行	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人每六个月至少要去一次银行，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友都喜欢它
中国民生银	☐	☐	☐	☐	☐	☐	☐
中国银行	☐	☐	☐	☐	☐	☐	☐
中国工商银行	☐	☐	☐	☐	☐	☐	☐
中国农业银行	☐	☐	☐	☐	☐	☐	☐
广东发展银行	☐	☐	☐	☐	☐	☐	☐
中国建设银行	☐	☐	☐	☐	☐	☐	☐
中国交通银行	☐	☐	☐	☐	☐	☐	☐
汇丰银行	☐	☐	☐	☐	☐	☐	☐
中信银行	☐	☐	☐	☐	☐	☐	☐
中国光大银行	☐	☐	☐	☐	☐	☐	☐
花旗银行	☐	☐	☐	☐	☐	☐	☐
美国银行	☐	☐	☐	☐	☐	☐	☐
招商银行	☐	☐	☐	☐	☐	☐	☐

其它原因是（请写下）

13. 关于航空公司

1. 请您回答以下您知道的问题，如果您不知道请您猜测一下所有的其他问题。

	知道	不知道	国内	东亚其他地区	国际(欧美)	不确定
新加坡航空	☐	☐	☐	☐	☐	☐
国泰航空	☐	☐	☐	☐	☐	☐
中国东方	☐	☐	☐	☐	☐	☐
中国南方航空	☐	☐	☐	☐	☐	☐
中国航空	☐	☐	☐	☐	☐	☐
日本航空	☐	☐	☐	☐	☐	☐
加拿大航空	☐	☐	☐	☐	☐	☐
汉莎航空	☐	☐	☐	☐	☐	☐
英国航空	☐	☐	☐	☐	☐	☐
俄罗斯国际航空公司	☐	☐	☐	☐	☐	☐
美国大陆航空	☐	☐	☐	☐	☐	☐
马来西亚航空	☐	☐	☐	☐	☐	☐

其他（请写下）

2. 我和我的家人两年内购买这个航空公司的机票，请您回答以下原因。（请您点击打勾，可以是多种原因）。

	是	否	价格合理	购买方便	质量一直很好	我用它感觉很好	因为我的朋友也常买它
新加坡航空	☐	☐	☐	☐	☐	☐	☐
国泰航空	☐	☐	☐	☐	☐	☐	☐
中国东方	☐	☐	☐	☐	☐	☐	☐
中国南方航空	☐	☐	☐	☐	☐	☐	☐
中国航空	☐	☐	☐	☐	☐	☐	☐
日本航空	☐	☐	☐	☐	☐	☐	☐
加拿大航空	☐	☐	☐	☐	☐	☐	☐
汉莎航空	☐	☐	☐	☐	☐	☐	☐
英国航空	☐	☐	☐	☐	☐	☐	☐
俄罗斯国际航空公司	☐	☐	☐	☐	☐	☐	☐
美国大陆航空	☐	☐	☐	☐	☐	☐	☐
马来西亚航空	☐	☐	☐	☐	☐	☐	☐

其它原因购买（请写下）

Endnotes

[1] According to de Chernatony (1991;1993a;1996), in the differentiation stage, brands merely announce their existence and consumers do not perceive any added values and so make their decision based mainly on price. As consumers become more familiar with a brand they appreciate its functional attributes and are able to distinguish tangible product differences. The brand moves closer to the consumer. In the service stage a brand is augmented by attaching added value to the brand. At this point legal protection becomes important to avoid confusion with copycat brands. At this point the brand evokes an automatic perception of providing a range of benefits and assurance of quality. Eventually some brands, particularly those with a significant amount of accumulated advertising spending evolve to become symbols supporting a consumer's lifestyle.

[2] To de Chernatony (2001b) and Jevon *et al* (2005) brand meanings are drawn from meanings communicated by the brand originator (manager) and those communicated by the users or customer environments. Brand meaning derives from "a highly complex range of influences, some of which can be controlled (managerially determined) more than others, which can only be observed and influenced (customer determined)" (Jevons *et al*, 2005, p.300). Under such a situation, managers are not able to fully control all possible brand meanings with respect to its target market. The marketer must rely on its formal and informal network partners to retain the meanings it wishes to confer. This is because, for example, in-store displays of its brands or the general shopping environment within which the brand is placed may confer desired or undesired meanings to the brand.

[3] Accoring to Fishein and Ajzen (1975) both A_{ACT} and SN are constructs of underlying sets of beliefs. Behavioral beliefs are the perceptions (sometimes called cognitive attitudes) about attributes of a behavior, in terms of the consequences and outcomes of carrying out that behavior. A belief is weighted by the person’s evaluation of its outcome, along a good-bad or negative-positive dimension. A person’s overall attitude toward a behavior is the composite evaluation of these behavioral beliefs. Thus, while two people may hold the same beliefs about the outcomes of a behavior, their attitudes will differ to the degree that their evaluations of the goodness or badness of these outcomes differ. Alternately, two people may have the same attitude (i.e., they both hold a positive feeling about a behavior), but hold different beliefs about the outcomes (i.e. about the extent to which the behavior possesses certain attributes). Normative beliefs treat the likelihood that important reference people or groups would approve (disapprove) of performing a behavior. Each normative belief is weighted by a person’s degree of motivation to comply with this referent. The composite effect of all relevant referents is subjective norm.

[4] An alternative interpretation of this second aspect of perceived behavioral intention may be found by examining the Expectancy Theory of Motivation (Langton, 2008). Under this theory, motivation to act is based on a person's perceived probability that exerting a given amount of effort will lead to performance (e.g. cutting down on expenditures in order to save enough money to buy a car) - the effort-performance relationship - and that the performance will lead to a desired outcome - (e.g. the savings will be sufficient to purchase the car desired) -the performance to reward relationship (Langton, 2007). In other words, behavioral intention is based both on a consumer's belief that he is capable to taking the steps to achieve the purchase such as saving a sufficient amount of money to buy something, or being able to find the product he is looking for and believing that the product will ultimately satisfy his need.

[5] Along a similar vein, attitudes toward advertising in general have also been studied and are considered one of the important determinants of attitude toward the brand (Lutz, 1985). Kwan *et al* (1983) and Semenik and Tao (1990) studied attitudes of Chinese business executives and managers towards advertising and found most were generally favorable towards advertising. Pollay *et al* (1990) examined consumers in three cities, Beijing, Guangzhou, and Harbin, and found those Chinese consumers aged between 20 and 40 years old were favorably disposed to advertising and quite optimistic about its social and economic consequences. Research found that what they did not like about the ads was related to a perceived inferiority of the quality of the ads by domestic companies.

The Open Door policy began in China in 1979 but real change did not occur until after 1989 following the Tiananmen incident. The period 1949 to 1989 was an anti-capitalist period where selling and marketing was rife with negative rhetoric and pejorative connotation. The Chinese words for selling and marketing implied pushing unnecessary goods onto unsuspecting consumers. To some extent it is surprising that Chinese consumers' attitudes toward advertising were as open minded as these early studies indicated.

But philosophical change over the period 1990 to 2010 has been sudden and dramatic and, therefore, new studies on attitudes are needed. Attitudes toward advertising, whether by print or television, might very well have changed according to the quality of the production. Print media are improving their quality adding more color pages and space, for example, while television advertising production is approaching international standards (Liu, 2002). In his study of young Tianjin and Xiamen adults (18 to 25 years old), Liu (2002) found that a majority agreed that advertising is vital to the prosperity of China's economy, helps raise the standard of living, and results in better products to the public. Yet, a majority of the new generation of Chinese consumers felt there was too much advertising.

Liu (2002) studied the perceptions of Chinese consumers' attitudes towards advertising in general among the new generation. Such a study is useful to examine whether some of the old pejorative influences ascribed to the Capitalist concepts of advertising, sales, and marketing still resonate with the younger generation. His study found that the young generations were exposed to a large number of various advertising media with TV being most valued followed by magazine ads. Moreover, more than two-thirds of China's new generation wanted more information on computers, electronics, education, and entertainment products, among others. A majority also felt that advertising plays a vital role in promoting economic growth and most disagreed that advertising was a waste of money. At the same time, most respondents in the study felt that advertising could be harmful, was potentially bad for children, and that there should be more government regulation of advertising to limit deceptive and fraudulent advertising.

[6] The speed of learning (in the learning involvement matrix of Wills *et al*, 1991) and the degree of involvement are essential ingredients of the individual consumer behavior process. According to Wills *et al* (1991) product learning leads to the following questions: (1) How different is learning between separate cultures and subcultures?; (2) Does the pace of learning differ in some cultures or subcultures?; (3)How can product or advertising ambiguity be avoided in different cultures or subcultures?. For example, in the Western world and Far East, DVD players and PCs are high involvement/slow-learning products, while in most Third World countries they are slow-learning/low-involvement products. Wills *et al* (1991) concluded that starting the product design from the consumer behavior level is very important.

[7] Hynes and Lo (2006) found that the level of consumer involvement may be better indicators of brand choice even in the case of technology products such as cameras. Their research suggested that the level of involvement is a better predictor of brand choice than level of innovativeness (as a personality trait) in markets where technologies compete side by side.

[8] It seems logical that with low involvement products marketing should be aimed at the stimulus-response connections since consumers are not motivated to process a lot of complex brand-related information. Point of purchase and other consumer promotions may be helpful under conditions of low involvement. Moreover, given the increasingly larger proportion of the marketing budget being allocated to retail promotions, it appears that many product categories are now considered low involvement. Likely because of the plethora of choice and limited time available to busy consumers.

[9] Investigations have revealed that consumers with higher levels of product involvement seek information relating to other attributes such as brand or price. This higher level of involvement serves to dilute the effect of COO and COM on information search (Lin and Chen, 2006).

[10] An important reason for using a variety of involvement categories is that it allows us to determine if behavior is dependent on product category. Zhang (1996) found that COO effect appears to be stronger for consumer durables than for non-durables.

[11] The complication that the globalization of parts manufacturing and global outsourcing brings is that we now have brands manufactured in whole or in part in a foreign country but which may have been designed and developed originally in whole or in part in the original country. In China, government regulations have either required foreign origin brands to be manufactured in China under joint-venture relationships or face significant import duties by importing finished products into the country. This may create confusion of what constitutes a foreign brand.

[12] Nargundkar and Bajaj (2002) related a firm's brand image to product-country image through several dimensions: image of the firm, recognition, and level of development. They defined a firm's image as composed of several sub dimensions - including image of the country it is seen as belonging to, the firm's perceived technological prowess, stage of the value-chain to which its products belong, quality attributes of its products, and so on. Firm image can be measured on a scale of Good to Bad. Firm image finally manifests itself in the firm's reputation as a quality supplier. Firm recognition was defined as the extent to which the individual firm is known in the international markets in which it seeks to operate. Firm recognition essentially captures whether a firm's name is known outside its domestic market and can be measured on a scale from High to Low. Nargundar and Bajaj (2002) further argued that companies must contend with three levels of image: country image; corporate Image, and; brand Image. Their work sought to find out why India with one-sixth the world's population, accounted for a small proportion of global trade. Their research determined that India was perceived as backward, with Indian companies having a "non-professional image" in terms of most marketing parameters including poor product quality, low quality packaging, unreliable delivery, and convoluted export procedures (Nargundkar and Bajaj, 2002). The net result is that India suffers from serious country-of-origin weaknesses.

[13] Therefore, when intrinsic cues are not available to consumers or they are less familiar with foreign products, they will use extrinsic cues for their evaluations of product quality. According to Olson and Jacoby (1972), extrinsic cues are related to product attributes such as price, warranties, brand name, country of design, country of manufacture, country of origin, and the like. Samli, Grewal, and Ericksen (1994) mentioned that product information gleaned from knowledge of country of origin is one of the most important extrinsic cues, particularly in international marketing. Balestrini and Gamble (2006) found that Chinese consumers are more likely to use extrinsic cues than intrinsic cues to evaluate wine quality. When purchasing wine consumers look for a quality cue and, for Chinese consumers, COO is a significantly more important cue than price. Some researcher have found that consumers prefer to evaluate a product based on intrinsic product cues rather than on extrinsic product cues (d'Astous and Ahmed, 1999; Phau and Suntornnond, 2006).

[14] Intrinsic cues are information of a product that cannot be changed without altering the product, for example ingredients of a product which cannot be manipulated without changing or modifying physical properties of the product. Typically, intrinsic cues cannot be fully appreciated until consumers have experienced a product either by using it such as the durability of clothing products or the flavor of food (Insch, 2003). Thus, sometimes consumers may find it difficult to evaluate products they would like to purchase.

[15] Kleppe *et al* (2002) further contend that in order to reap the benefits of country-of-origin effects, the product must be matched with one or more of the origin country's marketing environment identities: cultural, political, social, economic, and technological. The country-of-origin effects are manifested as either a halo effect, country as an indicator of quality in the absence of experience with a product, or as a summary effect, when the market has built experience with the products of a foreign country (Melewar *et al*, 2004).

[16] Few studies have been done specifically to measure the significance of country-of-origin information and actual purchase behavior. The findings of these studies tend to question the basic assumption in country-of-origin

literature where consumers consider this information cue as an important and salient product attribute (Usunier, 2006).

[17] Country-of-origin information is a key element in international trade regulations. All countries have generally strict packaging label regulations. Interestingly, some consumers used the affixed label on product packages as a proxy for the *true* country of manufacture. A straw poll of Chinese students at Qingdao University of Technology in 2010 indicated that they would prefer to buy an imported product with a translated Chinese label affixed over top of the original English label rather than just a locally translated label affixed directly on the package. The reasoning was that a translated, affixed label provided better assurance that the product really was imported from abroad. However, under new Chinese labeling laws some products, particularly food products, must have their name, content, and other specifics listed clearly in Chinese printed directly on the package and no temporary labels are allowed (Cateora *et al*, 2009).

[18] Some companies may be unwilling to promote origin labeling to reduce focus as to true brand origin. Major multinational companies have outsourced the production of their brands to lower costs. This has resulted in products being manufacturing in countries other than the parent company's country. With the outsourcing of manufacturing, these multinationals have instead focused on the image of their brands. In some cases companies may be afraid that if their products are manufactured from developing countries, the consumers will have a negative image of products produced in those countries. Therefore, many companies feel that suppressing this information is the best market strategy (Kim, 2006) and so they hide all indicators in advertising and marketing strategy by focusing on brand image. As research by Usunier (2006) shows brand image has become more significant than the country of manufacture. For instance, Klarbrunn is not the clear mountain-spring bottled water from the German Alps that its brand name suggests but it is American water bottled in Wisconsin. Or, Giorgio di St. Angelo design wear is not the latest fashion from Milan but the product of US design (Usunier, 2006). In such cases, many companies prefer to concentrate on brand image as opposed to brand origin especially where no benefit can be gained. Due to the perceived ambiguity of brand origin Usunier (2006) argues that it can lead to consumers' general ignorance of a product's country of origin.

Baker and Michie (1995) and Chao (1993) also showed that the traditional view of COO has become misleading due to the hybrid nature of many products where they are designed in one country, manufactured in another, and assembled in a third country. This 'hybrid product' has complex country of origin information causing the COO effects to shift from the product level to the brand level in consumers' product evaluation (O'Cass and Lim, 2002). Related COO confusion occurs where consumers identify a well-known brand with a particular country of domicile (Ahmed et al., 2004) such as Toyota and Japan but then that brand ends up being manufactured in a third country.

[19] For additional discussion of Chinese cultural features and as well as the various marketing environmental factors please refer to Appendix X).

[20] It should be noted that Hofstede's cultural dimensions shares some commonality with much earlier work by Kluckhohn and Strodtbeck (1961) who identified five cultural value orientations or dimensions which they labeled: humans' relationship with nature, orientation to time, general beliefs about human nature, dominant mode of activity, and relationships between people. Of these five dimensions, orientation to time relates to having a short versus long term orientation although Kluckhohn and Strodtbeck referred to time orientation as past time, present time, and future time. One other dimension examines cultural orientation with regard to relationships between people. This dimension determines whether the culture is predominantly individualistic, collective, or hierarchical and relates to two of Hofstede's dimensions: individualism-collectivism and power distance. Kluckhohn and Strodtbeck (1961) wondered whether the culture was group oriented and whether people accepted differences in status in society.

[21] Mo (2008) theorizes that the collectivist values among Chinese occurred over centuries arguing that the driving forces molding the major characteristics of traditional Chinese collective values are the logographic writing system, the stock of knowledge, beliefs and experiences accumulated in the competitive period of the Qun Qiu (Spring and Autumn periods) and Warring States Period (722 to 221 BC), and finally, the autocratic, exploitative and extensive government which started from Han Wu Di (who reigned 140-87 BC).

[22] Another explanation of the desire to emulate others, aside from *face* was posited by Solomon, *et al* (2008) who reasoned that we watch others and note reinforcements they receive for their (purchase) behaviors. We then model their behaviors. This type of behavior modeling may also explain why consumers will "buy a product your friend recently bought". In other words, it can be argued that cognitive learning via behavior modeling is an explanatory factor rather than a desire for *face*.

[23] Many authors theorize that economic and personality variables influence behavioral aspects. The personality variable is governed by social and cultural norms in the society in which the consumer lives. These social influences exert pressure and mold behavior. Veblen saw man primarily as a social animal conforming to the general forms and norms of the culture surrounding him and the more specific standard of the subculture and reference groups to which his life is bound. His wants and behaviors are largely molded by his present group membership and the group to which he aspires. Thus man's attitudes and behaviors are influences by several levels of society, culture, subculture, social classes, reference groups, and family. The challenge to marketers is to determine which of these social levels are most important in influencing the demand for his product" (no author, no date, unpublished manuscript).

Twenty five centuries earlier, China's Confucius presaged Veblen's remark with his virtuous wisdom of "behaving courteously when getting rich" (福尔好礼) (China Daily, 2010). It will be interesting to track China's *nouveau riches* especially to see if they will heed Confucius' words. At present, ostentatious displays demonstrate a bit of reversal.

[24] Similarly, the Existence-Relatedness-Growth model of needs (see Solomon *et al*, 2008) can explain a hierarchy of needs. Each level in the hierarchies (physiological and safety (Existence), belongingness, ego (Relatedness), and self-actualization (Growth) can relate to specific brand messages. Some products such as a Mercedes car or activities such as gardening can satisfy multiple needs at once. Maslow's theory predicts that higher order needs become the driving force for human (and consumer) behavior yet lower level needs are never fully satisfied but are ongoing.

[25] The comparison of decision-making styles used the Consumers Styles Index originally developed by Sproles and Kendall (1986). According to Sproles and Kendall (1986) there are eight different decision-making styles: quality-conscious, brand-conscious, innovative/fashion-conscious, recreation-conscious, price-conscious, impulsive, confused by *overchoice*, and brand loyalty. Leo *et al* (2005) then applied the decision-style framework to Hofstede's five cultural dimensions to develop hypothesis regarding the likely behavioral proclivities to consumers from different cultures. For example, based on scores derived from Hofstede's (1983,2001) earlier research, Singapore has a high power distance score which correlates to quality-conscious and brand-conscious decision styles because of a desire to reflect status and prestige as reflected through quality branded products. Results of the Leo *et al* (2005) study showed that for six of the eight styles for which tests of reliability were established significant differences were found between Singaporean and Australian consumers on four of the styles (brand-conscious, innovative-conscious, recreation conscious, and confused by *overchoice*). Their study, moreover, produced mixed evidence for the application of Hofstede's cultural dimensions to Australian and Singaporean consumer decisions-making styles (Leo *et al*, 2005). The cultural dimensions did not seem to interact consistently with each other. For example, Australians were found to be high individualists but also risk averse. Leo *et al* (2005) reasoned that because Australians are derived from a Western-based cultural heritage that they therefore should be more brand conscious. Yet, this reasoning to some extent contradicts their assumptions of individualism, whereby brand conscious might be a decision style given more weight by those who are collectivists. Further, they

correctly point out that their study does not account for relative importance weightings of either the cultural dimensions or the decision styles.

[26] Demand recognition refers to thinking about, confirming why, when, and how to acquire the product. Just after the demand recognition stage of the consumer decision process in the Engel-Kollat-Blackwell model of consumer behavior, it seems like consumers go through a "mini" filtering thought process which might be labeled "can I afford to buy or not?" It's at this point they serve as a "self-salesman" trying to manage their own objections (Engel, Blackwell, and Miniard, 1993)

Demand recognition is related to or stems from problem recognition. Problem recognition occurs when dissatisfaction from a perceived difference of sufficient magnitude between an ideal or desired state and the actual state leads to the arousal of a drive for change. A person's internal motives are the primary determinants of a desired or ideal state. These derive directly from very basic values reflected in lifestyle. Demand recognition triggers the decision process and activates search. In this state individuals are open to and actively seek information about alternatives for satisfying their aroused drive. Active memory selectively filters information in the search by paying particular attention to stimuli relevant to satisfying drives, by blocking out or ignoring others judged irrelevant to drives, inconsistent with existing beliefs and attitudes, or incongruent with values and lifestyle, and by distorting how information is perceived to make it more consistent with existing beliefs and attitudes (Festinger 1957; Bruner 1958). New information or experience entered in long-term memory from perceptual filtering of external stimuli may change beliefs, leading in turn to changes in attitudes and intentions.

Information seeking refers to the consumer collecting relavant information from internal sources such as experience or knowledge of the product and external sources such as their interpersonal network, mass media, and other marketing communications. At the information search stage, word of mouth was found to be the most common source of information used to reduce confusion due to its credibility and reliability in a study of the Chinese computer market (Leek and Kun, 2006). Confusion can occur due to a combination of *overchoice* of products, perceived products similarity, and ambiguous, misleading or inadequate information conveyed through marketing communications which Mitchell *et al* (2004) termed 'unclarity confusion'.

Information sources in the search are categorized by Engel *et al* (1978) as impersonal (mass media), marketer (advertising, personal selling and point-of-sale influence) and personal (family, friends, co-workers, etc.). Mass media and marketer sources tend to be used to disseminate general information in the early phases of a decision process when little is known about alternatives. Personal sources are most preferred for evaluating information used to make a decision and are consequently most influential to choice outcomes.

Plan assessment refers to the selection of the product basket portfolio where brands are compared. Assessment rules are unique and influenced by motivation to purchase, recall of what is remembered about the brands in question and previous brand or product experience (Solomon, 2008). Choice refers to the actual buying selection.

At some point enough information is available to evaluate the alternatives identified for choice. In Figure 4-1, alternatives evaluation progresses through four linked elements labeled "evaluative criteria", "beliefs", "attitudes", and "intention". Evaluative criteria are the desired outcomes of choice and directly reflect a person's motives. Like motives, they too are not easily changed. Beliefs are the key informational link between criteria and alternatives. In accordance with Fishbein and Ajzen, attitudes are formed directly from these beliefs and their evaluation, and in turn determine intention. The EKB model maintains normative compliance (subjective norm) and adds anticipated circumstances (similar to PBC) as two other determinants of intention.

How beliefs are combined to arrive at an overall attitude toward each alternative is called the decision rule. In the theory of reasoned action, weighted beliefs are simply summed to compute attitude. This is called expectancy-value (functionally equivalent to utility-maximization) and is an example of a compensatory rule whereby a high rated attribute or outcome can compensate for a low rated one (Bettman *et al*. 1991). There exist other types of compensatory and non-compensatory rules (e.g. dominance, lexicographics, and satisfaction) where a weakness on one attribute is not compensated by strength in another (see Slovic *et al*, 1977; Svenson 1979; and Bettman *et al,* 1991 for a review of decision rules). Although probably used in some consumer decision situations, non-compensatory rules are more difficult to estimate empirically than compensatory rules used in most applied choice behavior research.

Choice and its outcome represent the last stage in the EKB decision process of Figure 4-1. Unforeseen events or changes in circumstances, such as access to inputs, opportunity, or money, may become obstacles or facilitators for choosing a given alternative. These unanticipated circumstances may cause observed choice behavior to deviate from intention. Outcomes of choice are satisfaction and dissonance. Satisfaction strengthens pre-choice beliefs through the confirmatory information and experience of choosing and using an alternative. Dissonance is psychological discomfort or tension from having two or more related beliefs contradict or be inconsistent. It arises when post-decision experience is not consistent with prior beliefs about the chosen alternative or when rejected alternatives also have desirable attributes. Dissonance leads to search for information to confirm one's choice or to devalue the desirability of unchosen alternatives. In situations of repeat, routine, or habitual choice, both search and alternative evaluation may be bypassed because existing beliefs and attitudes, or past solutions, are adequate for evaluating or choosing. Results refer to degree of satisfaction from brand consumption.

[27] In a similar model, Engel (1978) identified five variables hypothesized to influence the decision process: motivation, assessment rules, lifestyle, normative compliance, and information impact. Motivation is hypothesized to principally affect problem recognition as well as the assessment rules (Chang and Huang, 2005). In the Engel model we should note that motives can impact most of the five stages including Search.

[28] Another characterization describes lifestyle as the highest level of choice in a hierarchy of decisions where higher levels relate to longer-term choices about the overall type or pattern of activity a person seeks to engage (Salomon and Ben-Akiva, 1983). All lower-level decisions, such as sanitation choice, are short-term manifestations of the lifestyle and reflect efforts to satisfy the lifestyle choice. In western culture, Salomon and Ben-Akiva (1983) proposed that lifestyle choice involves long-term decisions about family, work, and leisure. In other cultures, family and work are also likely to be fundamental domains of lifestyle. In either lifestyle definition, motives, as a reflection of lifestyle values and goals, are not open to change in the short or medium term by persuasive activity. Motives must be recognized as boundary conditions for product development efforts and consumer marketing. Generally, drives are aroused internally through the felt presence of an unmet need. However, sometimes drives can be stimulated externally when new information or experiences alter the perceived adequacy of the actual state or highlight the motivational satisfaction of some ideal state. External sources that can change the perception of the ideal state include other consumer decisions where one purchase makes another necessary, as well as normative expectations of reference groups, and advertising promotion designed to appeal to dominant motives (Engel *et al* 1978; McCracken 1988a). Changes in such circumstances as income, family situation, occupation, and so on, can cause a change in perception of the actual state.

[29] One of the main weaknesses in the consumer decision models that have been proposed is that none of them provides an approach to customizing the model according to the specific target that is being studied. The EKB model and Nicosia models, for example, do not give the marketer insight into which variables are more, or less, important with respect to the segment being targeted and for which marketing strategies need to be developed. The closest cousin to a customizable model is Fishbein's (1963) work which identifies overall attitude scores based on a summary of scores applied to brand beliefs. But such a model is not equipped to digest the multifarious factors likely to influence decision because more than brand beliefs influence actual brand choices. We could borrow from the rational decision model used in organizational behavior (see for example, Langton, 2006). The rational decision model identifies the key decision criteria and the decision choices both of which must be explicitly determined. Then importance weightings for each criterion are determined. Totals are aggregated for each brand and then choice with the highest total is the selected choice. Such a model would likely only have limited application in marketing because of the complexity of making the mental calculations. Moreover, it would be

quite difficult to research the model to determine its efficacy in explaining *ex poste* decision choice. Notwithstanding, the theoretical desirability of being able to apply such a model we are left with models that seem to identify some, if not all, of the influences on purchase choice but little attempt has been made to weigh those influences in different contexts. This is an issue when trying to extrapolate primarily western constructs for non-western applications.

[30] Psychographics includes an analysis of activities, interest, and opinions (AIOs) but marketers generally analyze these three variables in terms of lifestyle. Lifestyle analysis or psychographics analyzes a person's day-to-day pattern of living expressed in that person's AIOs. Activities include such things as school, entertainment, sports, and the like. Attitudes may loosely be considered with respect to opinions but are generally considered to be somewhat stronger. Attitudes refer to a person's point of view towards something, which may be a product, an advertisement, a salesperson, a company, or an idea, within the context of marketing. Attitudes usually involve liking or disliking something and so often have some direct action implications. Beliefs, in contrast, have less of an action orientation and refer to a person's opinion about something, which may help shape his or her attitudes, but does not necessarily involve any liking or disliking (Quester *et al*, 2001).

[31] A preference for buying *brand name* products seems to be linked with a "follower mentality". One of our survey questions asked if "when a new brand of an existing product comes onto the market, do [you] always wait to try until someone recommends it to [you]." A psychology professor at Hangzhou University agrees that the purchasing behaviour of Chinese is often affected by reference groups. But he gives a different reason. He argues that the reason many Chinese consumers purchase the same product as their friends is not only to keep pace but because they feel more secure. If the product is not a good choice, then they think at least someone else will also lose too (*qu tong* – a tendency to sameness). It has been our assumption that Chinese consumers look to reference groups such as relatives or friends when purchasing products. In order to find out if this is true or not we asked our sample to express their level of agreement or disagreement to the following statement: “My colleagues, relatives, or friends often go out and buy something only after seeing me buy it."

[32] The lack of studies of developing countries can be attributed to the perceived difficulty of conducting research (e.g. consumer unfamiliarity with marketing research), the lack of reliable secondary information (e.g. the lack of systematically collected consumer and industry data), cultural/linguistic differences and the tendency of researchers to be more interested in marketing in developed countries.

[33] A feature of the household registration system in China is that people not registered are excluded from the population count as well as from receiving access to public services including medical and educational resources.

[34] Income was asked of respondents only in Chongqing, Shanghai, and Guangzhou.

[35] To mitigate we could decrease the size of the Type I error, the probability of rejecting a correct null hypothesis but at the expense of increasing the probability of a Type II error, which is the probability of accepting the null hypothesis that the two population means are equal when they are not (Anderson *et al*, 2008).

[36] It may be noted that the Saurazas study used Dunnett's *C* which is appropriate where unequal variances are not assumed. We find no reason for this assumption and instead apply Fisher's LSD which is suitable for pair-wise comparisons of means, appropriate where sample sizes differ, as they do in our case, and where equal population variances are assumed (Cooper and Schindler, 2006). Note also that comparison after the results are compared requires *post hoc* tests or pair-wise multiple comparison tests to determine which means differ (Cooper and Schindler, 2006).

[37] The statistical significance of the observed association is commonly measured by the Chi-square statistic. The strength of association, or degree of association, is also important from a practical perspective. Normally, this is measured only for those tables whose association is statistically significant (Malhotra, 2007).

[38] For a detailed listing of brands in the "Other" category refer to Appendix XIV.

[39] Sanyo was subsequently purchased by a Chinese enterprise.

[40] The reason that consumers appear to have better COM knowledge than COO knowledge may be due to their original incorrect understanding of the COO, however. In other words, in many cases consumers assumed both the COO and COM were Chinese where in fact the COO is foreign but the originator has established manufacturing facilities in China. For example, the COO of Walex, of German brand origin, was correctly identified by just 6% but 46% correctly identified the brand's COM, China. Similar results occurred for Kiwi, Dettol, Pledge, Nestle, Colgate, Crest, Whirlpool, Pringles, Lay's, Cadbury, Hershey's, and Wall's. In some of these cases, brands were incorrectly thought to have been Chinese both in country of origin and of manufacture.

[41] With respect to determining either COO or COM the nuances of language transliteration for Leconte gives no hint as to origin. Therefore, while many consumers might *a priori* assume that Olivoila was of Italian origin, when the name is transliterated phonetically into Chinese that origin cue is lost. To mitigate against this potential likelihood some companies will add the country of origin to the brand name in marketing communications. So, for example, a brand name may add "America's Favorite" or "America plus Brand Name" directly translated along with the transliterated brand name.

[42] The assumption of normal populations for two sample populations is not likely valid for department stores/hypermarkets. Excluding this category from the analysis does not alter the conclusions drawn.

[43] Similarly, results from a Paproski (1990) study also revealed that a majority (54%) of Beijing consumers disagreed that medicine and pharmaceuticals were better produced in a foreign country while a minority (34%) felt there was no difference. Fifty-eight percent of respondents disagreed that alcoholic beverages are better produced in a foreign country. On the other hand, for music players 66 percent agreed that they are better produced in a foreign country. The results are similar for refrigerators where 62 percent agreed that refrigerators are better produced in a foreign country. Forty-nine percent of respondents agreed that coffee is better produced in foreign countries, while 37 percent saw no difference. While the majority of respondents indicated that coffee is not better produced in foreign countries companies can obtain luxury status in the minds of consumers by repackaging. Nescafe has been successful by individually packaging its coffee servings and adding sugar and white powder. Some product classes produced very clear responses to the assertion but others did not show a clear response one way or the other. For example, for footwear, 22 percent disagreed, 31 percent saw no difference, and 37 percent agreed to the assertion that they were better produced abroad. The result is similar for clothing where 18 percent disagreed, 30 percent saw no difference, and 37 percent agreed that clothing is better produced abroad.

[44] The extent of store loyalty is likely related to the level of service provided as well as store environment. A previous study (Paproski, 1990) revealed that a large majority of Beijing consumers felt good service was important in choosing a place to shop. Of those polled 69 percent said it was either very important or important to them (Paproski, 1990). A separate 1990 study by the Hangzhou Consumers Association found that 86 percent of those polled said bad service was a very serious problem when they shopped. The remaining 14 percent said it was at least a common problem. In addition to good service, the Paproski (1990) study found that fifty-eight percent of Beijing consumers felt it was important or very important for a store to have a modern, clean interior. Only 8 percent said it was not important or not at all important. These results lend proof to the suggestion that Chinese consumers do in fact care about the look of a store prior to deciding where to shop. Modern looking and attractive stores are an attraction to consumers if for no other reason than that such stores are likely the most attractive interiors of a building they are likely to see.

[45] In a 1990 study of consumer behavior among Beijing consumers, Paproski (1990) found that forty percent of respondents showed unwillingness to purchase a substitute, 41 percent agreed somewhat – a similar finding to the current study. The result suggested a basic stubbornness in the consumer psychology or that their brand loyalty

dissuades them from accepting brands other than their favorite. In a related question in the Paproski study respondents were asked if "when new brands of existing products come onto the market [they] always give them a try." While 7 percent expressed agreement, 43 percent disagreed which implies that most people were not agreeable to simply buying new brands just to give them a try.

[46] In a previous study, Paproski (1990) asked a survey of Beijing consumers if they were "willing to pay a slightly higher price at a store for better customer service." Overall 33 percent strongly or very strongly agreed with 82 percent expressing some level of agreement. Only 18 percent expressed any disagreement. The study concluded that most shoppers are willing to pay a price somewhat higher for the "privilege" of receiving good customer service.

[47] A Paproski (1990) study of consumer behavior in Beijing found that when compared to mass media advertising a friend's recommendation had a relatively high degree of influence. A friend's recommendation was said to be 28 percent more influential than the average promotional medium's influence. By nature Chinese are conservative in their decision making which means that they will remain satisfied with their present product until someone clearly shows them something else is obviously better. However, as our previous discussion suggests, the importance attached to a friend's recommendation seems to be tied to the types of product purchased.

[48] The Dirichlet model describes how frequently-bought brands are purchased when the market is stationary. The model has described patterns observed in many product fields (Goodhardt *et al*, 1984). The Dirichlet model specifies probabilistically how many purchases each consumer makes in a time period and which brand is bought on each occasion. It combines both purchase incidence and brand-choice aspects into one model (Goodhardt *et al*, 1984). Research by Ehrenberg *et al* (2004) provides additional support for the Dirichlet framework. Typically it is hypothesized that a double jeopardy pattern occurs with respect to brand loyalty: that brand that have fewer users tend to have users that are less loyal (Ehrenberg *et al*, 1990). Some exceptions such as niche brands have shown that users are highly loyal. In later research Ehrenberg *et al* (2004) found that, for example, the Dirichlet framework predicts that big and small brands have similar loyalty levels, albeit large difference in the number of users. One of the model's key conclusions is that the consumption habits and brand preferences of individual consumers appear to be fairly stable in the short- to medium-term. This research provides support for the Dirichlet model in the China context as it was shown that all three ethnic groups made purchases from a repertoire of brands over a two-year period. This was particularly true for stationary purchases such as snack items and cooking oil, for example, but the type of product was related to the level of similarity among repertoires among consumers from the four cities investigated.

[49] For good *feng shui* to occur for example, the number of steps in a staircase should be even-numbered, a house should not be built facing the North, and it is bad luck to have two room doors face each other or if your door or gate directly faces a road (ChinatownConnection, 2010).

[50] The Communist Party interestingly revived some of the precepts of Confucianism, which it had previously condemned as anathema to Marxist principles, during and after the 1989 Tiananmen demonstrations. In particular, lauding the need for order in society, news reports began to highlight these aspects of his teachings.

[51] The 'liberation' of 1949, while producing an enormous crisis in the church, also provoked a rethink which led, in the 1970s and 1980s, to a quite unexpected resurgence of Christianity (Whyte, 2010). Today there are probably around 10 million Christians in China and, most significantly, the Christian community is free of foreign control and is increasingly accepted as a Chinese religion (Whyte, 2010).

[52] Facts mixed with legends and myths abound about virtually every dynasty with heroes and villains well defined and discussed throughout the Chinese education process. Knowledge of these facts, legends, and myths enables astute marketers to create desirable brand images in the minds of consumers and also, whether domestic or foreign, to create a closer bond between proud Chinese consumers and companies (Frankenstein, 2010).

[53] Under the implementation of the new State of Administration of Radio, Film and Television regulation #61, it is expected that an unprecedented change in the TV advertising market will take place in 2010, where premium TV ads resources will face heavy demand and some new forms of advertising and partnership will be sought as the key market strategy for TV media in 2010 (CTR, 2010).

[54] The top five industries (toiletries, business and services, foodstuff, beverages and pharmaceuticals) showed increases in ad spending. The beverages industry experienced the largest growth of 52% in 2009 (CTR, 2010).

[55] Salespeople in China have tremendous sway over the decisions of customers. Point-of-sale promotions can be an effective way of addressing last-minute switching and getting products into the hands of consumers. While stores may have a mascot on the street or someone outside their restaurant handing out free samples, the employees of Chinese businesses tend to be more aggressive in their selling than, for example, North American employees. Chinese department stores and other larger stores or manufacturers will pay salespeople to stand by the product shelves near where their rack of products are displayed and promote their products, acting as an 'unbiased' advisor, but actually being paid to promote one product or another. In North America, such tactics may cause a reduction in the credibility of the store and thus would not likely be allowed (Bonnor and Bi, 2010).

[56] To evaluate the implications of personal values on sales management, Pecotich and Yang (2001) researched values of sales persons using four value frameworks. The frameworks included: *Chinese Traditional Values* (Humanism, Altruism, Collectivism, Individualism, and Chinese Philosophy Values), *Capitalist Values* (money ethics, materialism, alienation), *Socialist Values* (Marxist values and Maoist values), and *Deng Xiaoping's Philosophy* (Deng's philosophical values). Their research indicated a strong highly significant positive relationship between the *Chinese Traditional Values* and *Socialist Values*, a significant negative relationship between *Socialist Values* and *Capitalist Values*, which was expected. *Capitalist Values* also had no significant association with *Chinese Traditional Values*. *Deng's Philosophy* had significant positive relationships with *Chinese Traditional Values* and *Capitalist Values* but the relationship with *Socialist Ideology* was not significant. Although there are some weaknesses in the unbalanced nature of the indicator scales and some overlap in the scales (individualism is more properly represented as a *Capitalist Value* than a *Chinese Traditional Value*, for example) the study highlights some interesting values convergence among sales people. For example, it seems that purveyors of Deng's 'market socialism' with Chinese characteristics have been successful in straddling the confluence of values - a positive relationship between *Chinese Traditional Values* and *Socialist Values* and *Chinese Traditional Values* and *Deng's Philosophy*; yet, a positive relationship between *Deng's Philosophy* and *Capitalist Values*. Such results may reflect the practical and flexible nature of the salesperson in China because while possessing traditional and contemporary values, he embraces change and values related to the market process. For marketers this is positive since they can expect that notwithstanding possessing such values, sales people seem to embrace *Capitalist Values*.

[57] Edelman Public Relations and Communications Consulting, a leading Public Relations and Communications company, researched 1,000 Chinese consumers (Shanghai, Guangzhou, Chengdu, Beijing, and Wuhan) and 5,500 consumers worldwide. They examined how consumers understood and engaged with social issues, brands, and causes and found that Chinese consumers alter their purchasing habits much more than the global average depending on how they perceive companies' behavior (Edelman, 2008). According to survey results, 78 percent of Chinese consumers say they would be prepared to pay more for a brand that supports a good cause they believe in (70% global average). Eighty-four percent of Chinese consumers would pay more for environmentally friendly products (73% global average). Ninety percent of Chinese consumers would be willing to change brands or consumption habits to make tomorrow better than today (85% global average). Ninety percent of Chinese consumer feels it is their duty to contribute to a better society (88% global average). Eighty-eight percent of Chinese consumers would be likely to buy from companies that make donations to a worthy cause (78% global average). Finally, ninety percent feel they can personally make a difference by supporting good causes (83% global average). According to Edelman (China Daily, 2008) there are several implications of the survey results: (1) In China, if you want your customer to care, show them that you do. Edelman defines this as mutual social

responsibility and argued that social responsibility is the next key step in connecting consumers with brands via a clear social purpose.; (2) A 'force for good' gives a consumer a reason to buy. But the 'good' needs to be compelling. Doing good one day a year doesn't help you the other 364.; (3) Brands need to create powerful, ownable ideas, embedded with a social purpose platform to differentiate them and rise above the noise.; (4) Globally, word of mouth, social marketing and new channels are key to bringing a social purpose concept to life in a world of attention deficit disorder and 24/7 communications.; (5) 220 million internet users including 60 to 80 million bloggers, need to be respected in China. Brand reputations can be destabilized in an Internet firestorm.; and (6) Return on Involvement (ROI) is the new metric. When selling in China, give people a good reason to choose your product over a competitor.

[58] This explains why so many Nestle/Unilever/P&G and Johnson and Johnson brands are popular in China.

[59] This was supported by consumer research in Chongqing. So in order to maintain a brand preference toward foreign brands their price MUST be higher than local brands.

[60] This is an interesting point in that perceptions of quality differences are so deeply entrenched that they cannot conceive that quality could be the same under such a scenario!

[61] As discussed elsewhere in this paper Beijing is geographically part of Hebei province. China’s unique governance structure considers Beijing essentially a distinct municipality and as such does not have a province associated with it.