Journal of China Marketing

Volume 6 (2)

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Edited by

Robert Guang Tian, Tiebing Shi and Adolphus Yee-Yin Wan

Cambridge Scholars Publishing

Journal of China Marketing Volume 6 (2)
September 2017

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This book first published 2017

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISSN: 2058-2943

JCM Web Site:
http://www.cambridgescholars.com/journal-of-china-marketing

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EDITORIAL COMMENTARY

NEW STRATEGIES FOR THE ECONOMIC GROWTH IN CHINA

ROBERT GUANG TIAN

The practice of China's reform and opening up clearly tells people that it is impossible to grasp the complexity of modern society by relying solely on economic analysis in a country with a large population and different regional conditions. In other words, pure marketization may not be able to solve all the problems of modern society. Those rote practices of Western economic theory and the radical arguments trying to influence the reform process may disturb China's harmonious social atmosphere. In order to bring order out of chaos and understand the significance of building an innovative country, China needs to explicitly create and follow the following development ideas.

To Innovate in the International Competitive Environment

The actual situation demonstrates that currently China is still flourishing although the economic growth rate has been slowed down by the government due to various conditions and considerations while the whole world's economic situation become frustrated. China must readjust its strategy according to changes in the international situation and changes in the domestic social and economic reality as well; otherwise, the country will lose a historic opportunity. China's global strategy is of the most importance and cannot be ignored. China has completed a preliminary stage of industrialization, even with breathtaking development speed in some areas. It proves that the country has a great potential to be transformed into a world power. The history of the world repeatedly proves that the expansion of an emerging country often means the decline of the dominant position of a previous generation's hegemony. China has declared repeatedly that the development road China has chosen is peaceful and has never sought hegemony.

However, the world market space is limited, and the states who want world hegemony shall never allow the Chinese to become strong gradually. Minorities of the people in those countries will surely try very hard to contain China and to repeatedly warn of China's sharp rise. Therefore, China must have its own global strategic layout. The key points or value orientations of the country are focused on the maximization of the interests of the state. Therefore, there should be a new period of nationalist strategy. China will have grown into a developed country having international competitiveness within 50 years of its founding and will have completed the great revival of the Chinese nation as long as the country continues to have a correct nationalist strategy and as long as this strategy is implemented systematically.

Therefore, the important work for the present is to re-adhere to the vision of a socialist society with Chinese characteristics on the basis of a complete repudiation of the arguments of pan marketization, improving the innovation ability of the country with more abundant and high-impact national comprehensive strength, and showing a national revival on the 21st century international stage. The good news is that the outline of China's "12th Five-Year Plan" has shown some new ideas. These ideas are the Chinese people's crystallization of the wisdom gathered by the leaders of the Central Committee, with Xi Jinping as the core focus. These ideas are filled with the philosophy of coordinated development, and also maintain a strong idea of developing socialism with Chinese characteristics. This latter idea is more mature than the previous "Five-Year Plan," because it supplements theory with practice. It is certain to guide national economic development into a new world.

Uphold the Direction of the Socialist Market

Strong economic strength is still the foundation of innovative countries. China must firmly grasp economic development of this most important task without wavering, highlight the wise judgment that science and technology are of first importance about productivity, produce high-tech and high value-added products, and participate in international economic competition in order to gain a position in the international commodity markets. The United States is the most powerful economy in the world today. The leading national policy of the federal government is to produce high-tech products and make profits from international trade. In

1960s, the value of export and import trade accounted for only 4%-5% to GDP. This proportion rose to 18%-20% by 2015. US exports are mainly aircrafts, computers, automobiles, chemical products, machinery, etc. Most of the United States' agricultural products are also exported to international markets. The United States gets huge benefits from international trade, while strong economic strength is a fundamental tool to establish hegemony and a single polar world. China pursues the principle of peaceful development and maintaining world peace, and insists that it is a pipe dream to fulfill this mission without solid and strong economic strength. Therefore, to achieve the development of socialism with Chinese characteristics and to achieve the strategic goal of building an innovative country, China must take the road of independent innovation and strive to establish world-renowned brand-name products.

The strategic development plan to implement innovation in China is the specific condition for the implementation of the initial stage of socialist countries. Economic construction of the country moves forward on a twisting and turning road. Under the guidance of the Marxist theory of scientific socialism, some methods that cannot generate economic benefits have been abandoned through continuous summary and reflection. China strongly focused on the centralized planned economic system, single public ownership and single distribution according to work. These systems and policies in the past were regarded as the nature of socialism. The emergence of new things always begins with the denying of old things. Naturally, the negative process is painful. In the denial process, some people do not clearly know what actually socialism is.

What is the difference between socialism and capitalism? What is the essence of socialism? These questions have baffled people for a long period of time. From the perspective of Marx's scientific socialism theory, the planned economy, distribution according to work and public ownership are indeed the basic characteristics of socialism, but these characteristics are highly theoretical and abstract. In social reality, experience and lessons tell us that we must partly correct these highly abstract characteristics when conducting socialist practice in the face of underdeveloped productivity. For example, a planned commodity economy can only take a market economy as the foundation; public ownership is only the mainstay and co-develops with a variety of other common economics; distribution according to work co-exists with the other modes of distribution. The performance of the reform has proved that it is an undoubtedly wise way.

The aim of the Chinese people in choosing a socialist market economy is to seek integration into the world economy; it is the inevitable choice for people of all ethnic groups to realize a common prosperity. Examples such as the United States and other industrialized countries benefiting from international trade and international communication are really worth studying and referencing. However, China has its own socialist goal while the country is in its primary stage of development. The socialist market economy China has established, is establishing, and will establish never refers to the mechanical marketization across every nook and cranny of the country. An advanced state's social responsibility can never be abandoned by adopting pan marketization.

As to market economy theory itself, its substantial expression in some aspects is also pure technology, has great limitations, and cannot cover all societal issues. Therefore, the trend of pan marketization should be criticized. A correct theory can be developed only after wrong ways are destroyed. The goal of the socialist market economy is the prosperity and peace of the country. People should have a better guarantee of rights and interests, and should live safely in a beautiful country. However, the words and deeds of pan-marketization are a misunderstanding of the market economy. They distort marketization reforms and will eventually ruin them. The aftermath will be disastrous if we hold that the market principle is omnipotent and infinite. Taking market reforms one step further into pan-marketization is a fallacious step.

In order to understand deeply the theory of an innovative country, we need to criticize and analyze pan marketization in depth, and this will involve some abstract concepts. This kind of difficulty in understanding the theory of an innovative country is caused by the pan-marketization arguments. That is because after the introduction of market economy theory in China, some voices speaking confusing terms of Western economics are raised. Such a superficial title seems to be somewhat abstract theoretically, and a considerable number of people in society may have difficulty in understanding it. In the social ideology field, this is the exact situation because social reality is divorced from economic reality. In reality, the sentiments of pan-marketization are intense and its intention is obvious, but hidden beneath the surface are some old ideas in the Western economics school.

However, the expansive income gap and deficiency of public services can explain what is right and what is wrong, and can also reveal the representative essence of some seemingly mysterious Western economic theories. People can also ponder on theories behind the representation of things, and gradually consider deep theoretical issues. It is very important to recognize that the dark side of the pan-marketization trend would be exposed undoubtedly after the realization of the truth of the sort of economic development advocated by pan marketization. People will naturally break the fetters of narrow self-interest, and strongly transform into pursuers of the common interests of all members of society. This is also the major premise of building a modern socialist country.

Maintenance of the Common Interests of the Community

Persons with lofty ideals at home and abroad have many recommendations about how to develop the socialist market economy with Chinese characteristics. However, the recognized core problem is how to make social change or social reconstruction. There are two points here that we must clearly indicate. First, the market economy is not equivalent to a market society. Former French Prime Minister Lionel Jospin has a maxim as follows: “Yes to a market economy, no to a market society.” The market economy is a kind of economic system having effective allocation of resources, but the principles of the market economy should not penetrate and dominate completely social life. In recent years, mistakes, even significantly harmful errors have frequently occurred in some areas of reform in China, such as the market-oriented health care industry reform and the education industry reform. These errors have a direct relationship with the “pan-market” philosophy.

Second, the socialist market economy needs to be established on a society based on the principle of public ownership and distribution according to work. Modern sociological theory tells us that any economic system is embedded into the society that contains it, and if that society is not a good society, it is difficult for that society to normally operate even if there is a sound market economy. The socialist market economy China wants to establish must put an end to exploitation. Of course, a reasonable amount of capital gains should be protected by law and by social respect so that all members of society can enjoy the fruits of social development, commonly referred as the common interest.

Common interest is actually the national interest, and only an innovative country can maintain and develop this sort of national interest, which is the true meaning of socialism. Chinese political economists proposed a new socialism and a new nationalism in 2000 and 2009 respectively. These are the legacy of, and development of, the Marxist theory of scientific socialism. Some points are quite insightful and have a very realistic significance to guide China to re-create a socialist society with Chinese characteristics. They argue that the future road China would travel on is not nationalism, conservatism, and it would never be liberalism. The single way leading to a harmonious society is socialism. In fact, there will be a more profound understanding of the idea of Marxist socialism based on common interests if China is able to see public ownership, a planned economy and distribution according to work. Therefore, grasping the common interest means socialism is at hand; if China grasps the common interest, she can grasp ownership relationships and structure, distribution relationships and other structural adjustment to ensure the country will be neither divorced from reality nor disoriented.

From the perspective of development, social equity and common prosperity must be the guiding principle for rebuilding the community of the Chinese nation. The market economy theory needs to be examined and enriched. Although the evolution process will endure a long time before becoming perfect, it still has to be improved and upgraded continuously when difficulties appear in practice. In the fierce competition of strong nations, there is no room for escaping. Only when the whole nation becomes stronger and more prosperous can China achieve the grand goal collectively planned by the national leadership.

In this issue, we selected 7 papers to be published. Dr. Lisha Chen and her co-authors compare the attitudes of younger generations toward online shopping in China and Indonesia, analyze the differences in Chinese and Indonesian respondents' perceived trust, usefulness and ease of use of online shopping, and evaluate the satisfaction of the Chinese and Indonesian respondents. Their findings suggest that the reasons for online shopping vary between the Chinese and Indonesian respondents, significant differences exist in perceived trust and ease of use of online shopping, and respondents from both countries are generally satisfied with their online-shopping experiences. This study has rich managerial implications for marketers who target the younger generations in China and Indonesia.

Dr. Lee Chuen Cheng presents an overview of consumer value, brand equity, consumer buying behavior and brand sensitivity concepts and discusses why the concepts are useful for marketers of proprietary Chinese medicine products. He argues that consumers have different needs and wants and that if benefits of branded products match expectations, consumers treat the benefits as value and develop high sensitivity towards certain brands and then develop brand preference. He indicates that brand sensitivity affects consumer buying behavior and decisions; accordingly he gives some important guidelines for proprietary Chinese medicine products enterprises so they can have a better understanding of their customers, manage their brand strategies and develop strong brands.

Dr. Ma Dandan and Mr. Yang Bo investigate how various groups of the middle class in the contemporary China use food consumption to build their cultural identity and how the social relationships among the middle-class dinners, the middle-class managers, and the workers are constructed in the standardized food production process. They find that by consuming the same standardized Western food and learning and practicing the standardized Western table etiquette, various groups of the middle class construct their common cultural identity. However, at the same time, workers experience a sense of alienation from the foods they produce due to the profit-driven market logic of the management team and construct their common class consciousness. The authors propose some interesting cultural marketing practices to managers in the food service market. Their study suggests the deficiency of the instrumental market logic and an urgent need for humanizing the market in the contemporary China.

Drs. Lee Bernard and Anthony Tsui attempt to summarize the influence of traditional Chinese values on Lenovo, an international Chinese IT organization. They probe the conventional strengths of Lenovo and its direct competitor, Dell, and discuss the challenges Lenovo have to face. Apart from the new moves of Lenovo, the cut-throat price war and worldwide expansion of Lenovo in the IT industry are described. They therefore explain the Chinese value of harmony in detail with respect to Chow’s model of comprehensive harmony. Moreover, they discuss the influence of the Chinese value of harmony on Lenovo and provide recommendations for teaching methodologies to the practitioners or teachers i.e. SWOT analysis, OBTL objectives and some tutorial questions for discussion in the class. This case study helps global managers better understand the impact of culture on corporate strategy and competitive advantage.

Dr. Li Min and his co-authors study how the relational governance modes reflect Chinese organizations’ unique management features. They examine the factors influencing three types of relational governance in the context of China, and discuss the influencing factors at four levels, namely culture, market, organization, and personal micro-environment with the four common factors namely Chinese culture, asset specificity, uncertainty, and trust. Their paper concludes with an analysis of the differences between the factors influencing three types of relational governance and a discussion of some future research directions.

Professor Feng Ouyang and his students focus on consumer experience and the technology dimension, to establish a three-class index system about the critical factors influencing the success of B2C e-commerce in China. The top nine Chinese B2C self-operating e-commerce platforms in terms of trade volumes were selected as the research sites and data were collected via the Internet. The data were processed with the algorithm of the rough set theory and some key factors influencing B2C e-commerce success emerged from the data. They conclude that the herd effect causes competition between e-commerce companies to develop in terms of both depth and width for adapting to consumers' continuously increasing need for personalized experience; and technologies and services are keys to expanding a B2B e-commerce platform's market share. The results of this study could help managers in the B2B e-commerce marketplace to rethink their current business models and to improve their performance.

Drs. Hongwei Yang and Yingqi Wang draw on multidisciplinary theories of country image and nation branding to examine how young Chinese students' consumption of the US media content and their perceptions of the USA (US country image) influence their attitudes toward and intent of studying in the USA. The structural equation modeling and multiple regression results both show that Chinese high school students' US media consumption positively predicted their perceptions of the USA (US country image) which contributed significantly to their favorable attitudes toward studying in the USA. Their US media consumption, their perceptions of the USA, and their attitudes positively predicted their intent to study in the USA. Additional regression results were also presented. They offer the theoretical and practical implications to the business world.

ATTITUDES TOWARD ONLINE SHOPPING IN ASIAN EMERGING MARKETS: A COMPARISON ON THE YOUNGER GENERATIONS IN CHINA AND INDONESIA

LISHA CHEN, FATIMA ZAKIYA RAZANI, MALYDA ROOSMALATI AND WINO YOURMAN EUSY*

Asia is among the regions where e-commerce grows most quickly considering its large population and quick economic development. This paper attempts to compare the attitudes of younger generations towards online shopping in China and Indonesia. By conducting surveys among Chinese and Indonesian college students, we compared the reasons for choosing/not choosing online shopping, analyzed the differences in Chinese and Indonesian respondents' perceived trust, usefulness and ease of use of online shopping, and evaluated the satisfaction of the Chinese and Indonesian respondents. The results show that the reasons for online shopping vary between the Chinese and Indonesian respondents, significant differences exist in perceived trust and ease of use of online shopping, and respondents from both countries are generally satisfied with their online-shopping experiences.

Keywords: online shopping, comparative study, attitudes, college students

In line with the widespread use of the Internet, online shopping has become one of the major activities for Internet users. Asia is among the regions where e-commerce grows most quickly considering its large population and rapid economic development. In 2013, the accumulated

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number of online shoppers in China reached 302 billion, 24.7% (59 billion) higher than in 2012. And the total transaction volume of the online shopping market increased to 1.85 trillion RMB, 140.9% higher than that of 2012 (CNNIC, 2014). Indonesia, another populous Asian country, is also experiencing a rapid e-commerce growth. According to the survey conducted by the market research company Markplus Insight and the online magazine *Marketeers* in 2013, Indonesia has 74.6 million Internet users, and 42.49% of them are frequent Internet users (who spend at least 3 hours online per day). Twenty per cent of the frequent Internet users have shopped online.

Online shopping has a series of strengths, such as convenience, high efficiency, not being restricted by space and distance, and diverse choices of goods. However, as online shopping services in Asia are relatively new compared with developed countries, there are still lots of problems and deficiencies that need to be improved, such as security, online fraud, low information quality, damage during delivery, and inefficient post-purchase service (Acılar, 2012; Guan, Tao, Wang, & Song, 2011; Lu & Zhou, 2007; Shergill & Chen, 2005). These weaknesses in online shopping directly influence consumers' attitudes towards it, which further affect consumers' information retrieval intention through the Internet as well as shopping decisions (Kim & Park, 2005; Shim, Eastlick, Lotz, & Warrington, 2001)., studying the attitudes of consumers towards online shopping will therefore help uncover the potential obstacles and barriers in e-commerce development.

Different countries have different customer styles, and technological conditions such as Internet penetration as well as different value systems (Chai & Pavlou, 2004). It is thus important to explore consumers' online shopping behaviors under different cultural and social environments, especially when more and more e-commerce companies seek inter-regional cooperation and plan to enter foreign markets (Smith, Deitz, Royne, Hansen, Grünhagen, & Witte, 2013; Whitelock & Fastoso, 2007). China and Indonesia both have large populations and are regarded as the biggest potential e-commerce markets in Asia. While economic relations between the two countries become increasingly close, e-commerce cooperation is also growing. For example, Alibaba, the largest e-commerce company in China, is cooperating with Indonesia's top e-payments provider to enhance the online shopping experience for consumers in Indonesia. Meanwhile, Alibaba also plans to add Indonesian merchants and manufacturers to the seller mix so that they can sell products to other countries (Erickson, 2015). Judging from this, comparison of consumers' attitudes towards online shopping between the two countries will be beneficial for companies to adjust marketing strategies and to enter a new market. As most online shoppers in China and Indonesia are young people (CNNIC, 2014; Purwanegara & Andika, 2013), the research subjects were the college students in the two countries. The researchers hope that the findings and the results of comparison will shed light on the development of the Internet in the two quickly growing countries and offer managerial implications for local governments and e-commerce companies.

Literature Review

Attitudes toward Online Shopping

Attitude is a person's evaluation of a specific behavior involving an object or an outcome (Fishbein & Ajzen, 1975). Schiffman and Kanuk (2007) simply define attitude as someone's inner feeling that shows whether he or she likes or dislikes something (e.g., brand, service). Without a doubt, attitude towards a behavior is strongly related to a particular behavior, such as making an Internet purchase, which has been theoretically and empirically tested by many scholars (e.g., Acılar, 2012; Ajzen & Fishbein, 1980; Li & Zhang, 2002; Shergill & Chen, 2005). Attitude evaluation could help sellers or producers to know whether customers like their products or services; but if they want to know how to improve their products or services, we have to study the factors that influence their customers' attitudes. In the literature on online shopping, previous studies have proposed a number of factors from various fields and perspectives. In this study, we focus on the most frequently discussed and most important factors that influence the attitudes of customers towards online shopping, trust in e-commerce, usefulness and ease of use.

Trust in E-commerce. The Internet market features huge uncertainties, compared with a physical market: for instance, sellers are often hidden under meaningless electronic IDs and lack face-to-face contact with buyers (Kauffman & Wood, 2000); it is hard to collect information about a product and inspect the quality before the payment (Chen, Yan, Fan, & Gordon, 2015); and also there exist worrying online frauds (Chen et al., 2015; Wang & Tseng, 2011). All of these uncertainties/risks directly influence consumer trust in online shopping.

Trust is defined as a willingness to rely on an exchange partner in whom one has confidence (Moorman, Deshpande, & Zaltman, 1993). Regarding the online payment context, Yang, Pang, Liu, Yen, & Tarn (2015) define trust as "a psychological state leading to the willingness of customers to perform payment transaction over the Internet and expect the payment platform fulfilling its obligations, irrespective of customer's ability to monitor or control payment platform's actions" (p.13). Thus, trust is people's willingness and expectation of fulfilling their own and their partner's obligations during every shopping phase, and is of great importance to the adoption and development of e-commerce (Hart & Saunders, 1997; Vosa, Marinagic, Trivellasc, Eberhagen, Skourlasd, & Giannakopoulosa, 2014). Lots of scholars have examined and explicated the corroboration that trust issues will impact on consumers' decision and behavior in online shopping (Featherman & Pavlou, 2003; Kim, Chung, & Lee, 2011; Lopez-Nicolas & Molina-Castillo, 2008; Lu & Zhou, 2007; Park, Lennon, & Stoel, 2005). Corbitt, Thanasankit, and Yi (2003) find that customers with a higher degree of trust in e-commerce are more likely to participate in e-commerce. Yang et al. (2015) believe that uncertainties of transaction handling and perceived risks are the major barriers for online payments; and by studying the case of younger generations in China they model trust and specific risk facets to better understand consumer reaction and behavior. The study by Kim, Xu, and Gupta (2012) reveals that perceived trust exerts a stronger influence on purchase decisions of potential customers as compared to that of repeat customers, and that trust dominates price and becomes the most important factor influencing customer purchasing decisions. Since trust is so crucial for customer evaluation of sellers and products, a number of studies show great concern about how to improve customer trust. For example, Chang, Cheung, and Tang (2013) propose and examine three trust-building mechanisms: third-party certification, reputation, and return policy, and find that all three are significantly related to trust in the online vendor. Both China and Indonesia are emerging markets for e-commerce, and both are facing trust issues for various reasons, like weak web security, inefficient supervision, culture causes, and so forth (Junadi & Sfenrianto, 2015; Lu & Zhou, 2007; Xu-Priour, Truong, & Klink, 2014). Evaluating customer trust in e-commerce in China and Indonesia is therefore essential for comparing the attitudes on online shopping in both countries.

Usefulness and ease of use. When examining the adoption of a technology like online shopping, the Technology Adoption Model (TAM) has been a widely recognized framework over the past two decades (Davis, 1989; Lu & Zhou, 2007; Pavlou, 2003; Smith et al., 2013). Two original constructs of the TAM are perceived usefulness (i.e., enhancing one's performance) and perceived ease of use (i.e., effortless adoption of the technology) (Davis, 1989). Perceived usefulness and ease of use affect attitudes toward usability, which further shapes the user's intention and behavior. This relationship has been examined by many researchers, including those who are interested in customers' online shopping behavior. Shin (2009) finds that perceived usefulness and perceived ease of use significantly affect attitudes. Shen (2012) argues that perceived usefulness positively influences behavioral intentions of online shopping customers. Renny, Guritno, and Siringoringo (2013) apply the TAM in their study of online airlines ticket-purchase behavior: they find that both perceived usefulness and perceived ease of use have a positive influence on customer attitudes, and that perceived usefulness has a stronger influence than perceived ease of use. Gefen, Karahanna, and Straub (2003) state that ease of use, usefulness, and trust in e-vendors are good predictors for behavior intention to use on-line shopping. And, they indicate that perceived ease of use is a central aspect of e-commerce, as it can directly affect intended use and indirectly affect trust and perceived usefulness. This point of view is supported by Wang and Tseng (2011), who also point out that perceived usefulness is important in attracting new users as customers always like to adopt the product when usage is supposed to be useful.

International Comparison

Focusing on consumers' shopping behavior, some scholars have showed great interest in international comparisons, and found that the strength of the relationship between trust/usefulness/ease of use and consumer behavior varies significantly across contexts (King & He, 2006; Smith et al., 2013). Teo and Liu (2007) examine the antecedents and consequences of consumer trust in the United States, Singapore and China, and find that consumer trust is positively related to consumers' attitudes and negatively related to perceived risk. But risk perception has the least negative relationship to attitude and with willingness to buy in China, followed by Singapore and the United States. The authors point out that cultural difference (collectivism vs individualism) is a major reason for the finding of risk perception. Smith et al. (2013) compare online shopping behaviors in Norway, Germany and the United States by adopting TAM as well as cognitive and affective involvement. They conclude that their findings underline the pervasiveness of cultural influences upon consumer behavior even among similar cultures. Xu-Priour et al. (2014) indicate that the influence of trust perception on intention to use online shopping is not significant for the French sample, but significant for the Chinese one, based on collectivism and polychromic time orientation. Gong, Maddox, and Stump (2012) find that Chinese and American consumers hold significantly different perceptions regarding the relative advantage, ease of use, and risk of shopping on the Internet. Although Chinese consumers believe online shopping procedures to be more complex, they still have a higher evaluation of the relative advantages of online shopping and are less concerned about the associated risks than the American consumers. By studying the online shopping behavior of university students in Finland and United States, Comegys, Hannula, and Väisänen (2006) examine the five-stage model for consumer buying behavior, namely need recognition, information search, evaluation, purchase decision, and post-purchase behavior. They find that although online shopping does not in general depend on geographical location, cultural differences, along with Internet connectivity technology infrastructure, do affect the process of shopping. Goh, Priambodo, and Shieh (2012) compare online shopping patterns, including popular online shopping product categories, the most popular site, purchase influencer, important factors when deciding purchase and online actual payments, in Taiwan and Indonesia. Except for the low-price motive for choosing online shopping, all other consumer behaviors are different. So far, there is no study that compares the attitudes towards online shopping in terms of trust, ease of use and usefulness factors between Chinese and Indonesian consumers, giving researchers a great opportunity and motive to do so.

Research Questions

Based on the above literature review, four research questions are proposed:

a. Are there any differences between Chinese and Indonesian college students in satisfaction with online shopping?
b. Are there any differences between Chinese and Indonesian college students in attitudes toward the trust/usefulness/ease of use of online shopping?
c. If there are differences, how can they be explained?
d. What suggestions can be made to the marketers or e-companies?

Research Methods

Instrument Development

In this study, a survey questionnaire was used to evaluate college students' attitudes towards online shopping. There were three sections: the first concerned respondents' personal information, including gender, age, grade of study, average monthly cost of living. Sorted by whether a participant had experiences of shopping online, the second and third sections were separately designed for online shoppers and non-online shoppers. If the respondent had online shopping experiences, he/she needed to answer questions about the reasons for choosing online shopping, how often he/she shopped online, and questions about their attitudes toward trust, usefulness, ease of use, and satisfaction with online shopping. As shown in Table 1, the questions of trust, usefulness, ease of use and satisfaction were adopted from previous studies, with small adjustments to fit the research context of this study. These constructs were measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). For those who had no online shopping experience, questions in the third section were designed to collect their opinions on why they do not choose online shopping (multiple-choice questions, adopted from CNNIC) and whether they plan to try it in the future.

Table 1: ***Measurement of the Research Instrument***

Dimension		Questions	References
Trust	T1	I trust the reputation of the online seller	Lu & Zhou (2007); Clemes, Gan, & Zhang (2014)
	T2	I trust other buyers' review and rating	
	T3	I trust the quality of the products	
	T4	I am willing to provide my personal information to the website	
	T5	I am willing to provide my bank card number to the website	
	T6	I believe that the payment method is safe	
Usefulness	U1	Online shopping helps me a lot, it's very useful	Davis (1989); Yu, Ha, Choi, & Rho (2005)
	U2	Online shopping has improved my shopping efficiency	
	U3	Online shopping has saved my expenditure on shopping.	
	U4	Online shopping has provided me more choices on product selection	
Ease of Use	E1	It's easy for me to learn how to shop online	Davis (1989); Yu et al. (2005)
	E2	It's easy for me to quickly find a specific brand or product	
	E3	It's easy for me to search the information about the products	

	E4	It's not difficult to communicate with the seller/customer-service staff	
	E5	The procedures for payment are easy to deal with	
	E6	The procedures for returning/changing products are easy to deal with	
Satisfaction	S1	Score each stage of online shopping	CNNIC (2014)
	S2	Interface/website design	
	S3	The convenience for searching information	
	S4	Products variety	
	S5	Price	
	S6	Accuracy of the ordered products (e.g., size, color)	
	S7	Security for payments	
	S8	Delivery on time	
	S9	Quality of the products	
	S10	Post-purchase service	

The questionnaire was prepared in both Chinese and English. To avoid biased translation, the questionnaire was sent to a language expert at Hebei University for checking and revision. Three professors in marketing and consumer behavior fields were invited to review the instrument for face validity. A pre-test of 10 college students in Hebei University (including four international students to test the English version) was conducted, and the results showed that students very well understood the questions in the questionnaire.

Data Collection

Data were collected simultaneously in a university in China and a university in Indonesia. The survey targeted both undergraduate and graduate students. A total of 358 valid questionnaires were collected, including 195 Chinese respondents and 163 Indonesian ones. The respondents' profile is shown in Table 2.

Table 2: ***Profile of the Respondents***

		China		Indonesia	
Gender	Male	98	50.3%	50	30.7%
	Female	97	49.7%	113	69.3%
Grade of Study	Undergraduate 1st year	37	19.0%	67	41.1%
	Undergraduate 2nd year	32	16.4%	12	7.4%
	Undergraduate 3rd year	59	30.3%	39	23.9%
	Undergraduate 4th year	31	15.9%	34	20.9%
	Graduate	36	18.5%	11	6.7%
Average monthly cost of living*	80 USD and below	6	3.1%	69	42.3%
	81 USD – 160 USD	98	50.3%	69	42.3%
	161 USD – 240 USD	63	32.3%	17	10.4%
	241 USD – 320 USD	10	5.1%	6	3.7%
	321 USD – 400 USD	10	5.1%	1	0.6%
	401 USD and above	8	4.1%	1	0.6%
Whether having online shopping experiences	Yes	189	96.9%	115	70.6%
	No	6	3.1%	48	29.4%
The frequency of online shopping	More than one time a week	24	12.7%	4	3.5%
	Once a week	16	8.5%	3	2.6%
	More than one time a month	74	39.2%	12	10.4%
	Once a month	42	22.2%	26	22.6%
	Once every three month	25	13.2%	26	22.6%
	Once every six month	7	3.7%	9	7.8%
	Once a year	0	0%	14	12.2%
	Once in more than one year	1	0.5%	21	18.3%

* The average monthly cost of living shown in this table was indicated in USD. However, in the questionnaire, the average monthly cost of living was measured by local currencies (CNY for Chinese respondents and IDR for Indonesian ones). The specific scales for the measurement of average monthly cost of living are shown below:

China	Indonesia
500 CNY and below	1.000.000 IDR and below
501 CNY – 1000 CNY	1.000.001 IDR – 2.000.000 IDR
1001 CNY – 1500 CNY	2.000.001 IDR – 3.000.000 IDR
1501 CNY – 2000 CNY	3.000.001 IDR – 4.000.000 IDR
2001 CNY – 2500 CNY	4.000.001 IDR – 5.000.000 IDR
2501 CNY and above	5.000.001 IDR and above

As shown in Table 2, the proportions of male respondents for China and Indonesia were 50.3% and 30.7% respectively, and the respondents were from different grades of study. The respondents' ages, which are not listed in this table, ranged from 16 to 32, covering the major Internet users and the likeliest online shoppers. For the average monthly cost of living, most of the Chinese respondents (82.6%) spent 81 USD to 240 USD (501 CNY to 1500 CNY) monthly; while the Indonesian respondents' costs of living were relatively lower than those of the Chinese respondents, 42.3% of them only spent 80 USD (1.000.000 IDR) per month, and 42.3% of them spent 81 USD to 160 USD (1.000.001 IDR—2.000.000 IDR) per month. According to the survey, 96.9% of the Chinese college students had online shopping experience, 26.3% higher than their Indonesian counterparts. And, among those who had online shopping experience, 39.2% of the Chinese respondents shopped more than once per month online (but less than once a week), which accounted for the largest proportion in terms of the frequency of online shopping behavior. For the Indonesian respondents, most of them shopped once per month or once every three months online (both accounted for 22.6% of the total online-shoppers). It is worth noting that 12.7% of the Chinese respondents were frequent online-shoppers, and they shopped online more than one time per week. The findings suggest that the proportion of online-shoppers of China is higher than that of Indonesia and that Chinese shoppers also shop online more frequently. These differences are partially because of the fast development of e-commerce in China in recent years. E-business emerged in China at the end of the twentieth century, and the first successful online shopping deal occurred in 1998. Online shopping companies subsequently boomed over the next few years, and gradually shaped their own characteristics and business focuses. For example, Taobao of Alibaba is famous for its variety of goods; Dangdang focuses on selling books; Xiechengwang is a website that provides hotel and train/airplane reservations; Amazon China has fixed its customer base relying on its self-supporting products and direct-mail service of products from Amazon America; Jingdong is an e-commerce company that focuses on diversified electronics, mobile phones, computers and other electronic products. Meanwhile, online shopping support services, like online payment and delivery services, also develop rapidly and timely, making online shopping in China more convenient and economical. On the other hand, although Indonesian online shopping websites also emerged in the late 1990s (Kaskus, the largest online shopping mall, started in 1999), online shopping was not generally known to Indonesians until 2010 when online social networks like Facebook became popular among young people. In addition, the respondents' demographic characteristics may have affected the results of this study. As they get older and move up grades, college students will have a greater chance to learn about online shopping and become more economically independent. And, according to Table 2, 41.1% of Indonesian respondents were freshmen, while 30.3% of Chinese ones were juniors, and 18.5% graduate students. These results suggest that the Chinese respondents were more likely to have online shopping experience than the Indonesian ones.

Results and Discussion

To compare the differences in Chinese and Indonesian consumer attitudes toward online shopping, a series of quantitative data analyses were conducted with SPSS. To begin with, a descriptive analysis of the reasons for choosing online shopping was made. As shown in Figure 1, eight reasons were found by the previous researchers (with reference to CNNIC, 2014). The results indicate that price, convenience, goods variety and availability of products sold in other places are the top four reasons for both countries' respondents to shop online. However, there are distinctions in the proportions of respondents who chose each reason. Most of the Chinese respondents (70.4%) chose online shopping for its comparative price, but only 36.5% of the Indonesian ones. The Chinese respondents also believed that online shopping had a greater variety of goods (66.1%), and was more convenient (61.9%), motivating them to purchase online. For Indonesian respondents, the most frequently chosen reason was convenience (53.9%), followed by the reasons of "buy product that's not sold in local region" and "goods variety, more choices" which were chosen by 44.3% and 43.5% of the respondents respectively. These findings imply that China is still a low-price-oriented-market, with an increasing need for higher service quality. However, this conclusion is only limited to the research objects of this study—the younger generations who are familiar with the Internet but more sensitive to prices (Lu & Zhou, 2007).

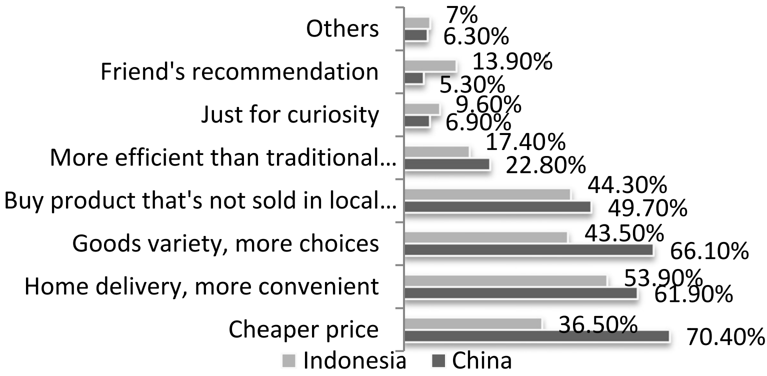

Figure 1. Reasons for choosing online shopping.

An independent sample t-test was used to find out whether there are differences between Chinese and Indonesian consumers in terms of attitudes on online shopping. The results are shown in Table 3 and Table 4. The p-values of Trust, Usefulness and Satisfaction are greater than 0.05, meaning they are equal in the variance; while Ease of Use is not equal in the variance as the p-value is lower than 0.05. Then, based on the results shown in Table 4, a conclusion can be drawn that there are significant differences between Chinese and Indonesian respondents in their trust and perceived ease of use for online shopping. For further explanation, comparisons on each item were conducted next.

Table 3: ***Levene's Test***

Dimension	F	Sig.
Trust	0.043	0.836
Usefulness	3.710	0.055
Ease of Use	3.968	0.047
Satisfaction	0.215	0.643

Table 4: ***Test for the Means of Trust, Usefulness, Ease of Use, and Satisfaction***

		t-test for Equality of Means				
		t	df	Sig.(2-tailed)	Mean Difference	Std. Error Difference
Trust	Equal variances assumed	-2.997	302	.003	-.23053	.07691
	Equal variances not assumed	-3.020	246.695	.003	-.23053	.07633
Usefulness	Equal variances assumed	.764	302	.446	.06554	.08580
	Equal variances not assumed	.803	277.491	.423	.06554	.08166
Ease of use	Equal variances assumed	2.590	302	.010	.20178	.07789
	Equal variances not assumed	2.751	284.220	.006	.20178	.07335
Satisfaction	Equal variances assumed	.457	302	.648	.02959	.06477
	Equal variances not assumed	.455	237.110	.650	.02959	.06509

Trust

Consumer trust on online shopping is critical to their intention, attitude and decision-making. Early analysis has revealed that there is a difference between Chinese and Indonesian respondents in terms of trust in online shopping. Table 5 presents a detailed comparison of trust, and suggests that the Indonesian respondents have higher trust in online shopping than their Chinese counterparts. As 3 represents a neutral attitude in a five-point Likert scale (neither agree nor disagree), the mean value 3.14 of the Indonesian respondents indicates that they generally trusted online shopping; but the Chinese respondents distrusted online shopping in general as indicated by their mean value of trust (2.91). Except for question T6, all the other questions of trust are graded higher by the Indonesian respondents, revealing that the Chinese e-market is facing a more serious distrust problem. Two major possible reasons for the trust crisis in China are Internet economic fraud and counterfeit commodity. With the booming development of e-commerce in China in recent years, criminals keep pace with the times and use Trojan viruses or other illegal ways to obtain victims' personal information and engage in economic fraud. As the payment of online shopping is made through e-banks and virtual markets on the Internet, rather than face-to-face trade in a physical market, Internet users believe that they are at a high risk of becoming a victim of online identity theft: they are thus disinclined to share personal information online (Hille, Walsh, & Cleveland, 2015). Fake products or counterfeits are another serious trust-related problem in China. Counterfeiters mimic the original products with low quality, or even fake materials, and market them as original products. The counterfeits not only violate the intellectual property rights of the producers of the original products, but also hurt consumers' economic interests and health. Although the counterfeit problem has attracted great attention from the government and scholars (e.g., Sun, Li, Zhou, Li, Ji, & Yang, 2014; Xie, Hong, Zhu, & Tao, 2015; Yao, Shi, Li, & Jin, 2007), China may need a long time to solve the problem, owing to functional and geographic fragmentation, protection of revenue sources at the local level, outright corruption and many other obstacles (Zimmerman, 2013).

Table 5: ***Comparison in Terms of Trust***

		China	Indonesia
T1	I trust the reputation of the online seller	3.35	3.47
T2	I trust other buyers' review and rating	3.28	3.54
T3	I trust the quality of the products	3.21	3.30
T4	I am willing to provide my personal information to the website	2.17	2.84
T5	I am willing to provide my bank card number to the website	2.07	2.37
T6	I believe that the payment method is safe	3.38	3.32
	Mean of total	2.91	3.14

Usefulness

The college students' perception of usefulness of online shopping was measured by four questions as shown in Table 6. The means of the perceived usefulness of both countries are higher than 3, implying that both the Chinese and Indonesian respondents believed that online shopping was useful and helpful to them. Although the mean value of Chinese respondents is a little higher than that of the Indonesian ones, there is no statistically significant difference between them with reference to previous analysis. This implies that new technology will improve the consumers' performance/productivity without too much effort corroborated by many empirical studies in different countries (e.g., Renny et al., 2013; Shergill & Chen, 2005; Yu et al., 2005).

Table 6: ***Comparison in Terms of Usefulness***

		China	**Indonesia**
U1	Online shopping helps me a lot, it's very useful	3.67	3.76
U2	Online shopping has improved my shopping efficiency	3.70	3.56
U3	Online shopping has saved my expenditure on shopping.	3.16	3.13
U4	Online shopping has provided me more choices on product selection	4.07	3.89
	Mean of total	3.65	3.59

Ease of Use

The scale of ease of use consists of six questions, testing the respondents' evaluation of the degree of easiness of online shopping. According to the independent sample t-test shown in Table 4, there is a significant difference between the Chinese and Indonesian respondents in terms of ease of use. Table 7 presents the detailed comparison between these two groups. Generally speaking, both Chinese and Indonesian respondents agreed that online shopping was easy, with mean values of 3.79 and 3.59, respectively. With reference to Table 7, we can see that the mean values of the two countries in terms of E1, E2 and E3 are close to each other, indicating that the Chinese and Indonesian respondents have a similar opinion of the ease of "learning how to shop online," "quickly find a specific brand or product," and "search the information about the products," which are pre-purchase procedures. Nevertheless, the purchase procedures (E4 and E5) and post-purchase procedure (E6) were evaluated differently by these two groups of respondents. For communication and payment of online shopping, the Chinese respondents reported significantly higher scores than their Indonesian counterparts. For returning or changing products procedures, although the mean values of the two groups of respondents are close, the Chinese respondents' mean value is 3.06, implying that they mainly accepted the statement in Question E6, whereas the Indonesian respondents had the opposite opinion, as they scored lower than 3 regarding Question E6. Thus, relatively speaking, the services of Indonesian e-commerce companies may still be weak and cannot meet consumer needs, especially in the post-purchase phase of online shopping. For instance, Indonesian online shoppers can return the products only if they received defective products or products of the wrong size/number/color caused by retailor errors, and the shoppers need to pay for return shipping charges. But in China, Jingdong, Amazon and many other large online shopping malls implement the policy of "returns for items with no reason within 7 days after receiving", and provide free shipment of the returned products, which significantly improves consumer satisfaction and intention to shop again.

Table 7: ***Comparison in Terms of Ease of Use***

		China	**Indonesia**
E1	It's easy for me to learn how to shop online	4.30	3.97
E2	It's easy for me to quickly find a specific brand or product	3.88	3.87
E3	It's easy for me to search the information about the products	3.73	3.86
E4	It's not difficult to communicate with the seller/customer-service staff	3.71	3.36
E5	The procedures for payment are easy to deal with	4.08	3.62
E6	The procedures for returning/changing products are easy to deal with	3.06	2.88
	Mean of total	3.79	3.59

Satisfaction

There is no significant difference between Chinese and Indonesian respondents in terms of satisfaction with online shopping as shown by the results in Table 4 and Table 8. Both groups of respondents had a positive attitude towards online shopping, meaning that both of them were satisfied with their experiences of shopping online. The mean values are almost equal to each other (3.43 for the Chinese respondents, 3.40 for the Indonesian ones). However, there are two items of satisfaction to which we should pay special attention: S5—price and S9—quality of product. For price, the Chinese respondents reported a mean value of 3.72, much higher than that of the Indonesian respondents (3.23). If we look back to the reasons for choosing online shopping in Figure 1, we will find that "cheaper price" is the most frequently reported reason by the Chinese respondents who were satisfied with the prices of the products they bought; but "cheaper price" is the fourth frequently-reported reason by Indonesian respondents, who were merely satisfied with it. It implies that the reason for which the Indonesian respondents who have not chosen "cheaper price" may not be that they are not sensitive to price, but that the prices of products in online stores are not significantly lower than those in physical stores as they expected. Regarding product quality, the Chinese respondents were generally not dissatisfied, as the mean value is 2.98, whereas the Indonesian respondents scored 3.21 on this item, indicating that they were generally satisfied with product quality. This finding should sound an alarm for the Chinese e-commercial business people, as well as for the government, which is supposed to exercise its duty of care.

Table 8: ***Comparison in Terms of Satisfaction***

		China	**Indonesia**
S1	Score each stage of online shopping	3.47	3.55
S2	Interface/website design	3.70	3.50
S3	The convenience for searching information	3.82	3.78
S4	Products variety	3.44	3.53
S5	Price	3.72	3.23
S6	Accuracy of the ordered products (e.g., size, color)	3.53	3.44
S7	Security for payments	3.26	3.29
S8	Delivery on time	3.10	3.33
S9	Quality of the products	2.98	3.21
S10	Post-purchase service	3.24	3.10
	Mean of total	3.43	3.40

Non-online Shoppers

According to the survey of this study, six (195 in total) Chinese respondents and 48 (163 in total) Indonesian respondents had not had previous online shopping experience. These non-online shoppers were asked their reasons for not choosing online shopping. The results are shown in Figure 2. Indonesian respondents' most frequently reported reason was "worry about the quality of the goods" (58.3%), followed by "doubt the security of online shopping," "need more details on product's information," "the procedures are too complex," and so on. While the number of Chinese respondents who had no online shopping experiences is only six, we can only predict the results based on these six respondents' answers, which could possibly be biased. The main reasons for not shopping online reported by the Chinese respondents are very subjective, namely, "not want to buy/not need/not necessary," and "not familiar/don't know/will not buy." Among these six Chinese non-online shoppers, three of them would like to try online shopping in the future, and one decided not to. For the Indonesian non-online shoppers, 35.4% of them were willing to shop online in the future, 8.3% would not, and 56.3% were not sure about the future. It seems that most of the Indonesian non-online shoppers are taking a wait-and-see attitude toward future online shopping, which is influenced by their worries about product quality, security, and other inefficient services with reference to the results of the reasons for not choosing online shopping.

Figure 2. Reasons for not choosing online shopping.

Conclusion

This paper compares the attitudes of the college students toward online shopping in China and Indonesia. It aims to reveal the deficiencies of current e-commerce development in China and Indonesia, and to offer insights for those transnational e-commercial enterprises that plan to expand their business in Asia. The results suggest that, generally speaking, more Chinese college students have online shopping experiences, and they also shop more frequently compared with Indonesian college students. Regarding the reasons for choosing online shopping, price, convenience, goods variety and availability of products that are sold in other places are the top four reasons for both sets of respondents to shop online; but Chinese online shoppers focus more on prices, while Indonesian online shoppers care more about quality of service.

Independent sample t-tests show that there are significant differences between Chinese and Indonesian respondents in their trust and perceived ease of use for online shopping, but no significant difference is found in terms of respondents' perceived usefulness and satisfaction with online shopping. Specifically, the Indonesian respondents reported higher scores on trust in online shopping, but lower scores on the perceived ease of use than the Chinese ones. This is mainly because of the distrust crisis in China resulting from Internet economic frauds and counterfeits, and the deficiency and lack of promotion of online shopping in Indonesia. Although there is no statistically significant difference between the Chinese and Indonesian respondents in terms of satisfaction and perceived usefulness, we still need to pay attention to the problems behind the results, such as Chinese consumers' worries about the quality of the products and Indonesian consumers' expectations of higher service quality and cheaper prices. This paper also uncovers the reasons for not choosing online shopping. The Chinese respondents reported very subjective reasons for not shopping online: they just personally did not, or were not willing, to shop online. In contrast, the Indonesian respondents did not shop online because of their worries about product quality, security, and other inefficient services.

In conclusion, the younger generations of Chinese and Indonesian consumers generally have similar attitudes towards online shopping. Most of them are attracted by the low prices, the variety of goods, and the convenience of online shopping. They commonly have positive attitudes towards the usefulness and ease of use of online shopping, and are also satisfied with their experiences of shopping online. Major differences exist in the trust in online shopping: Chinese respondents slightly distrusted online shopping, while the Indonesian respondents generally trusted it. These findings have some implications: Chinese e-commerce companies should pay more attention to building commercial integrity and improving customer trust; meanwhile, the Chinese government needs to enhance supervision of e-commerce and protection of consumer rights. Indonesian companies and government should establish more online shopping platforms to meet the needs of the growing market as well as improve the quality of service of online shopping. Global Internet marketers and transnational enterprises should not only consider the economic and cultural factors of the target country, but also take consumer behavior into account. As found in this study, if a Chinese e-commerce company wants to exploit the market in Indonesia, it may succeed by providing high-quality products and post-purchase services.

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BRAND SENSITIVITY AND CONSUMER BUYING BEHAVIOR: AN EXPLORATORY STUDY OF PROPRIETARY CHINESE MEDICINE

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This article presents an overview of consumer value, brand equity, consumer buying behavior and brand sensitivity concepts, and discusses why the concepts are useful for marketers of proprietary Chinese medicine (pCm) products. Current studies have indicated that consumers have different needs and wants. If the benefits of branded products match expectations, consumers treat the benefits as value and develop loyalty towards certain brands, and then develop brand preference. Thus brand sensitivity affects consumer buying behavior and decisions. This article gives some important guidelines for pCm enterprises so that they can have a better understanding of their customers, manage their brand strategies and develop strong brands.

Keywords: brand value, consumer buying behavior, brand sensitivity, proprietary Chinese medicine.

Brand sensitivity is the extent to which consumers actively consider brand information when making buying decisions (Kapferer & Laurent, 1988, Zablah, Brown, & Donthu, 2010). According to the Chinese Medicine Council of Hong Kong, proprietary Chinese medicine means any proprietary product: (a) composed solely of any Chinese herbal medicines; or any materials of herbs, animal or mineral origin customarily used by the Chinese; (b) formulated in a finished dose form; and (c) known or claimed to be used for diagnosis, treatment, prevention or alleviation of any disease or any symptom of a disease in human beings, or for regulation of functional states of the human body. Proprietary Chinese medicines are

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commonly used by the Chinese as health products and over-the-counter (OTC) drugs.

Revenue for the Traditional Chinese Medicine Manufacturing industry has been increasing at an average annualized rate of 19.1% over the past five years. There are about 1,233 industry enterprises employing 144,840 workers with a total payroll of $1.3 billion, according to IBIS World Traditional Chinese Medicine Manufacturing in China (Market Research 2015 Report).

There are many manufacturers in the market, and the competition is vigorous. Consumers do not have the knowledge or ability to differentiate the quality of different products, so brands with a quality guarantee become a guideline for consumers. Different brands offer differential values to consumers. When consumers buy products, they can perceive the difference between brands. If a brand offers more differential benefits which satisfy the consumers' needs and wants, consumers have a higher sensitivity for that brand and it becomes their first choice. Thus brands affect consumers' buying behavior. pCm products face fierce competition from Western health products and OTC medicines. There is an urgent need to strengthen pCm brands so as to provide them with competitive advantages. The production techniques of pCm products are rather simple but mature. In the case of pCm products, brand is an important factor that affects consumer buying decisions. There have been very few studies about the marketing of pCm products. This study gives some important guidelines for marketers to formulate marketing strategies and will hopefully help enhance healthy and long-term development of the pCm industry.

Literature Review

The conceptual framework of this article is to investigate the relationship between brand sensitivity and consumer buying behavior. There is a large mass of literature on brands and consumer behavior. Brand sensitivity is a new perspective on the study of consumer buying behavior and brand management. The conceptual framework is based on a review of the literatures on several concepts. First, this study aims to identify the expected value that consumers want from branded pCm products. Secondly, what are the benefits offered by branded pCm products? If consumers are able to perceive that the benefits offered by branded products match their expected values, they pay special attention to such products, which is tantamount to the formation of brand sensitivity (Kapferer & Laurent, 1988; Zablah et al., 2010). Finally, brand sensitivity is investigated to identify its relationships with customer value and brand strategy and its influence on consumer buying behaviors and decisions.

The Concepts of Consumer Values

Zeithaml (1988) defined consumer value as the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is delivered. The value offered to consumers represents the difference between total consumer value and total consumer cost. Total consumer value is the total of consumer expectations of a product and total consumer cost is the cost incurred by consumers for getting and using a product. The higher the value of a branded product, the more consumers are willing to pay for it, which means the particular branded product has a higher sensitivity level.

The needs of consumers (or value) can be explained by Maslow's hierarchy of needs (1954), a five-stage model divided into basic needs (e.g., physiological, safety, love and esteem) and growth needs (self-actualization). In an early conceptualization of consumer needs, Park, Jawarski, and MacInnis (1986) described three basic consumer needs (or values) that reflect value dimensions: functional needs, symbolic needs and experiential needs. Functional needs motivate the search for products for solving consumption-related problems. Symbolic needs are desires for products that fulfill internally generated needs for self-enhancement, role positioning, group membership or ego satisfaction. Experiential needs are desires for products that provide sensory pleasure, variety or cognitive stimulation.

Sheth, Newman, and Gross (1991) proposed the consumption-value theory and identified five consumption values: functional, social, emotional, epistemic and conditional, which influence consumers' buying behaviors. These differential values determine consumer choice: to buy or not to buy, to choose one type of product over another type of product and to select one brand over another brand. The theory entails different forms of consumer values. Holbrook (1994, 1996, and 1999) defined consumer/customer value as "an interactive relativistic preference experience." He also proposed a typology of consumer value which decomposes customer value into three dimensions: extrinsic versus intrinsic; self-oriented versus others-oriented, and active versus reactive. These three dimensions consist of eight values: efficiency (convenience), excellence (quality), status (success), esteem (reputation), play (fun), aesthetics (beauty), ethics (virtue) and spirituality (faith or ecstasy). This typology includes experiential, hedonic types of value, as well as utility types of value, and it also acknowledges value perceived by the consumer or the way it affects others in the context of value type: play, aesthetics, ethics, spirituality and esteem. Woodruff (1997) defined consumer value as the customer's perceived preference for product attributes, attribute performance, and consequences arising from uses that facilitate (or block) realization of the customers' goals and purposes. His definition of consumer values includes values that come from goal-oriented consumers' learned perceptions, preferences, evaluation, and the after-use experience of branded products. Owing to the complexity of consumer value, Woodruff and Gardial (1996) proposed a value-hierarchical model with three increasing levels. The lowest level is an attribute-based value that satisfies the expectations of consumers in terms of product attributes. The consequence-based value fulfils the desired consequences of use of the product by the consumer. The highest level of goal-based value is consumers' core value that achieves consumers' goals and purposes.

Woodall (2003) identified five primary forms of value for the customer: net value for the customer (balance of benefits and sacrifices), derived value for the customer (use/experience outcomes), marketing value for the customer (perceived product attributes), sale value (reduction in sacrifice or cost) and rational value for the customer (assessment of fairness of the benefit-sacrifice balance). This framework is the most comprehensive to date. By analyzing, integrating and extending previous literature, Smith and Colgate (2007) developed four types of consumer values for business organizations: functional/instrumental value (a product has certain expected characteristics or functions), experiential/hedonic value (a product brings a certain experience, affection and emotion to consumers.), symbolic/expressive value (a product connects to consumers in certain psychological contexts), and cost/sacrifice value (the costs and sacrifices that may be involved in the purchase, ownership and use of a product). Their framework also identified five major sources of value: information, products, interactions, environment and ownership.

According to the literature, consumers have different needs and wants and the nature of consumer value is therefore complex and multi-dimensional.

The Concepts of Brand and Brand Equity

Advertising guru David Ogilvy said: "Brand is a complex symbol, the sum of a product's attributes, name, packaging, pricing, historical reputation and advertising style. At the same time, brand is also consumers' impression as well as consumers' experience on the brand product."

A brand is something that provides value beyond the functional value of a product (Farquar, 1989). The American Marketing Association defines a brand as “a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers.” It further defines brand equity as “…from a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use.” Murphy (1998) indicated that a brand consists of the development and maintenance of sets of product attributes and values which are coherent, appropriate, distinctive, protectable and appealing to consumers. Knowles (2001) posited that branding is concerned increasingly with assembling and maintaining a mix of values, both tangible and intangible, which are relevant to consumers and which meaningfully and appropriately distinguish one supplier’s brand from that of another. A brand triggers consumer response in the form of cognition, affect and the resultant choice that possibly leads to purchase behavior (Aurifeille, Clerfeuille, & Quester, 2001). In other words, a brand can influence the minds of consumers in the form of thoughts, feelings, images, beliefs, attitudes, experiences and so on (Keller, 2003).

Branding expert Aaker (1991) defined brand equity as a set of assets and liabilities linked to a brand that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm’s customers. Aaker conceptualized brand equity as a set of dimensions, which are brand awareness, brand association, perceived quality, brand loyalty and other proprietary assets. Kapferer (1992) and Doyle (1998) used a model brand pyramid to explain the benefits of a brand. The upper tier of the pyramid is the brand core that provides the core value to consumers. The middle tier is the brand style which brings out the culture, personality and self-image of the brand. The lower tier is the brand theme which includes the physique, reflection and relationship. The first three facets are incorporated within the brand itself and the last three facets are the social facets which give the brand its outward expression.

Keller (1993) considered brand equity as the differential effect that knowing the brand has on consumer response to the product or its marketing. According to Keller (2003), the six building blocks of the brand pyramid are: (1) brand salience, which relates to how often the brand is evoked in purchasing and consumption situations; (2) brand performance, the extent to which the product meets customers’ functional needs; (3) brand imagery, which relates to the extrinsic properties of the product; (4) brand judgments, which focus on customers’ personal opinions and evaluations; (5) brand feelings that are customers’ emotional responses and reactions towards the brand; and (6) brand resonance, which refers to the nature of the customer-brand relationship and the extent to which customers feel that they are “in sync” with the brand. Once the lower functional benefits are met, the consumers move to a higher level of needs and wants, which are intangible and emotional.

Davis’s (2000) brand value-pyramid illustrates the values of brand to consumers. The basic level is the features and attributes that must be visible to customers. The next level is the benefits that include the functional or emotional benefits. And the top level is the beliefs and values which are the emotional, spiritual and cultural values being propagated to customers. The low-level benefits are easy to deliver, but are of the least consequence, and these are most easily imitated by competitors, while the top level benefits are more meaningful and difficult to imitate, and are the hardest to deliver.

There are three types of brands or brand strategies suggested by Tybout and Carpenter (2001). Consumers buy functional brands to satisfy functional or physical needs. These brands relate to tangible aspects of the product. Image brands create value by projecting desirable images. These brands are distinguished from competitors because consumers see them as offering a unique set of associations or images. The images attached to the brand add value by distinguishing it from other brands. Experiential brands focus on how consumers feel when interacting with the brand at the time of consumption and this experience is unique and personal.

According to the above literature review, a brand can be considered as a marketing tool that differentiates it from its competing products and develops competitive advantages by a set of dimensions of brand equity, which may be tangible and/or intangible, functional or emotional, to fulfil multiple needs and wants of consumers and build a long term brand-consumer relationship.

The Concepts of Brand Sensitivity

Brand sensitivity, defined as the extent to which consumers take the brand itself into account in the evaluation process, has proven to be an important variable for shaping a brand strategy (Kapferer & Laurent, 1983). Amine (1998) defined brand sensitivity as the extent to which a consumer takes the actual brand (image) into consideration when making a purchase decision. It also refers to the consumer’s attachment to a brand. The brand name is more important than the price, the functional characteristics of the product and the additional services (Müller & Chandon, 2003, 2004). Brand sensitivity represents the nature and intensity of the relationship between the consumer and the brand (Ganesan, 1994). This relationship can be cognitive, emotional or symbolic. d'Astous and Gargouri (2001) and Lachance, Beaudoin, and Robitaille (2003) found that consumers display different levels of brand sensitivity in buying behaviors and that certain consumers are sensitive to brands of selected product categories only. Guo's (2007) empirical study showed that perceived differences, in terms of product quality and brand personality, have a positive effect on brand sensitivity. Chinese culture also has a positive effect on brand sensitivity and it is an important factor that influences Chinese consumers' buying behaviors. Brand sensitivity can augment brand loyalty through calculative and affective commitment to the brand.

Gali (1994) identified six brand functions to measure the extent of brand sensitivity: guarantee (the degree that a brand guarantees a high quality product), simplification (the degree that a brand makes the product choice easy), differentiation (the degree that a brand with specific product characteristics fulfills consumer needs), symbolism (the degree that a brand symbolizes a consumer's personality), metallization (the degree that a brand enhances the self-perceived personality), and generic (the degree that a brand represents a product category rather than the brand itself).

Kapferer and Laurent (1992) divided consumers' brand sensitivity into four aspects: emotional attachment to brand, importance of the brand vis-à-vis other attributes, brand information as a determining criterion in the choice process, and priority assigned to the brand in the purchase decision. Based on these four aspects, Kapferer and Laurent adopted a measurement scale to measure brand sensitivity. Table 1 shows the measurement scale in the form of questions.

Table 1: ***Brand Sensitivity Measurement Scale***

Indicators / Questions	
1.	(a) When buying, I prefer to buy well-known brands; or (b) When buying, I have no objection to buying a private brand
2.	When buying, I always want to see the brand
3.	When buying, I always take brand into account
4.	When buying, brand is important
5.	When buying, I do not just look at brand name to make a decision
6.	If the store I am shopping in doesn't offer the specific brand I am looking for, I prefer to wait.

The Concepts of Consumer Buying Behavior and Consumer Buying Decision

Consumer behavior is the study of processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires (Solomon, Bamossy, Askegaard, & Hogg, 2006). Schiffman and Kanuk (2007) defined consumer behavior as the behavior that consumers display while searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumption behavior is the style and process of consuming and possessing, collecting and disposing of consumer products and services which include the resultant change of feelings, moods and attitudes toward the products and services.

A consumer buying-decision is a process a customer goes through before buying a product. Engel, Blackwell and Kollat (1968) developed a model of the consumer buying decision process in five steps: need recognition, information search (internal and external sources), evaluation of alternatives to meet the need, purchase decision, and post-purchase behavior. The consumer's decision is influenced by two factors: consumers' internal memories of previous experiences and external variables in the form of environmental influences and individual differences.

Howard and Sheth (1969) explained the buying decision process of a consumer and the factors that affect the decision towards a brand. Their model has four elements: input stimulus, hypothetical constructs, exogenous variables and response outputs. Stimulus inputs are informational cues about the attributes of a product/brand which may be significant, brand characteristics provided by marketers, and/or symbolic, psychological feelings perceived by consumers and the cues may come from social stimuli. Hypothetical constructs consist of perceptual and learning constructs which a consumer uses to compare the product or brand information with needs and wants. Response outputs refer to a consumer's response to stimulus inputs through a process of attention, brand comprehension, attitude, intention and purchase. Some of the exogenous variables, that influence the constructs and affect the final variables, are personality traits, importance of buying and financial status of consumers.

Nicosia (1976) proposed a model of consumer-decision process which relates marketers to consumers. The marketer affects consumers through its marketing strategy and then consumers respond to the marketer's actions and provide feedback about their consumption experiences. Field one describes the marketing communication from marketer to consumer and the formation of consumer attitudes toward the branded products. Field two refers to the consumer's search for information and evaluation of alternatives to reach a buying motive. Field three relates to the actual purchase action of the consumer. Field four is the consumption experience of consumers and feedback to marketer.

Bettman (1979) introduced a consumer behavior model based on the information processing that takes place within a consumer. The main components of the model are processing capacity, motivation, attention, information acquisition and evaluation, decision process, consumption and learning processes. Bettman assumed that consumers basically possess a limited capacity to process information so that when they are exposed to too much information, they use certain simplifying strategies to process information. This leads to the major component of motivation that links to the needs and wants of consumers.

Research Methodology and Design

Research Objective

The objective of this study is to explore the influence of brand value on brand sensitivity of consumers and consumer buying behaviors. The relevant consumer buying-decision models start with the needs and wants of consumers (consumer values). If the multi-levels of needs and wants match the benefits of branded products (brand values) offered by marketers, consumers have a high sensitivity towards such brands and they develop brand preferences. Thus brand sensitivity affects consumers' buying decisions (see Figure 1).

Research Questions

1) Can consumers perceive the brand benefits offered by marketers?
2) What are the brand benefits that pCm consumers perceive?
3) Can consumers differentiate the attributes and non-attributes of a product in which benefits are communicated through brands by marketers?
4) Can consumers differentiate brand benefits between brands?
5) Why does a consumer have a high sensitivity towards certain brands?
6) Is brand an important factor when a consumer is making a buying decision?

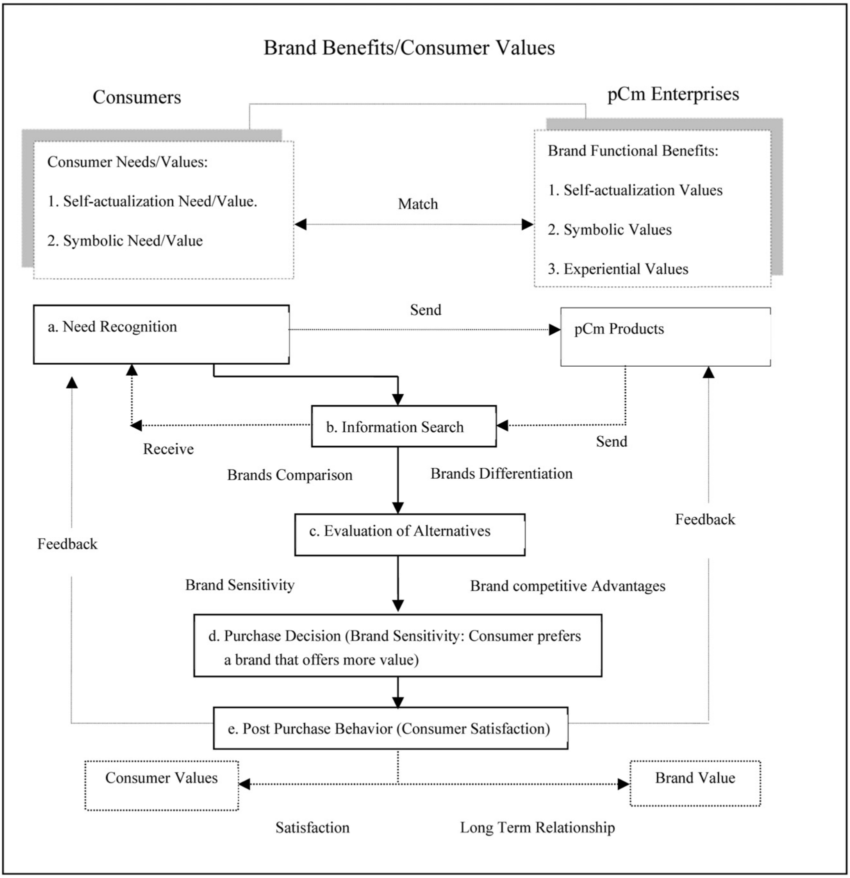

Figure 1. Brand sensitivity and consumer buying behavior

Research Design

Before an empirical test, an exploratory study can help us have a better understanding of the theoretical model and the research hypotheses. It helps in determining the research design, sampling and data collection method. A semi-structured focus group interview was used in the exploratory research. After data collection, all data were grouped into theme categories. The relationships between different theme categories were investigated to form a theoretical framework.

The pCm products were chosen for the exploratory study since they were rather unique to Chinese consumers. There are many manufacturers in the market and the competition is very vigorous. Consumers do not have the ability to differentiate the quality of different pCm products and, therefore, brands become a guideline for consumers. All the information about 30 pCm brands such as packaging, labels, advertisements and promotional materials was shown to consumers. Pre-specified questions were discussed, and all the ideas, thoughts, feelings and feedback from consumers were collected for analysis.

Sampling and Sample Design

To ensure diversity, sixty participants with different backgrounds were interviewed in six focus groups: high and low education qualifications, high and low income levels, pCm users and non-users, different genders and age groups. A semi-structured interview was used to guide the about one hour long focus group discussions.

Data Collection and Analysis

After all information was collected, a three-step process of data reduction, constructing data display and conclusion drawing was used to analyze the qualitative data. Data reduction was through the process of categorization and integration. Categorization is the process of coding and labeling sections of data or images into themes. Integration is the process of investigating the relationships between themes and through themes developing the theory. Data display depicts the findings in the form of tables or figures so that the data can be read and understood. Table 2 represents data reduction and data display in which the data were categorized and coded, then their differences and similarities were compared, and finally data were integrated to explore themes of concept or theory.

In order to reduce the possibility of getting incorrect answers, attention needs to be paid to validity and reliability (Saunders, Lewis, & Thornhill, 2003). The following steps were taken to ensure validity and reliability of this research. The needed data was collected in the format of a semi-structured questionnaire (Research Questions) designed based on the literature review related to the concepts of consumer values, brand and brand strategy, brand sensitivity and consumer buying decisions. Focus groups with different and relevant perspectives were included in the exploratory research and data collection.

Interpretation and Summary of the Findings

Results of the exploratory research (see Table 2) show that consumers are able to perceive different values offered by different brands of pCm products through their feeling towards product attributes, their experiential feeling when using the product, and their personal feeling propagated by pCm marketers. Branded pCm products offer multiple benefits that fulfill multiple needs and wants of consumers. The benefits can be categorized into core functional values, augmented beneficial values, experiential values, symbolic values and self-actualization values. Consumers with pCm knowledge are more willing to buy pCm products and are more sensitive to brand difference. The majority of consumers are highly sensitive to brands and brand sensitivity affects consumer buying behavior, particularly the buying decision.

Conclusion and Implications

Managerial Implications

This study provides several suggestions for marketers to enhance brand sensitivity of pCm products and develop strong brand strategies.

A. Brand sensitivity as a brand strategy to create competitive advantages

To enhance brand sensitivity is to let consumers perceive differences among different brands of similar pCm products. A pCm product with a proprietary brand creates a strong competitive advantage that not only meets the health care needs of consumers but also provides the greatest value to consumers. Ways to enhance brand sensitivity of pCm products include persistent improvement of the basic functions, provision of additional services, emphasis on the experience of good quality of life, highlighting the symbolic significance of consumers and promotion of values of self-development and self-actualization.

Table 2: ***Interpreting and Reporting the Findings***

Questions / Data	Themes
1. Can consumers perceive the brand benefits offered by marketers?	**Brand identification**: Consumers can differentiate different brands.
Brand differentiation: Thirty brands were examined. More than twenty brands were recognized by the majority of participants. All participants were familiar with six popular brands in the market.	
2) What are the brand benefits that pCm consumers perceive?	a. Consumers are able to perceive different benefits offered by brands according to **needs and wants.**
3) Can consumers differentiate the attributes and non-attributes of a product in which benefits are communicated through brands by marketers?	Consumers with high education, pCm experience, high income and old age emphasize more on using pCm products and other feelings.
4) Can consumers differentiate benefits of different brands?	Males concern less on experiential benefits and females concern less on symbolic benefits.
Sources of recognition of brand benefits: brand advertisements, information from labels and packages, company websites, promotional materials, news from media.	Less experienced users pay more attention to benefits offered by product related attributes but experienced users focus more on benefits of non-product related attributes.

Benefits perceived by consumers on product attributes: quality, potency, efficacy, trendy packaging, easy-to-use, well designed, convenience of buying and carrying, new health concept, safety, scientific evidence, testimonials, quick result, detailed label, no side effect, authenticity and health supplements.	b. **Brand benefits** can be categorized into five themes: 1. **Core functional values** are basic benefits offered by product attributes that fulfill basic needs of consumers such as efficacy, quality, no side effects, trendy packaging, simple to use, well designed and convenience of carrying.
Benefits perceived by consumers when using products: happy and healthy, life is more enjoyable, quality of life, all natural, diseases prevention, strength and energy, expert of pCm products, wealthy social class, smart consumers, affectionate memories, fashionable, to show your concern and love to others, gift to share and superior values.	2. **Augmented beneficial values** are additional benefits of product-related attributes, e.g., new health concept, safety, scientific evidence, testimonials, detailed labelling and authenticity. 3. **Experiential values** are benefits offered by product-related as well as non-product-related attributes when consumers are using the product. Examples are happiness and health, life is more enjoyable, quality of life, strength and energy, affectionate memories, superior values and memories of childhood.

Other benefits perceived by consumers: Brand represents: Chinese culture, mystery, socially responsible, longevity, the wisdom of nature, responsible parents, environmental responsible, tradition and heritage, memory of my childhood, filial son or daughter, and advocate Chinese brands. **Reasons for not buying pCm products:** lack of pCm knowledge, not science-based, lack of practical standards to evaluate the safety, efficacy of pCm, knowing little about it, not an evidence based medicine, unknown interactions between various ingredients.	4. **Symbolic values** are the extrinsic benefits of non-product-related attributes, which satisfy a consumer's need for social approval and self-esteem such as an expert of pCm products, a wealthy social class, a smart consumer, a responsible parent, a fashionable person, to show your concern and love to others, a filial son or daughter. 5. **Self-actualization values** are benefits offered by non-product-related attributes to fulfill the needs for self-development towards a sense of meaningful life, e.g., Chinese culture, social responsibility, wisdom of nature, environmental responsibility, tradition and heritage, advocate Chinese brands.
5) Why does a consumer have a high sensitivity towards certain brands? **Importance of brands to consumers:** brand is important to us, prefer to buy my favorite brand, always consider brand when buying pCm product, not willing to buy an unknown brand, I trust my brand, brand is important for pCm products.	The majority of consumers are **highly sensitive** to brands (**Brand Sensitivity)**. **pCm knowledge and brand sensitivity**: Consumers with pCm knowledge are more willing to buy branded pCm products and they are more sensitive to brand difference.

6) Is brand an important factor when a consumer is making a buying decision? 1. I will continue to buy my favorite brand because this brand is better than other brands. 2. This brand is more expensive than other brands, but I think my favorite brand offers more value. The value of this brand is what I want. 3. If a store does not have my brand, I will not turn to other brands. 4. I will not buy other brands even though other brands are doing promotion. 5. When other friends want to buy pCm, I will introduce my favorite brand to them. 6. When buying other brands, I am worried about any damage it may cause to my health.	**Brand sensitivity and consumer buying decisio**n: The majority of consumers consider brand as one of the important criteria when making a buying decision.

B. Brand sensitivity as a customer-driven marketing strategy: creating value for target customers

Consumers have different needs and wants. It is impossible to appeal to all consumers in the pCm market. This study looks further into the key elements of customer-driven marketing strategy: how to segment a market, select a target group, create customer value and position the value in the minds of consumers.

1. Five categories of consumer values as the basis for segmentation: Different consumers have different sensitivities towards different values offered by branded pCm products. Consumers perceive the values in various degrees and exhibit different sensitivity levels. The five values can thus be used as the basis for market segmentation.
2. Consumer groups with different brand sensitivities as target segments: Target segments are segments that marketers go after and they can offer the type of values that the segments are looking for.
3. Consumer value as a tool for differentiation and positioning: To enhance brand sensitivity is to let consumers perceive differences between different brands of pCm products. To position a branded pCm product is to develop a set of perceptions, impressions and feelings in consumers mind, relative to competing products.

Theoretical Implications

C. Based on the data analysis, a theoretical framework is proposed with brand sensitivity at the center as a mediator. The independent factors are brand benefits/equity perceived by consumers and dependent factors are consumers' buying behavior and decisions influenced by brand sensitivity.

H1: The higher the consumer's perception of brand difference, the higher the brand sensitivity.

- H1a: The higher the consumer's perception of differences between core functions of different brands, the higher the brand sensitivity.
- H1b: The higher the consumer's perception of differences between augmented benefits of different brands, the higher the brand sensitivity.
- H1c: The higher the consumer's perception of differences between experiential values of different brands, the higher the brand sensitivity.

- H1d: The higher the consumer's perception of differences between symbolic values of different brands, the higher the brand sensitivity.
- H1e: The higher the consumer's perception of differences between self-actualization values of different brands, the higher the brand sensitivity.

H2: The higher the consumer's knowledge of Chinese medicine, the higher the brand sensitivity.

H3: The more sensitive the consumer is to brands, the more positive is the effect on his or her willingness to buy.

H4: The more sensitive consumers are to a brand, the more positive is the effect it has on their buying decisions.

Examination of the exploratory research data helped to develop a brand sensitivity model framework (Figure 2) that called for further empirical data to verify the hypotheses. Further research is necessary to identify more pre-independent and post-dependent factors which give us a better understanding of the brand sensitivity model.

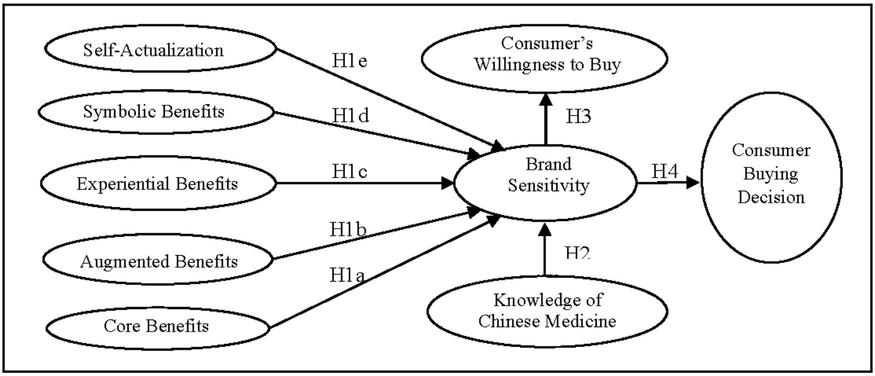

Figure 2. Brand sensitivity concept model

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THE CULTURAL IDENTITY OF DIET FOR THE MIDDLE CLASS: A FIELD INVESTIGATION OF A WESTERN FOOD RESTAURANT IN SHANGHAI

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In China, standardized foods have been expanding from McDonald's stores to average and low-end Western food restaurants, attracting the middle class, consisting of diverse groups, nurturing the food preferences of the middle class diners, and transforming into a symbol of the cultural identity of the middle class. Although the various middle class groups share the stratum culture of high cultural diversity, they consume the same standardized services. Standardized foods permeate various aspects of food service such as dining space, food production process, and table etiquette, etc. Western food restaurants are not only the dining halls of white-collar workers, but also bring in the middle classes via business meetings, social networking, and private intimate gatherings.

Keywords: middle class, cultural identity, standardized foods, cultural marketing

From July to the end of September 2015, the primary author of this paper worked in the SS Western Food Restaurant for 35 days. On the thirtieth day she became a waitress there, wearing the name badge of Isa. After a period of absence, she persuaded the manager to let her work in the restaurant again; and she worked there for a total of 42 days. Before working in the restaurant, the primary author had been looking for opportunities to make a field investigation to gain a concrete understanding of the middle class and their food consumption behaviors. During those 42 days as a waitress, she connected to the other workers, the management echelon, and the middle class diners visiting the restaurant.

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By concealing her identity as a researcher in the field investigation, the primary author adopted the approach of concealed participant observation (Tian, Trotter, & Shao, 2013), which helped the two authors to gain a deep understanding of the middle class's consumption behaviors and preferences regarding Western-style foods. In addition, in the field investigation process, the primary author followed two professional ethical principles: (1) not hurting the restaurant's interests; and (2) doing her best to take care of workmates and to make friends with them.

During the fieldwork, the primary author conducted informal interviews with managers and colleagues. She could only talk informally and casually with the staff, usually during the half-hour break. She talked with 16 colleagues and made friends with six interns. She invited six colleagues, including interns and young staff members, to have dinner together on her campus on one day. She heard much that would never been heard in the restaurant. Having gained the mutual trust of the managers after a long period of interaction, she interviewed Danny (the regional manager of the SS restaurant) three times when he was off-duty. She learned about making cocktails from Jay (a store manager of the SS restaurant), who shared his own experience of the high-end serving industry and professional views on the development of modern Western restaurants in Shanghai. The interviews with the managers lasted for about 15 minutes, due to their busy schedules. The primary author's role as a server in the fieldwork prevented her from interviewing consumers. However, this role helped her to hear many complaints from different consumers. The complaints contained important clues about middle-class consumers' eating preferences, and could be seen as a kind of performance for acquiring the identity of middle class in the consumption space.

During those 42 working days, the primary author took almost 40,000 words of field notes and wrote a field diary based on them. She renewed the diary on her personal web page at www.douban.com. One extract from the diary was published in "Chinese Social Sciences Today" (Ma, April 6th, 2016).

Our literature review shows that research into diet has not received enough attention in the fieldwork on the middle class. Extant studies on diet usually focus on ethnic restaurants and have generated rich insights about ethnic boundaries and ethnological identification (Ru, Luo, & Tian, 2015); in particular, anthropological studies on catering services usually focus on consumer-satisfaction with restaurants (Tian & Wang, 2010), and the improved survival opportunities for time-honored brands in a highly competitive marketplace (Tian, Liu, & Liu, 2015). However, the relationship between food consumption and the middle class has not received enough attention.

Drawing on the extant studies on diet issues, this ethnographic study examines the middle class's consumption behaviors in the non-fast-food Western restaurants (hereinafter referred to as Western food restaurants) widely spreading in Shanghai, China. This study aims at extending the literature on food consumption, and at expanding the domain of the research on the middle class in China, which is dominated by studies on housing reform and urban residents' living space (Ma, 2015), by establishing the connection between Western foods and the middle class. Since McDonald's moved into the big cities like Beijing and Shanghai in the 1990s, many researchers have connected Western fast foods (e.g., those of McDonald's) with white-collar employees (Yan, 2012). However, with more than one decade of economic development in China, McDonald's foods have become more popular among low-income consumers, and white-collar employees have been shifting to Western restaurants which represent Western civilization and display the identity of being a member of the middle class. Specifically, this study is based on the primary author's personal observations and notes taken during the field investigation in the SS Western Food Restaurant.

The Identity of Diet for the Middle Class

The SS catering brand, which was created in Shanghai, expanded its markets by increasing its direct-sale stores in Beijing, Shenzhen, Chengdu and Tianjin. The top management team of the SS restaurant, where the primary author worked, is composed of Danny (the regional manager) and Helen (the store manager), with other management positions like assistant store manager and manager. Danny is in charge of two stores (in the same region), and the grand regional manager Linco would visit the restaurants periodically. Among these managers, only Helen is French and all the others are Chinese, with Danny and Jay coming from Shanghai. Helen was still in the position of vice-store manager when I worked in the restaurant in July 2015, and then became the store manager in December 2015. Having been engaged in the business of Western food restaurants for more than ten years, Jay is good at training servers. Cathy was promoted from hostess. And David, who graduated from a junior college, was promoted to manager from waiter. It took eight years for Danny to be promoted from assistant store manager to store manager, and then regional manager. Like other managers, Danny started off being a common employee of the restaurant, "doing what the superior required", as he complained. But, in the SS restaurant, regional managers and store managers could share a little bit of the profits of the restaurant. Managers could be seen as senior officers hired by regional managers, and the managers' promotion lies in the hands of their superiors. For instance, Danny took up Linco's position. Helen is a successor to Danny. Jay, David and Cathy were promoted in sequence. Initially they were the trainers when they came to the SS restaurant, being subsequently promoted. They directly supervised new employees, emphasized disciplines, and also worked with junior trainees. This process of promotion requires employees' long-term reliable service, excellent performance and consumers' approval, as well as their loyalty to the restaurant. We see this process as a kind of marathon, and argue that this type of promotion system is related to the high turnover rate of workers. Many skilled workers left the restaurant because they believed that there were no promotion opportunities. One of our interesting findings is that male dominance is prevalent in the daily work of the restaurant; for example, the regular lectures by trainers to trainees are a perfect social space to display male dominance.

In the SS restaurant, the professions include usher, waiter/waitress, dishwasher, bus boy deliveryman, cashier and chef. No matter what formal position he or she holds, each worker always performs multiple roles. As a class, workers are identified as a human cost in the restaurant's management system. In this system, cooking foods is at the center of operations, and interns play an indispensable role in the whole food environment. The cheap labor force is divided into three categories: full-time employees, part-time employees, and interns, in terms of remuneration. Interns have the lowest remuneration and worst welfare, but they do the same work as the full-time employees; therefore, the SS restaurant prefers to hire interns. These interns are from different vocational schools and colleges and major in English, airline service, hotel management, etc. And the employment contracts are signed by the restaurant and schools. Interns spend 6 to 12 months in working full-time in the restaurant to get the internship certificate necessary for graduation; they live in the dormitory rented by the SS in the suburbs. The SS restaurant takes advantage of the labor of interns who rely on the restaurant much more than the other employees. The key strategy for the SS restaurant to reduce its cost is hiring as many interns as possible.

At the end of 2015, a group of young people from Guangxi province took the places of the old interns in the restaurant. The primary author of the study asked one of the new ushers who was a young, well-behaved girl why she worked in the SS restaurant of Shanghai. She said that the SS restaurant was the only company accepting interns from her school, and she was eager to work in Shanghai. Despite the gap between the reality and her ideal, she became accustomed to the position of usher on the second day after her arrival. Such impressive adaptability is much stronger than that of other young people of their age; their adaptability might be related to family backgrounds that force them to become independent earlier. They execute the restaurant's functional instructions and requirements more thoroughly than any other employees, while the primary author often had doubts about the instructions and requirements and found it hard to execute them and this was often criticized by the trainers and the manager. For this reason, her workmates in the same batch often helped her a lot. Cora disclosed to the primary author that the main purpose of the internship was making money, rather than improving skills or gaining knowledge of Western food, and the other goal was getting the internship certificate. The interns pointed out that they could learn nothing from the restaurant. For these interns, the primary author's purpose of learning Western culture embodied by Western foods and drinks in the SS was just a joke. In the eyes of the administrative staff, all the young workers are more like the children of the restaurant, no matter whether they are full-time employees or interns. For example, the way that Danny instructed Eric was just like talking to a child.

The restaurant permanently maintains five to six part-time workers or interns, who all show the freedom in a flexible informal economy in their individualized ways. Most of the part-time workers who are called "Working Poor" have no fixed work times and earn little money.

Regarding the division of management rights, the authority hierarchy of the SS restaurant is a system blending Chinese and Western elements. All the management team members need to participate in the work of the restaurant to different degrees, and no one can avoid it. The only privilege the management staff can only enjoy is eating dishes listed on the menu rather than staff meals. Helen plays a critical role in the core management team. Her French citizenship accelerates foreign customers' acceptance of the foods sold in the SS: Some foreign diners explain their particular needs directly to Helen. For example, perhaps a waiter might not understand a French customer's request about cauliflower, so the customer asks Helen directly for service. For a Chinese consumer, Helen's nationality represents the authority of Western civilization: although Helen is only a high level cross-border worker; her service brings psychological satisfaction to the customer. Hiring Helen indicates that the SS has joined the grand wave of globalization, in which goods and people flow worldwide (Weng, 1999). Similarly, workers who move into megacities from other provinces as cheap labor also flow across provinces on the wave of urbanization. The rise of the middle class promotes the development of the service industry, and a large number of jobs have been created. The majority of those migrant workers flowing into megacities are from Anhui, Sichuan and Henan provinces.

The consumption of wine genuinely reflects the transplantation and spread of foreign culture. Mastering the complex, delicate, and systematic knowledge of wine is not only the embodiment of Western food restaurants occupying the high end of the food cultural hierarchy, but also the cultural barriers categorizing different consumers. The professional skills of servers can be reflected in their ability to attract white-collar consumers who have acquired the habit of drinking wine and work in a bilingual environment. However, we find that consumers who are in the habit of drinking wine and have a better knowledge of wine are mainly Europeans and Latinos, and that wine is mainly consumed by foreigners in the SS restaurant.

When Andy was asked why white-collar employees were not in the habit of drinking wine, he replied: “It is a foreign culture, after all.” Interestingly, the restaurant has no intention of creating cultural barriers related to wine. The SS restaurant came up with ways to recommend specific wines following dishes to diners. In addition, the SS restaurant uses a strategy named “package sales”: having a complete dinner menu accompanied by corresponding drinks. What the consumers need to do is “accept all.” This kind of bundling works in the market. A handful of consumers are likely to be tempted by foreign wines. Even though they do not have any knowledge of wine, they would consume it according to the crafty consumption package. Sitting next to his girlfriend with a delicious beefsteak and a glass of red wine, a male could enjoy the sense of satisfaction and vanity while his girlfriend may just take a glass of fresh juice or a milkshake. This pattern of consumption is becoming more and more popular among dating males and females.

The SS restaurant was initially popular among foreigners working in foreign companies, and then their choices and tastes affected Chinese employees. The above process lasted for ten years, and finally the local white-collar workers have become the main dining crowd of the restaurant. Some employees in foreign companies enjoy the meal benefits with RMB120 per person, which matches the average consumption expense of the SS restaurant. The SS restaurant functioned as a mess hall for white-collar workers in foreign companies. Spreading from the mess hall for white-collar workers in foreign companies, their business meetings and social interactions are also transacted there. Extant studies have shown that cultural differences exist in business meetings and social interactions: it is necessary to spend some time in developing personal relationships for Asian people before discussing businesses. And dining together in restaurants is one of the ways to build trust in business relationships (Tian, 2013). Significantly, Western-style food has become the first choice for starting business meetings and social interactions for white-collar workers. The grouping and mixing of diverse groups provides a social space for the middle class. The private sphere is growing from the hotbed of food preferences, and it is mainly composed of the spending units of solo meals, intimacy, and the nuclear family. Children are among the major consumers to whom the SS restaurant caters. Just as IKEA promotes its products for the middle-class life-style in its marketing campaigns ("IKEA is a specimen of fashion and quality of life," Liu, 2008, p. 110), the SS restaurant makes an effort to create an atmosphere for family meals and gatherings of the middle class.

In the public sphere dominated by the mess hall for white-collar workers, the private sphere is derived from white-collar workers, and the areas of consumption like property, home improvement, and home-services; there is a rising consumerism that informs the middle class. Both the service industry serving the middle class and the workers in the service industry are expanding rapidly. The white-collar class is not only a concept of consumption space involving geography, but also the object in the field of consumption constructing the middle class. In addition to the meager food and labor costs, an account bill also includes the state tax revenues and rack-rents charged by the market.

The SS restaurant makes use of the informal economy (such as interns) to reduce its labor costs as much as possible, and its training and hiring workers are for its own interests. Danny discussed safety problems of the restaurant with Helen in English in the kitchen, and he pointed out the fire hazard caused by the plastic curtains hanging at the entrance leading to the mall. While they were talking in the narrow aisle, workers in group of threes and fives were gathering in the passageway, eating staff meals. Because the passageway was too narrow, many workers had to stand up while eating there. The workers' actual dining environment is nearly ignored by the administrators. And what catches their attention is the kitchen, which is closely related to restaurant operation and food hygiene. On the one hand, the workers get along with, and work together with, the administrators all day; on the other hand, the administrators care little about the tastes and nutrition of the staff and their need to eat decently.

The particularity of the catering industry is that the workers are the first ones to taste the dishes listed in the menu. Some dishes liked by the middle-class diners are not popular among the primary author's workmates. For example, Rimbaud cheese is famous for its use in "apple chicken salad" in the American style. But Eric belittled it, saying "It stinks and is unpalatable." The understanding of food is cultivated in an inverted way. The preference for food further strengthens its function of distinguishing different groups of people. It further makes the high-consumption people stand out from the common white-collar class; these people purely pursue the taste of food and do not care about the expense. The hidden rich men occasionally show up in the average and low-end Western food restaurants (Gottdiener, 2011). The upper-class consumers would take advantage of the space by isolating themselves from the rest of population; Gottdiener (2011) termed this "voluntary segregation." We have discovered that some wealthy people occasionally taste the grill before the store's closing time.

The Foods and the Surrounding of the Western Food Restaurant

The SS is located in the Hanzheng Street of the Lujiazui financial center, where many Western food restaurants have opened since 2008. Compared with the high-end Western food restaurants in the Bund, South Shanxi Road and South Maoming Road, the diners in the Hanzheng Street are more middle class, as the street is located in the heart of Lujiazui. Many banks, foreign companies and hotels are located in Hanzheng Street. To meet consumers' demands, the SS restaurant offers a take-out service. The deliverymen often come into contact with the very affluent class.

The main style of the SS restaurant is characterized by simplicity and rationality, and its design philosophy is to accommodate as many diners as possible. The dense setting of dining tables is fully reflected in its scale of operation. The 150 sqm interior business area can accommodate 130–140 diners. Solo dining is encouraged by the SS restaurant, and the bar tables are designed specifically for that. This form of social interaction, which respects individuality, is changing the traditional roundtable habits of Chinese families, which the elder people are gradually coming to accept. The SS restaurant prefers semi-open areas built with high fences and staircases around closed private rooms. The private and public social spaces are not completely isolated from each other—consumers in the semi-open areas can have a look at the public scene through the high fences, and consumers in the public area can also observe consumers in the semi-open areas. Some diners therefore complained that the SS restaurant was not as quiet as they had imagined.

The SS restaurant's concept of diet emphasizes lightweight, healthiness and freshness, advocating eating "right" and delicious food and its featured food is salad, satirized by the middle class as "eating grass." The SS restaurant accurately understands the middle class's conflicting ideals about food: they want to eat meat but are afraid of ingesting calories (Mintz, 2015). The marketing strategy of the SS restaurant is to advocate the highly fresh, healthy eating habits of the middle class.

Diners are important to the restaurant, and the "sitting" preparation before dinner is crucial. Sitting plays an important role in slowing down the fast working pace of the whole day, and it magnifies the presence of table etiquette, with servers putting on a tablecloth, placing candles, putting out the wine list, and then setting the tableware on the left-hand side of a table. There is a "position plate", whose function is to delineate the space of an individual diner, and not to infringe on other people's spaces.

Contrary to dinner time with a slower pace, the SS restaurant runs at full stretch during the day. From breakfast to lunch, it has developed a model of providing a versatile menu. The restaurant's workers need to perform high-intensity work from 11:00 a.m. to 2:00 p.m. and from 6:00 p.m. to 8:00 p.m., to ensure this. This working reminds us of McDonald's and KFC's mode of operation. But unlike McDonald's, the SS restaurant retains the cooking system, the table etiquette, and all the details of the dining space of Western middle class. However, in China, McDonald's has evolved into the aggregation zone of a low-consuming population and industrial surplus population. McDonald's industrialized fast-food products mark the homogenization of food preference. The operation pattern of the SS restaurant is also similar to McDonald's, because the SS restaurant also has assembly-line-based, industrialized food products. The restaurant seeks to prove that SS is essential for your dining out and socializing. The restaurant is not only the white-collar workers' dining room, but also brings a warm and comfortable atmosphere to dating couples and family members. At weekends, nuclear families are a kind of landscape in the restaurant: nuclear families tend to occupy four-seat tables and actively interact with waitresses or waiters, showing off their well-educated children to improve the cultural status of their own families. To keep its customers and expand its customer base, the SS restaurant makes various efforts, such as providing full-time diets, adding afternoon teas, keeping Western table etiquette, and offering formal dining and fast food flexibilitry. Food production is closely related to such consumption behaviors of the middle class; food production in the restaurant is characterized by the workers' over-long working hours and over-high workload, and the development and consumption of food produced in assembly lines to meet the workers' need for calories. The restaurant provides its employees with two staff meals every day, prepared in its Chinese food kitchen, mainly spicy Sichuan food and meat dishes made from pork. Because the staff meals do not fit the taste of young workers, many young workers prefer to eat fast food in the nearby Family Mart or order take-away food. Innovatively adding sugar to tea, the British working class created the factory coffee break, a new leisure habit that was different from the middle class's habit of drinking afternoon tea (Mintz, 2010). There is a striking contrast between the expensive lightweight food supplied by Western food restaurants like the SS restaurant and the high-calorie, low-price food bought by blue-collar workers in the restaurant industry. Thus, Western food restaurants and McDonald's are located at opposite ends of a standardized hamburger: a white-collar employee who is neatly dressed enjoys a steak hamburger whose price is one hundred dollars in the bright, clean, quiet environment, while a blue-collar employee hungrily gobbles his or her McDonald's "Big Mac" and drinks a Coke after work.

By cooking and supplying versatile food, pursuing the ideal of fresh, healthy diets, and rejecting high-calorie "snacks" like fried chicken wings and chips, the SS restaurant stands out in the competitive Western food restaurant industry. Its ideal of diets and a model of standardized food production and table etiquette lead to a kind of food consumption habit that can be replicated.

The Standardization of Food for the Middle-Class Consumers

The SS restaurant has two characteristics: (1) its industrialized food production line; and (2) its goal of satisfying the elite class's desire for high-end food. Accordingly, the SS restaurant needs to highlight the symbolic function of its food to the middle class, and to have mass-production capacity. The SS restaurant creates a kind of average-time dining concept (i.e. dining lasts about one hour, and follows traditional Western table etiquette). Cooking time is usually about 15 to 20 minutes. This dining experience is different from that of consuming foods in a hurry in fast-food restaurants or that of leisurely consuming food in gourmet ones. The big challenge to the SS restaurant is maintaining the symbolic values of its right, but healthy food, and the table etiquette that helps the middle class display their identity while decreasing its food cost through large-scale production.

The kitchen area of the SS restaurant is divided into three parts: the cold kitchen, the hot kitchen, and the Chinese kitchen. Hamburgers, sandwiches, salads and the starters (they are similar to, but still different from, appetizers) are made in the cold kitchen. The grills, salmons, and lambs, etc., are prepared in the hot kitchen, while the Chinese kitchen is far from the dining area and is disliked by the Western restaurant because of its heavy lampblack. The staff food is prepared in the Chinese kitchen.

The formulas for dishes listed on the menu have to be followed accurately. There are quantitative criteria that determine the sizes of food portions, and such a system of measures aims to ensure a standard taste. The assorted sauces (such as salad sauce, steak sauce, butter and jam) are packed by the central canteen that is located in the Baoshan District of Shanghai and delivered to the fourteen branches every day. It will take a long time to prepare the raw materials. The juice bar workers need to clean the vegetables in addition to picking up and cleaning the fruits. One day, Mingming, a trainee of the cold kitchen cut almost half of a lettuce just for the orderliness of presentation. The primary author felt pity about this and could not help saying: “It is so wasteful.” She answered indifferently: “Do you have any other choice?” Preparing the raw materials is only a part of the rules; to standardize the taste of food, cutters need to follow strict procedures of cutting up vegetables, fruits, and meats.

The SS restaurant has completely transplanted McDonald’s assembly line production. The workers have been trained to be able to multitask, helping the restaurant to reduce the human costs as far as possible. Owing to their cooperative relationship, the trainees of the cold kitchen are responsible for some arranging work in the juice bar. Emily was a senior restaurant staff member. She usually got up early to prepare the fruits at the juice bar and, then put on the T-shirt of a waitress and worked in the dining area at 8:00 pm. Cora, the excellent trainee among the interns, applied to work in the juice bar at the end of her training, which was quickly granted. At the same time, a senior waitress called Alice began to learn the basic skills of the cold kitchen; she learned to make the Tofu wraps under the guidance of her director, but was clumsy and unskillful and failed to roll the tortillas tidily, so the director had to redo them for her. Most of the employees of the take-away business were older men in their 50s. The other staff called them Uncle Friendly. They go to the market to purchase any vegetables or other raw materials that are needed. They fold the cutlery tightly into the napkins and can finish almost 200 pairs before dinner at 4:00 pm. Jimmy, the leading staff member at the juice bar had to assume take-away duties when there was a shortage of manpower. One day, he went out in the morning in heavy rain, but took longer to deliver the food because the cashier had given him the wrong address. He didn't return until noon, dripping wet. The duty of the cashiers needs more detailed explanation. It is not the case, as one might imagine, that a cashier just sits behind a desk ringing up sales on a cash register. In fact a cashier organizes the take-away business, and helps customers order food over the telephone. The cashiers need to process the order forms and give the deliverymen the addresses and phone numbers of the customers; they should also remind an uncle to pack cutlery, if he forgets to do so. The take-out cutlery is made of plastic, and packed in an envelope. The cashiers prepare knives and forks in this way after lunch; and one cashier would pack over one hundred envelopes per day.

The valuation of the menu food is related to the degrees of executing the standardized technical instructions regarding sub-packaging of the semi-cooked foods, fixed cooking times, strictly following formulas, and quantified food preparation. Sub-packaging is repeatedly emphasized in evaluations and feedbacks. In the minutes of a meeting posted on the wall in the kitchen area, there is a rule quoted as follows: "The sole must be sub-packaged before being steamed to ensure that any consumer will receive the same dish with the same taste." Sub-packaging is also closely related to quantification. Sub-packaging, quantification and the operation table with more than twenty holes filled with different ingredients are complementary to each other.

The chief chef is the soul of the kitchen and ensures a concentrated and stable function. The chef needs to coordinate other employees efficiently, and deals with conflicts among chefs during the restaurant's daily operation. One day, the primary author saw Dalin, the chef, talking with his two subordinates who had quarreled with each other during the break. He was trying to mediate; Dalin was an artist, good at handling conflicts among the staff. He asked one of the quarrelers to leave and then talked with the other one, the chef of the cold kitchen, called Newman. He proposed his own solution to Newman's problems. Newman worked in the cold kitchen together with his wife. They had quarreled and his wife lost her temper. Dalin suggested that Newman should try to communicate better, and not blame his wife so fiercely. "Why can't you work efficiently while building good relationships with colleagues in a pleasant way?" asked Dalin. Finally, Newman bowed his head. Dalin showed great intelligence in dealing with similar interpersonal conflicts. On another day, three middle-aged female dishwashers suddenly quarreled with each other, which lasted for a long time. Their quarrel was so fierce that the managers in the dining area could hear the three ladies' screams. Managers usually avoid getting involved on such occasions. In this case, Dalin came forward and appeased everyone. He persuaded the three ladies with both reasoning and emotion, He said: “If I were the son of any one of you, I would not want you to behave in this way.” The three ladies calmed down slowly with the help of Dalin’s mediation.

To assure the standardization of food in all branch restaurants, the regional chefs are sent out to some branch restaurants without fixed schedules to examine the taste and texture of food. They usually order the menu food like normal customers sitting on the straight-backed chair of the bar. They would call the chef and comment on the food directly. Their comments are professional and even hypercritical about the flaws of the food that common customers can’t feel or recognize. Their comments are also authoritative. Chefs like Dalin should respond and make prompt improvements to spread the details of the standardized cooking technique to every kitchen (Peng, 2003).

The standardization of food is not only related to the cooking system but also requires servers to recite all the details of menu food including the ingredients, taste, and related taboos of any dish. Trainees are tested to see how well they have mastered the menu. The tests have oral and written parts. The objective is for the trainees to ensure that consumers know the taste of food before they order, and will not complain about the gap between the actual taste and their expectation of it when the waitress or waiter goes to check. For example, a waitress or waiter should know more than ten types of bread and the complicated matching relationships between bread and other foods in the packages of breakfast. A waitress or waiter should also be able to recognize more than ten types of salad dressing and know the matching relationships between salad dressings and salads. It is difficult for a trainee to remember the associations between the signifiers and the signified foods. As for the primary author, she got up early in the morning and began reciting the menu in a corner of the restaurant an hour before work: this lasted for a week, but she still could not recite the contents of different objects (e.g. breakfast, salad dressing). Because she was not confident of passing the test, she was reluctant to take it. Pocky, a twenty-year-old girl who held a part-time position, occasionally walked her around the restaurant and taught her to recognize the ingredients of salad left on customers’ plates, particularly different cheeses matched with different salads. This greatly helped the primary author. The standardization of the cooking process is closely related to the related knowledge of servers. In different seasons, different dishes are offered; and all servers are required to try the new dishes at the start of a season and then take a test on their knowledge about these dishes. With such a complex system, where employees in various positions cooperate with each other, but are also kind of generalists who can replace some other employees, the restaurant is almost like a military camp where everyone is well-trained and relies on each other's cooperation. The iron discipline is instilled everywhere during working time, especially when the shift changes. There is a rule that servers should leave immediately as long as the formal shift turnover is finished. One should not stay in the restaurant with the excuse of not finishing a service, such as applying the membership card for a customer or checkout. The trainer will harshly criticize a waiter or waitress who breaks the rule.

Conclusion and Managerial Recommendations

The SS restaurant plays a big role in creating the canteen of the white-collar workers and is extending into the private space of the middle class. Choosing the SS restaurant for dining out, accepting the dining concept preached by the SS restaurant, and nurturing one's taste preferences as promoted by the SS restaurant are closely related to the globalization of Western food. The nuclear family and intimate relationships are the major constituencies of the private space. Eating solo is a remarkable phenomenon in the SS restaurant, which indicates the diners' desire for social interaction and isolation.

The system of standardization is the totality including the management, food and service. Management is divided into two areas: the administration hierarchy and the regime of cheap labor. With the help of the standardized technological system, the workers of the service industry are being transformed into skilled workers. The managers from the middle class play a critical role in the standardized management system: they push the reform of the restaurant that aims to improve the standardization level of working norms and to reduce workers' benefits as far as possible. For example, the working norms try to rectify workers' habits that are not consistent with the standardization criteria. The first step in reform was requiring employees to isolate their own tableware from the consumers'. The restaurant purchased plates for the workers, thus ending the practice of all tableware being mixed in the sterilization cabinet. The second reform was purchasing uniform-sized cups for the workers to ensure that they drank a uniform volume ending the practice of workers using their own cups to get a drink—the management assumed that staff would take advantage to drink more with an over-sized cup.

The reforms are flexible, aiming to promote diversification of food consumption and to adapt to the middle-class consumer's rational consumption habits. Checking the opinion of customers with the question of “Is everything OK?” is like a bridge connecting the customers and the senior management, and works well in developing customer taste. However, there is little improvement in staff food. The workers, who work on average for 10 hours per day, were tired of boring food with a fixed taste. The servers recommend the menu food to the customers fluently without any enthusiasm, and almost mechanically, as if they were reading the instructions of electrical appliances. We contend that the mechanized characteristic of the service language is influenced by the employees’ bored taste buds. The service language is isolated and task-oriented, showing the same characteristic as that of the standardized food production. The more meaningful thing is that the servers and customers are also isolated in the homogenized, service procedure. The subjectivity of a worker that he or she pursues spontaneously is in a conflict with his or her identity as the object of the discipline of standardization.

The work ethic, like unselfish service, would not be encouraged unless it served the restaurant’s interests. The appeal and the ritual significance of food disappear owing to the standardization of food production. However, eating Western food is a sign that, in the long run, the Asian middle classes are becoming acclimatized to Western civilization through standardized Western food. One major reason for marketers to provide standardized food is to meet the working class's need for reproducing their productive power at low cost. Now it has been transformed into high-end food symbolizing the identity of the middle class on the basis of fragmentation of high-end labor (Tong, 2008).

The food-consumption space aggregating food, sense and environment, and the food-production space displaying the service workers’ collectivism meet in the same space of standardization and form a symbiotic relationship. This relationship contains elements of both connection and isolation. An overlapping image is seen every day: in the same space of the restaurant, the white–collar workers coming out of their offices are looking for lunch, the manager of the restaurant sitting on the single sofa in front of the bar and having lunch at 2:00 p.m., and the workers working intensively in mutual collaboration. However, there is no substantive connection among the three different groups of people. “Living” under the same roof, these people are familiar with each other but experience mutual strangeness at the same time; the relationships among the three groups are characterized by alienation in the reality although they might experience alienation to different degrees and in different ways. True communication among them is impossible.

Goody (2015) reviews the theory of cooking from the view of the household and class structures. He argues that food is related to the mode of production of goods. An analysis of cooking should consider how the distribution of power and authority in the economy impacts the gender division in the cooking process of a household and how the class system impacts upon politics. He finds that the raw food materials of the higher class are not usually local. According to Saussure's semiotics theory, the sign is composed of two kinds of value: the exchanging value and the compared value. For him, "The value is therefore not fixed so long as one simply states that it can be 'exchanged' for a given concept," i.e. that it has this or that signification: "One must also compare it with similar values, with other words that stand in opposition to it. Its content is really fixed only by the concurrence of everything that exists outside it" (Saussure, 1959, p. 115). We propose that the cultural symbols of a class's identity could come from external symbol systems. Western food restaurants and Western food play the role of an external symbol system for the cultural identity of the middle class in China. Furthermore, food choice and taste preference are represented as one instrument to defend the borders of ethnic groups and strengthen the identity of ethnic groups. Food consumption accelerates the stratification of consumption and helps diners "share the feeling of wholeness through eating with strangers but as a group with the identity of food" (Mintz, 2015, p. 93). Foreign foods could easily be seen as high-end foods because they could be associated with social status. Diners from different middle-class groups are individuals without any common interests but try to construct the cultural identity of the middle class by transferring class marks to the consciousness of status and hierarchy through consuming the menu food of the SS. Because food bears the weight of the cultural identity of the middle class, the SS restaurant has become the social space of identity construction. All sorts of white–collar workers enter the SS restaurant and bring their social relations and individualized practices of maintaining the border of status which they represent. They don't know each other, they don't agree with each other, but they form similar taste preferences for consuming the same food that the SS restaurant provides. The collective identity of the middle class has been created through the way of individuation. This ethnography of food responds to a research question about the middle class: whether the middle class is a fragmented crowd on the same bus or an integrated class sharing a common cultural identity. The SS restaurant has created the collective but diverse tastes of the white-collar class relying on the contradiction between the dual modes of mass production of standardized food and dreadful waste of food. The SS restaurant has based its success on the niche market of the middle class, doing its best to secure the loyalty of the middle class.

In the literature on the middle class in China, studies usually focus on how the middle class are afraid of falling prey to the proletariat class. Researchers have noticed the populist tendency of the marginalized middle class, guarding against the combination of unemployed college students and laid-off workers (Ma, 2013). Personally experiencing the excessive workload, the primary author realized the concept of alienation in the first week. However, the alienation of the workers is hidden, shielded and invisible. The relationship between the middle class and the working class is interdependent and mutually alienated. In the private space without the control of the management, such as eating time, rest time, or the time of chatting personally, etc., friendship among workers has been quietly built up. The system of management including various training and discipline programs not only builds up friendship among workers, but also strengthens the class identification of the workers who see themselves as a working group sharing a common social status. In fact, after graduation, some interns went back to Shanghai to apply for a job in the service industry. One of the reasons they chose Shanghai was the support of the friendship built up while working together in the SS.

Our ethnography of consumer behaviors, management practices, and employee behaviors in the context of the SS restaurant has two managerial implications for managers of the SS restaurant. First, workers' benefits should be improved. This does not necessarily mean increasing the workers' salaries. In the context of the SS restaurant, improving the quality of staff meals will be a significant improvement. The workers serve in the restaurant for about 10 hours every day and have almost three meals every day in the restaurant (the restaurant provides lunch and supper). With their intensive physical labor and long-time and emotional labor in the restaurant, for the workers, having the staff meals could help them relax and shift their mood. Well-designed staff meals with more diversified food, better taste and richer nutrition could help the workers enjoy their food. Filling the stomach can no longer meet the workers' expectation for what the restaurant should do for them; and, managers should consider the psychological needs of the young interns to improve these employees' efficiency, as the Hawthorne experiment suggests (Tian & Dai, 2013).

Second, managers should pay attention to the cultural design of product marketing. The sales volume of wine was usually only 10 per cent of the total daily sales volume of the SS restaurant although on some days this might be 15 per cent. Most of the customers rejected wines and juices, preferring the free filtered water offered by the restaurant. Although the manager had trained all servers to recommend wine to customers, the training had little effect on improving sales. The recommendation did work better on the occasions where a customer treated other customers and accepted the recommendation for the sake of saving face. We found that most customers refused to consume wines for three reasons: higher prices, their lack of knowledge about wines and cocktails, and their unwillingness to try unfamiliar wines. They would rather give a wide berth to wines than risk looking foolish by ordering a wine but knowing nothing about it. Sometimes a customer would ask a server what such-and-such a wine tasted like, but the server might not answer because she or he did not know the wine either. The server might recommend the wine, but could not share with the costumer the real experience of drinking it, so the recommendation would have little effect. The primary author spent nearly one month in tasting various wines by drinking one glass of wine after work with the discounts which the staff enjoyed. In this way, she learned the different tastes of most kinds of cocktails and understood the basic tastes, the techniques of mixed drinks and the character of the cocktails. Based on this experience, we suggest that restaurant marketing should emphasize the cultural design of the wine list. Indicating the elements and sources of different cocktails or wines is not enough to stimulate the interest, imagination, and enthusiasm of local consumers. On the contrary, instilling the content of cultural design into the wine sales is a kind of marketing ploy, full of charm and challenge. For example, a restaurant could create a poem for every kind of wine to stimulate the sense organs and attract customers. The marketing team of the SS restaurant could collaborate with anthropologists who should conduct a cultural audit on menu design, customer segmentation, and new product development, etc. (Tian & Shao, 2014). A cultural audit of the restaurant could guide middle-class diners to play their part in advancing middle-class culture. The Western restaurant is not only a place for people to dine together and socialize, but also a school for cultivating middle-class tastes and life-styles. The restaurant could organize some public seminars or events to educate middle-class consumers on Western food culture. Such cultural experiments may help the SS brand to undertake a new role in promoting cross-cultural communication.

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THE INFLUENCE OF THE TRADITIONAL CHINESE VALUE OF HARMONY ON AN INTERNATIONAL CHINESE IT ORGANIZATION

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In this article we will attempt to summarize the influence of the traditional Chinese value of harmony on an international Chinese IT organization, the Lenovo Group (Lenovo). According to Dell (2016), Dell has overtaken HP in the US PC market. According to Lenovo's 2015–16 Annual Report, Lenovo still successfully maintains its position as the worldwide PC market leader in terms of the number of PC shipments (Lenovo, 2016). Lenovo has used effective acquisition strategies and has upheld its Shared Value (SV) in China so as to polish its worldwide image (Marquis & Yang, 2014). The particular SV adopted by Lenovo is actually borrowed from the Chinese value of harmony. Porter and Kramer (2011) suggested the strategy of Shared Value: i.e. harmony is very different from CSR in terms of differentiation. By maintaining its position as market leader, Lenovo has gone through varied phases of evolution and even disruptive innovation. The Chinese value of harmony is related to adjusting oneself to nature but not triumphing over it (Yau, 1994). To secure a healthy position, Lenovo has had no choice but to continue focusing on its IT devices—i.e. PCs, notebooks and tablets—that have a competitive edge over its closest competitors. The Chinese value of harmony can also create and deliver added long-term value to Lenovo's stakeholders so that it can maintain the sustainability of its IT kingdom. In this business case, first, the conventional strengths of Lenovo and its direct competitor, Dell, are discussed. Second, the challenges of Lenovo are explored. In addition, the cut-throat price war and worldwide expansion of Lenovo in the IT industry are described. Further, the Chinese value of harmony is explained in detail with respect to Chow's (2007) model of comprehensive harmony. Lastly, this case provides recommendations for

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teaching methodologies to the practitioners or teachers i.e. SWOT analysis, OBTL objectives and some tutorial questions for discussion in the class.

Keywords: globalization, Chinese, harmony, value, Lenovo

Founded in the People's Republic of China (PRC) in 1984, Lenovo has already received tremendous support from the government of the PRC. In China, strong distribution networks or close dealer relationships have helped Lenovo to outperform its competitors i.e. Dell, HP or IBM in terms of the growth rate in the IT industry. Dell, a pioneer in adopting the direct-sales model, was a major competitor of Lenovo in the previous two decades; however, Lenovo has had to compete against far more competitors than before in today's global marketplace. The fundamental strategy adopted by Lenovo is "protect and attack," which refers to protecting Lenovo's strengths in the local Chinese market and penetrating other markets with opportunities.

Traditional Strengths of Lenovo

Fully backed up by the Chinese Academy of Sciences, Lenovo, formerly called Legend, had a mission to market foreign computers in China. However, it was not until 1990 that Liu Chuanzhi, Lenovo's founder, initiated the move to produce its own PCs in the PRC. As the first China-based company listed on the Hong Kong Stock Exchange in 1994, Lenovo has invested significantly in extensive distribution channels and production capabilities. In the early stages, Lenovo could cater to the needs of the local market with its basic PCs. The key initial success of the company was attributed to producing its own branded products and the support from the Chinese government. Between 1997 and 2000, Lenovo took a market share directly from foreign PC manufacturers such as IBM, HP, and so on.

Direct Sales Model of Dell

Though Dell has been renowned for its direct sales model in the US, during its first three years in the Chinese market, Dell could use only local distribution channels to sell its PC products. According to Dell (2016), it overtook HP in the US PC market in the first quarter of that year, although HP has still maintained its second position worldwide after Lenovo in terms of total number of shipments of PCs. Starting in 1998, Dell successfully adopted its ground-breaking build-to-order and mass-customization marketing strategies in China, which have helped minimize inventories, enabling the company to stand out from the crowd and excel in the Chinese market. Compared with the traditional order-to-forecast production model, Dell's direct sales model has an obvious competitive edge. Since customers' IT needs are ever-changing, IT companies may find it very difficult to forecast demand for their products. High stock levels have therefore been painful for a lot of PC manufacturers. The short product-life-cycle for IT devices makes them lose value or become obsolete faster than non-IT products. To reduce the loss, IT companies have no choice but to lower prices to get rid of obsolete products as soon as they can. On the other hand, Dell has used a non-conventional order-oriented production system, or build-to-order system, which allows its customers to customize their orders, and delivery time is considerably reduced to less than a week. The direct impact of the innovative build-to-order system on Dell is the significant reduction of stock level, generating more cash for future development of the company. Also, the company can better manage its customers' experience by knowing their needs directly. Since 2003, Dell has successfully achieved the second best position in the Chinese PC market.

Challenges to Lenovo

As suggested by Farhoomand (2013), the fast growth of the tablet market in China has strengthened Lenovo. Apart from Lenovo's strong position in terms of the well-established intermediary relationship in China, it has also commenced a business relationship with Microsoft and Google which seems to have given a tremendous boost to Lenovo in the marketing of both Lenovo's Android tablets and Lenovo's Windows tablets (Lenovo, 2016). Lenovo's three major income streams are tablet, notebook and PC, though total sales generated by the PC, market have declined. Lenovo's protect-to-attack strategy is still valid for the company to reach the majority of the market.

New Moves of Lenovo

As the PC market matured, Lenovo started to suffer greatly from the conventional order-to-forecast system and its over-reliance on traditional distribution channels, which cost much money and time to build. And yet, in a lot of cases, the forecast result was far from ideal. To maintain its leadership position in China, Lenovo was one the first IT companies to take the following bold steps:

1. Optimize the distribution network;
2. Lower its stock levels and learn from Dell's six-day delivery time;
3. Provide high-quality products to meet the needs of the technologically-savvy segments;
4. Lower the margins of distribution;
5. Strengthen its Marketing Mix so as to maximize its competitive edge; and
6. Considered developing its own OS, or exploring the opportunity.

Cut-Throat Price War

Since its inception, Lenovo has been successful in increasing its market share in both local and international markets by reducing the prices of its products. Having been in the PC industry for over 30 years, Lenovo enjoys low production costs due to the experience curve and economies of scale, and in turn Lenovo can meet the demand from price-conscious customers. However, competing on price adversely affects Lenovo's product quality and the margin of its key products. In the future, Lenovo needs to consider moving away from the low-end product segment of the market.

Lenovo in the Global Market

Its unique selling proposition (USP) has helped Lenovo appropriately reposition itself in the global market. For example, the name and logo "Lenovo" was adopted to replace "Legend" at the very start of entering the European market, mainly due to the legal requirements in the European market. However, the new image has helped the company to stand out. In addition, Lenovo has sponsored varied activities, e.g. the Olympic Games, so that its brand name and logo can easily be recognized in Europe and the US. Actually, Lenovo was the first Chinese company to sponsor the Olympic Games.

In 2004, Lenovo acquired IBM's PC business. As mentioned by Ali Farhoodmand (2013), many companies forecast that Lenovo would lose money on the deal, but the result was just the opposite. By 2013, Lenovo had demonstrated that it could maintain a healthy cash flow and a market-leader position in the global PC market based on its "protect-and-attack" strategy. Nonetheless, there are significant threats to Lenovo's position owing to the fast changes in the IT industry. For example, the demand for

Smartphones and tablets has increased drastically, but the demand for PCs has dropped over the past few quarters.

Lenovo has long been proud of its “protect-and-attack” strategy. However, being a challenger or a follower or even a last-mover, Lenovo’s “protect-and-attack” strategy seems to be inappropriate or outdated in the Smartphone market, as its market share has been so insignificant due to late entry in the market. On the other hand, the recent deal of $2.9 billion to purchase Motorola Mobility from Google looks like a boost to Lenovo’s future business development (Lenovo, 2014). In this rapid, and yet ever-changing connected world, Lenovo needs to adopt relevant technology, such as cloud computing, in order to stay competitive (Farhoodmand, 2013).

Chinese Value of Harmony

Apart from the acquisition strategies, Lenovo has also leveraged on Shared Value (SV) in China to enhance its global image (Marquis & Yang, 2014). The typical SV adopted by the company is actually derived from the Chinese value of harmony. A comprehensive model of harmony suggested by Chow (2007) is explained below.

As mentioned by Chow (2007), the model of comprehensive harmony explains the Chinese view of the complete assessment of the universe. There are two circles: inner and outer. In the inner circle, Heaven, nature and man are the major elements. In the outer circle, there are various factors influencing the elements in the inner circle, namely cosmic factors, aesthetic factors, natural scientific factors, economic factors, moral factors, political factors and social factors. Man, as an individual, who interacts with Heaven, nature, himself and other men, is located at the core of the universe. All the elements in the inner circle are interacting with each other.

Inner Circle of the Model

Chow (2007) pointed out that in the inner circle of the model there are four stages of harmony: man-to-himself harmony, man-to-others harmony, man-to-nature harmony, and cosmic harmony, and they collectively belong to the inner core of the model of comprehensive harmony. Su and Wen (2013) found that harmony originates from a person and is released centrifugally. Fang & Kriz (2000) added that nature is a continuous process of creation and men are co-creators within the realm of nature and all the four stages of harmony are explained as below.

Man-to-himself Harmony: Both Taoism and Confucianism emphasize inner harmony and self-cultivation. In the Great Learning (Legge, 1895), “When you know what comes first and what comes last, then you are near the Tao (物有本末, 事有終始, 知所先後, 則近道矣)”. Cultivating oneself is very important for the life of a person (脩身為本). In the Works of Mencius (Legge, 1895), “To preserve your mind and nourish your nature is to serve Heaven. (存其心，養其性，所以事天也)”. Yau (1994) mentioned that self-effacement and modesty are the virtues that can nurture the mind. In the Chinese tradition, the young Chinese are taught to pay attention to relationships with other people. Confucianism stresses the pursuit of personal perfection or the stage of a sage.

Man-to-other Harmony: Fang & Kriz (2000) suggested that the social network is an important element among Chinese. Confucius also mentioned that “Harmony is the value of performing the rites (禮之用, 為貴)” (Analects 1.2, trans. Legge, 1895). Ivanhoe (2000) found that self-cultivation is a means to enhancing the interpersonal relationships between Chinese people. In other words, maintaining a harmonious relationship with others is the goal. According to the I-Ching, “The course of the Creative alters and shapes beings until each attains its true, specific nature, then it keeps them in conformity with the Great Harmony (保合大和, 乃利貞)”.

Man-to-nature Harmony: According to Fang & Kriz (2000) and Chan (1951), man resides in nature and is also part of nature. As mentioned in the Doctrine of the Mean (Ch. 22, trans. Chan, 1951):

> Since the nature of man and that of the universe are the same, one who fully develops his nature will develop the nature of others, one who develops the nature of others will develop the nature of things, and one who develops the nature of things will develop the nature of the universe (唯天下至誠為能盡其性。能盡其性, 則能盡人之性。能 盡人之性, 則能盡物之性。能盡物之性, 則可以贊天地之化育。可以贊天地之化育, 則可以與天地參矣).

Man and nature can be described as a “unified system of cosmology with all sorts of analogies between the natural and human worlds” (Rubin, 1982, p.131). There is actually an interaction between man and the nature. Contrary to Western philosophy, Chinese philosophy suggests that man needs to adjust to nature but not to conquer it (Yau, 1994). In addition, Confucius explained that “Man reveals the Tao but the Tao does not reveal man. (人能弘道, 非道弘人)” (Analects 15.29, trans. Legge, 1895).

Cosmic Harmony: "Everything possesses both yin and yang, and reserves its energy for attaining harmony (萬物負陰而抱陽, 沖氣以為和)" (Tao Te Ching Ch. 42). In Chinese philosophy, the universe comprises all existence in both physical and spiritual worlds (Fang & Kriz, 2000). Moreover, the universe is coordinated and harmonious (Tang, 1996): "Greatest perfection seems deficient; yet its function never wears out. Most fullness seems vacant; its function is inexhaustible (大成若缺, 其用不敝; 大盈若沖, 其用不窮)" (Tao Te Ching Ch.45, trans. Fang & Kriz, 2000). To maintain a harmonious universe, man has to position himself where the Tao exits (Fang & Kriz, 2000). The Doctrine of the Mean (Fang & Kriz, 2000) therefore says, "Let balance and harmony exist in perfection, and a happy order will prevail throughout the universe and all things will attain their fulfillment of life (致中和, 天地位焉, 萬物育焉)".

Outer Circle of the Model

The four essential harmony elements in the inner circle were explained above in detail. The seven elements in the outer circle are discussed in the following sub-sections.

Cosmic Factor: Both the Tao Te Ching and I-Ching tell us that cosmological harmony is essential to traditional Chinese philosophy, and that the cosmos can refer to the living elements of the earth that interact with each other. The cosmic processes are ever-altering and evolving, and everything adheres to harmony and agreement (Cheng, 1977). Confucianism suggests that the cosmos is a self-generating, living process, which is rather harmonious and divergent (Chen, 2016). There is thus no God on the earth. As mentioned in Dao De Jing, "All things in the world come from being, and being comes from non-being (天下萬物生於有, 有生於無)" (Zi & Yanan, 2011).

Aesthetic Factor: Li, Lam and Qian (2001) define traditional aesthetics as the abundant sentiment of appeal and responsiveness to harmony between the external outlook and the internal spirit of the artwork. Tran (1987) found aesthetics exhibits harmony and makes life more worth living. Psychological harmony can be expressed by the blend of mind and object (心與理) of Taoism and the grouping of social customs and moral ideas (情與理) of Confucianism. Traditional aesthetics can be expressed in various areas. For instance, Chinese architecture (Yang, 2002), Chinese painting and calligraphy (Zhu, 2001), Chinese music (Wang, 2001), urban design (Sun & Yue, 2002), sculpture (Xiao, 1998), Chinese gardens and religious constructions (Chen, 1998), and Chinese martial arts, also called wushu (Xie & Wang, 1998).

Natural Scientific Factor: since ancient times, according to Needham (1974), the Chinese have explored different scientific areas, such as astronomy, metallurgy, neurology, physics, pharmacology, and so on. The internal innards of the human being can be described as interactive features of yin and yang that are maintained in a harmonious situation. If the yin and yang energies are blocked, disease will be caused (Fox, 1995). The conventional Chinese medical treatments can channel the natural energy.

Economic Factor: Sun (2002) explained that both efficiency and even distribution of wealth are essential to a harmonious Chinese society. The principle of Chung Yung can be viewed as the practice of yin and yang to achieve a harmonious economy. Confucianism suggests that economic equilibrium is very important to the civilians of Chinese society (Zhou, 1999).

Moral Factor: In Confucianism, maintaining high moral standards is an important way to establish good relationships between people. High moral harmony in oneself can lead to the harmony of society (Zhao, 2016). Confucian philosophy praises moral leaders or teachers. Typical examples can be found from the following teachings in the Analects (Legge, 1895).

> Confucius said: “When you have gotten your own life straightened out, things will go well without your giving orders. But if your own life isn't straightened out, even if you give orders, no one will follow them” (其身正, 不令而行; 其身不正, 雖令不從) (Analects 13:6, trans. Legge, 1895).
>
> Confucius also said: “The Superior Man is in harmony but does not follow the crowd. The inferior man follows the crowd, but is not in harmony” (君子和而不同; 小人同而不和) (Analects 13:23, trans. Legge, 1895).

According to Confucianism, the practice of enhancing moral standards should be in sequence. Firstly, it is essential to cultivate one’s personal life. Then, cultivate family life. Lastly, cultivate national life (修身, 齊家, 治國, 平天下).

Political Factor: Confucian philosophy has a strong influence on politics. Confucius suggested that “to rule is to correct (政者正也)” (Analects 12:17, trans. Legge, 1895). Governments should maintain harmony and abstain from violence and extremism. Taoism is a supplement to Confucianism. Tao means the path to righteousness. Confucianism stresses human nature and ritual (li) can help form people’s behavior. Under the fundamental principle of politics suggested by Confucian philosophy, harmony can lead to society's being more affluent and satisfying. Apart from Confucianism, both traditional Chinese legalists, Han Fei-tzu and Guanzi also put harmony as the top priority in governing the country:

> Be cautious of the yin and yang harmony before any undertaking (舉事慎陰陽之和) (Han Fei Tzu, Nan 2 (難二), Ch.37).

Social Factor: Both Confucianism and Taoism share similar philosophies in the context of building harmonious relationships with people in society. Traditionally, the Chinese treat natural order and harmony as universal laws; this is also explained as the Mandate of Heaven in Confucianism, and the Way of Heaven in Taoism. According to Liu & Li (2002), the natural order is from man-to-man harmony to man-to-Heaven harmony. That is why Confucianism pin-points Wulun (五倫), the five cardinal relationships which can directly result in social harmony.

To sum up, a comprehensive model of harmony comprises the four essential harmony elements in the inner circle and the seven elements in the outer circle, and all these elements are essential to represent the holistic view of the harmony concept in the traditional Chinese culture.

Influence of the Chinese Value of Harmony on Lenovo

In the last few decades, many famous Western corporations have emphasized Corporate Social Responsibility (CSR); however, Lenovo has adopted a different approach—adopting the Chinese value of harmony in its CSR policy. In Lenovo's website (Lenovo, 2014), CSR is defined as "sustainability for Lenovo means taking care of the long-term economic, social and environmental health of our company and the communities in which we operate". For about the last ten years, Lenovo has made tremendous efforts and donated large sums of money to helping the underprivileged and the poor.

Actually, Lenovo has been moving forward in the four stages of harmony of the comprehensive harmony model as suggested by Chow (2007). To recap, Chow (2007) pointed out that the four stages of harmony—the man-to-himself harmony, man-to-other harmony, man-to-nature harmony and cosmic harmony—collectively belong to the inner core of the comprehensive harmony model, which is clearly elaborated as follows:

Man-to-himself Harmony in Lenovo

Shared Value (SV) strategy is not a standalone ideology. It is closely related to the company's profit and competitive advantage. In the past, CSR has been depicted as "window dressing" or pressure from the outside. On the contrary, Shared Value refers to the value generated or created from the inside, and Lenovo is a typical example of internalizing the Chinese value of harmony in its company.

Internally, Lenovo cultivates the Chinese culture of harmony among its employees, which is the man-to-himself harmony adopted in Lenovo. In the Works of Mencius (Legge, 1895), "To preserve your mind and nourish your nature is to serve Heaven (存其心, 養其性, 所以事天也)". Besides financial support, Lenovo also helps its employees to actually plan for this particular project to maintain harmony with oneself. In Lenovo, it seems that pursuing personal perfection or the stage of a sage is a top priority. In addition, people are taught to maintain a harmonious community within the company.

Ma-to-others Harmony in Lenovo

Fang and Kriz (2000) suggested that the social network is an important element among the Chinese. Confucius also mentioned that "Harmony is the value of performing the rites (禮之用, 為貴) (Analects 1.2, trans. Legge, 1895)". A typical example of the man-to-others harmony at Lenovo is that the company has cooperated with the Chinese Government to help rebuild the community for victims of the 2008 Wenchuan earthquake.

Man-to-nature Harmony in Lenovo

Man and nature can be described as a "unified system of cosmology with all sorts of analogies between the natural and human worlds" (Rubin, 1982). There is actually interaction between man and nature in Lenovo.

Lenovo is one of the first Chinese companies that let the shared value of man-to-nature harmony take root in its company and it supports two essential causes to develop the shared value of man-to-nature harmony: disaster relief and the environment. For instance, a voluntary web platform was set up to help Ya'an earthquake victims.

Cosmic Harmony in Lenovo

In Chinese philosophy, the universe comprises all existence in both physical and spiritual worlds (Fang & Kriz, 2000). Moreover, the universe is coordinated and harmonious (Tang, 1996). At the moment, Lenovo is also one of the first Chinese companies that let the shared value of cosmic harmony develop and support two important aspects: one is the digital divide and the other education.

Lenovo has also created a structured reading video platform to enhance education quality. With the help of IT infrastructure, different forms of education can be made possible. Over the decades, Lenovo has rescued some 140,000 quality-adjusted life years with investment in medical invention, and more importantly, the net present value has been significantly improved.

Conclusion

To sum up, the impact of Chinese culture of harmony on Lenovo is significant. According to Porter and Kramer (2011), the strategy of Shared Value, i.e. harmony, is different from CSR. Lenovo has achieved market leadership in a PC industry that has undergone various changes, and even disruptions. Lenovo has adopted the Chinese philosophy of harmony, suggesting that man needs to adjust to nature, but not to conquer it (Yau, 1994).

Being a Chinese corporation, Lenovo has successfully repositioned itself as an IT company with an international presence. That is why the Lenovo motto matches its new positioning strategy. To play safe, Lenovo should stick to its IT products, e.g. PCs, notebooks and tablets, which have competitive advantages over its competitors. More importantly, to sustain its IT kingdom in the long run, Lenovo’s Shared Value or Chinese value of harmony must also help create and deliver the relevant value to the stakeholders.

Suggested Teaching Approach

Currently, the case of Lenovo can be analyzed by auditing the company and carrying out the SWOT analysis. The objectives of OBTL are clearly stated, and questions for group or individual discussions are suggested.

Strengths	**Weaknesses**
1. Strong local IT brand in China 2. Market leader in terms of market share in China 3. Has strengthened its R&D 4. Enjoys the benefits of learning curve effects over some 30 years' experience 5. Has acquired solid knowledge about the China market 6. Boosted sales of innovative tablets	1. Elevated stock cost 2. Adopted the build-to-dealer marketing strategy 3. Overly reliant on distributors' networks 4. The traditional perception of low price means low quality of goods
Opportunities	**Threats**
1. Strong local IT brand in China 2. Market leader in terms of market share in China 3. Has strengthened its R&D 4. Enjoys the benefits of learning curve effects over some 30 years' experience 5. Has acquired solid knowledge about the China market 6. Boosted sales of innovative tablets	1. Explore new IT products and markets i.e. e-Device 2. Diversifying into related businesses 3. Leverage on its brand and sub-brands to enter the unexplored international markets 4. Sponsor internationally well-known sports activities e.g. Olympic Games, or Grand Slam to build a global brand 5. Also, sponsorship of international events can increase brand awareness and loyalty 6. Leverage on the traditional build-to-forecast and cut down the total number of distributors in the local market 7. Partner with Microsoft to develop new products

Figure 1. SWOT analysis of Lenovo

A. SWOT Analysis

SWOT analysis refers to auditing the strengths and weaknesses of a company, and opportunities and threats to it. The former two are the internal analysis of the company; whereas, the latter two are the external analysis of the situation. Some results of analysis are illustrated in Figure 1.

B. Outcome-Based Teaching and Learning

This case provides an opportunity for teachers to discuss with their students the critical success factors, consumer behavior and branding strategy of Lenovo, a China-based company which has proved itself a successful international brand in the IT industry.

C. After studying the Lenovo case, students should be able to:

1. Understand the advantages and disadvantages of selecting different types of distribution channels in the IT industry;
2. Find out the difficulties confronted by Lenovo's traditional distribution channel vis-à-vis Dell's direct sales model;
3. Discover the consumer behavior of Lenovo's products in China as well as the global market;
4. Apply the pricing strategy—i.e. penetration pricing strategy—to achieve the business goals of a company in different business scenarios;
5. Understand the value and benefits of product branding in the global market place;
6. Understand the Chinese value of harmony and the influence of it on Lenovo.

D. Suggested Questions for Discussion:

1. What are the critical success factors that led Lenovo to becoming the market leader in the PC market in China?
2. What are the pros and cons of adopting the direct sales model by Dell in the Chinese market? Could Lenovo do the same or do it better so as to outperform its competitors?
3. What segments should Lenovo target so that it can leverage its competitive advantage in the PC market in China?
4. What are the advantages and disadvantages of Lenovo in choosing the strategy of entering the global market?
5. What is the impact of Chinese value of harmony on Lenovo?

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A REVIEW ON FACTORS INFLUENCING RELATIONAL GOVERNANCE IN THE CONTEXT OF CHINA

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Relational governance reflects Chinese organizations' unique management features. This paper examines the factors influencing three types of relational governance (i.e., interpersonal relational governance, relational governance between an enterprise and individuals, inter-firm relational governance) in the context of China. Drawing on the literature on relational governance, this paper discusses the influencing factors at four levels (i.e., culture, market, organization, personal micro-environment) and finds four common factors (i.e., Chinese culture, asset specificity, uncertainty, trust). It is concluded by an analysis of the differences between the factors influencing the three types of relational governance and a discussion of some future research directions.

Keywords: relational governance, Guanxi, family enterprise, influencing factors

With great uncertainty of external environment and strong asset specificity, many enterprises try their best to use relational governance to reduce transaction costs (Li & Li, 2012). Regarding relational governance, overseas and Chinese scholars have different aims (Deng, Wu, & Yan, 2015). While overseas scholars focus more on relational governance between organizations and in family enterprises (Li & Li, 2012), Chinese scholars attach greater importance to relational governance in Chinese family businesses, that between leading agricultural enterprises and their cooperative farmers, and inter-firm governance in supply chains and strategic alliances. In this paper, we reviewed relevant overseas and

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Chinese papers on relational governance. We searched for the overseas papers by keywords “relational governance,” “relational-based governance” or “Guanxi governance” in the ASP+BSP database of EBSCO; and we searched for the Chinese papers by the keywords “Relational governance,” “relational governance + family enterprise,” “relational governance + entrepreneur team,” “relational governance + agricultural farmers,” or “relational governance + inter-firm” in the database of Chinese CSSCI journals. Specifically, we retrieved overseas papers that reflect the context of China, or use data collected in China and Chinese papers about the relational governance of Chinese enterprises. The deadline for paper retrieval was January 2016; 40 English papers and 74 Chinese papers published during 1992–2015 were downloaded and reviewed. Based on the extant literature, this paper focuses on interpersonal relational governance, enterprise-individual relational governance, and inter-firm relational governance, discusses the factors that influence relational governance in the context of China, and analyzes the differences among the factors that influence the three types of relational governance.

Relational Governance

The concept of relational governance originated from Macneil’s relational contract theory (1977). Comparing separated transactions against relational transactions, Macneil (1977) argues that social relations are embedded in classical contracts, neo-classical contracts, and relational contracts. Williamson (1979, 1991) integrates relational contract into his transaction cost theory, further develops relational contract theory with the concept of asset specificity, and believes that in the context of high asset specificity, relational contracts should adopt both bilateral and uniform governance. Bilateral governance is the relational governance explored by later scholars. Drawing on the theories about relationship and asset specificity, later scholars integrate other theories like social exchange theory and resource dependence theory, and further enrich our understanding of relational governance. Relational governance research is no longer limited to economics and management science but extends into multiple other disciplines such as sociology, jurisprudence, etc. (Chen, 2004; Zhao & Li, 2015). Specifically, management scholars synthesize the research methods of sociology, economics, and management science to study relational governance with different characteristics of relational exchange. The definitions of relational governance in extant overseas studies are shown in Table 1.

Table 1: ***Definitions of Relational Governance in Overseas Studies***

Research field	Studies	Definitions
Individuals within enterprises	Zaheer & Venkatraman (1995)	Relational governance is a kind of inter-organizational strategy, and manages organizations' activities and long-term intentions through governance mechanisms.
Family enterprise	Mustakallio, Autio, & Zahra (2002)	Relational governance is a kind of mechanism, in which social capital is embedded in the relationship between family members and managers in a family enterprise, and influences strategic decision quality and commitment through family members' common vision.
	Addae-Boateng, Xiao, & Brew (2015)	Relational governance is a mechanism that regulates and manages transaction through relational norms.
Inter-firm supply chains	Heide & John (1992)	Relational governance is a governance pattern, which is based on shared goals and which channel partners use to protect specific assets and to maintain cooperation through relational norms (e.g., trust, commitment, cooperation, joint problem solving) and joint actions.
	Claro, Hagelaar, & Omta (2003)	Relational governance is a governance pattern between market and organizational hierarchy, depending on coordination and cooperation relations, consisting of joint planning and joint problem solving.

Although overseas scholars apply different theories (e.g., transaction cost theory, or social exchange theory) to explore relational governance in fields such as family business and supply chain relationships, they all think that relational governance means using relational regulations to manage transactions or exchanges. Having different research fields and perspectives, domestic scholars define relational governance differently (see Table 2); scholars like Hu Jun, Yang Guang-fei, and Wan Jun-yi all emphasize the impact of informal relationships.

Table 2: ***Definitions of Relational Governance in Domestic Studies***

Research field	Studies	Definitions
Family enterprise	Hu, Zhu, & Pang (2002); Wang & Gu (2004)	Relational governance is a kind of internal management within a Chinese family enterprise, which is based on different degrees of strength of the relationships between employees and business owners and managers rather than explicitly stipulated, formally institutionalized regulations.
	Yang (2009)	Relational governance is a governance mode of a Chinese family enterprise with rich local characteristics, which is based on the principle of substantive Guanxi regarding authority, responsibility, benefit, and supervising modes.
Enterprises and individuals	Wan (2008)	Relational governance is a mutually beneficial, cooperative interaction in which a leading agricultural enterprise uses informal norms such as trust, reciprocity, flexibility, reputation mechanism, and effective communication to facilitate the cooperation between the enterprise and its cooperative farmers.
	Chen & Luo (2011)	Relational governance is a governance pattern applied by a leading agricultural enterprise which uses informal relational tools like trust, ethics, mutual benefits, and interaction intensity to ensure the cooperation between the enterprise and the cooperative farmers.
Inter-firm relational governance	Li & Chen (2009)	Relational governance is a mechanism that enterprises use to improve relational interests by using effective economic or managerial tools to influence and enhance inter-firm relations.

	Dong & Zhuang (2012)	Relational governance is the bilateral governance that channel members use the mechanism of relational norms to solve the problems emerging in their actual collaboration process.
Technological innovation network	Xie, Sun, & Zhang (2014)	Based on the differences in enterprises' resources, relational governance means that an enterprise should take different actions (cooperation or competition) toward another member of a technological innovation network, depending on the differences in resources owned by different members.

Scholars who study Chinese family businesses like Yang Guang-Fei and Hu Jun tend to explore relational governance in the context of China from the perspective of Chinese traditional culture. Hu et al. (2002) believe that Chinese business owners, who are greatly influenced by Confucian culture, categorize staff into "insiders" and "outsiders," and have different decision-making modes, management practices, and profit distribution plans for different staff. Similarly, Wang and Gu (2004), taking the perspective of bond, argue that relational governance results from Chinese family enterprises' emphasis on relationship, that these enterprises' internal management and operation vary with the strengths of relationships between staff and entrepreneurs and managers, and that relational governance does not depend on explicitly stipulated regulations. Yang (2009) contends that relational governance is Chinese family businesses' governance mode with abundant local characteristics (e.g., there is an exceptionalism-based relationship among contractors—Chinese family enterprises follow the principle of substantial Guanxi when dealing with responsibility, authority, and interest as well as management style), which is significantly different from that of Western family businesses. Moreover, Yang (2009) believes that relational governance has three patterns: family-based governance, diversity-orderly governance, and patriarchal authority governance. Although domestic scholars define relational governance differently, they all explore the influence of Guanxi (informal relationship) on internal governance in Chinese family businesses from the perspective of Confucian culture. Wan Jun-Yi, Chen Can, Li Xiang-Yang, Dong Wei-Wei, and Xie Yong-Ping mainly apply theories like transaction cost theory and social exchange theory, and their definitions of relational governance are more connected with their specific research fields. For example, Wan Jun-Yi and Chen Can elaborate the relational governance in the field of agricultural leading enterprises and farmers, and Xie Yong-Ping discusses the relational governance in the field of technology network. Despite these differences, in essence, they all think that relational governance applies informal relationships to guarantee smooth cooperation. To sum up, all domestic scholars emphasize informal relationships in their definitions of relational governance.

Factors Influencing Relational Governance in the Context of China

The research into relational governance (especially localized relational governance) has become an integrative component of the grand project of constructing Chinese management theory, and has attracted more and more researchers' attention. Although the extant studies on relational governance in the context of China have generated rich insights, most of them examine relational governance in a specific field. For example, Chen and Luo (2011) focus on the relational governance between leading agricultural enterprises and their cooperative farmers, and Hu et al. (2002) and Yang (2009) focus on family businesses. To clarify the factors influencing relational governance, we first divide relational governance into three categories based on the levels of the participants in a transaction: (1) interpersonal relational governance or relational governance among individuals within enterprises (which often involves individuals that represent the core responsibility, right, and interest of an enterprise) such as relational governance in family businesses (Hu et al., 2002; Yang, 2009, etc.) and entrepreneurial teams (Zhao & Li, 2015; Zhu, Dai, & Zeng, 2013); (2) relational governance between enterprises and individuals such as the relational governance between leading agricultural enterprises and their cooperative farmers (Chen & Luo, 2011; Wan, 2008); and (3) inter-firm relational governance. Next, we review and summarize the factors influencing relational governance in the context of China using these three categories.

Factors Influencing Interpersonal Relational Governance

Most scholars examine interpersonal relational governance or relational governance among individuals within enterprises at the organizational level (e.g., relational governance in family businesses); other scholars examine it at the team level (e.g., relational governance in an entrepreneurial team). The specific characteristics of the social culture and economic structure of China lead to relational governance of Chinese family businesses, which is different from the contractual governance—the primary governance pattern in Western family businesses (Zhu & Chen, 2014). Members in entrepreneurial teams all have family connections or pan-clannishization (Zhu, Zeng, & Dai, 2012). Chinese family businesses and entrepreneurial teams exist in a society of pan-familism: exploring interpersonal relational governance at the two levels helps clarify the factors influencing relational governance among individuals within enterprises in the context of China.

Factors Influencing Relational Governance in Chinese Family Enterprises. Relational governance in Chinese family businesses is related to culture, pan-familism, trust, and substantial Guanxi. This paper explores the related influencing factors at four levels: culture, market, organization and individual micro-environment. Factors at the cultural level include family culture and substantial Guanxi; factors at the market level include uncertainty and institutional environment; factors at the organizational level include scale and ownership structure; and factors at the individual micro-environment include interpersonal trust, leader's values, and family intention (see Table 3).

Table 3: ***Factors Influencing Relational Governance in Chinese Family Businesses***

Level	Factors	Studies	Influence
Culture	Family culture	Hu et al.(2002); Wang & Gu (2004); Wang & Wang (2012); Yang (2013); Zhang (2009)	The choice of relational governance.
	Substantial Guanxi	Yang (2009)	The choice of relational governance.
Market	Uncertainty	Hu et al. (2002)	With the decrease in environmental uncertainty, enterprises choose relational governance to reduce transaction cost.

		Li & Chen (2005)	The higher the competitive pressure in the external environment is and the more uncertain the environment is, the more likely enterprises are to choose both strong relational and strong contractual governance.
	Institutional environment	Chu & Li (2003b); Wang & Gu (2004); Yang (2009)	Owing to the lack of ethic credit rules and the imperfect legal system, enterprises choose relational governance.
		Liu & Zheng (2014)	In a dynamic institutional environment, strong relational and strong contractual governance should be chosen.
Organization	Scale	Li & Chen (2005)	The strength of relational governance.
	Ownership structure	Li & Chen (2005)	The bigger proportion of shares a family holds, the more likely the family enterprise is to choose relational governance.
Personal micro-environment	Interpersonal trust	Zhang (2009); Lou & Xing (2013)	Enterprises choose the relational governance.
	Values of leaders	Li & Chen (2005); Yang (2009)	When the leaders are inclined to pursue family interests, they are likely to choose relational governance.
	Family intention	He (2010)	Stronger family intention leads to the higher likelihood of choosing relational governance.

First, we examine the factors at the cultural level by analyzing the two factors at the cultural level (i.e., family culture, substantial relationship) and how they influence relational governance in Chinese family businesses.

Family culture is fundamental to traditional Chinese culture, is deeply embedded in Chinese family businesses, influences the governance mode of Chinese family businesses (Hu et al., 2002; Wang & Gu, 2004; Wang & Wang, 2012; Yang, 2013; Zhang, 2009), and makes Chinese family businesses more likely to choose relational governance. Scholars have investigated how family culture influences relational governance in family businesses with different perspectives. Drawing on transaction cost theory, some scholars think that family culture leads to relational governance, which in turn leads to the lowest transaction cost when family businesses select governance mode (Hu et al., 2002; Wang & Gu, 2004; Zhang, 2009). Focusing on the nature of family business, some scholars argue that family culture provides a set of rules for family businesses and influences their operation models (Chu & Li, 2003a; Xu, 2011). Other scholars explore the influence of family culture on relational governance in different stages of the evolving governance structure of a family business (Wang & Wang, 2009). And yet other scholars explore the influence of family culture on relational governance by comparing the governance modes of domestic and foreign family businesses (Yang, 2013).

The clan ethics of Confucianism have a far-reaching influence on Chinese people's emphasis on family and behavior patterns. Owing to their emphasis on family, family members do their best to safeguard the reputation, prestige, and endurance of their family. A complete system of ethical norms has been generated in the history of China, regulating the relationships between father and son(s), husband and wife, or brothers, relatives and friends (Wang & Wang, 2009). Every family member has a strong sense of responsibility and mission to maintain the reputation and prestige of his or her family. Moreover, these types of responsibility and mission are stronger than other responsibilities and missions, displaying a strong sense of familism. Under the influence of family culture, family relationship is also integrated into Chinese family businesses, and the relationship among family members can also influence the governance mode and development of family businesses.

In the early years of a family business, the family members are bonded by blood relationship, leading to a high degree of cohesion (Wang & Wang, 2012). Influenced by family culture, ethnic Chinese are more likely to trust those who have a blood relationship with them. There is a high degree of trust among family members, leading them to be committed to their common goal and vision without taking any opportunistic actions.

Because of the frequent and convenient social communication among family members, entrepreneurs use relational governance tools to reduce the internal transaction cost to the lowest level.

With the expansion of firm scale and the influence of Confucian ethics, members of family enterprises are no longer confined to people with a blood relationship, but include people with affinity, geographical relationship, marriage relationship and friendship, relationships from intimate to distant ones. Compared with the generalism in the West, Chinese family culture is a typical particularism, which means a high degree of trust in family members, and a high degree of distrust in people outside one's family. Influenced by family culture, Chinese people show a different trust pattern regarding trusting people in and outside of their own family: family members in the core circle of blood relationship enjoy the highest degree of trust; strangers enjoy the lowest degree of trust; and people who are outside the core circle of blood relationship but have affinity, marriage relationship, and friendship or belong to the circle of acquaintances, enjoy the intermediate degree of trust. Although people with a blood relationship belong to the core circle, they cannot solve all the problems of a family business. A successful family business needs to familize certain non-family members who have participated in business transactions for a long period, following the same or similar principles regarding ethics, emotion, and reward to treat family members and these non-family members or adopting pan-familism. Chinese family businesses often use familization to integrate non-family members into the highly trusted core circle for reducing transaction cost related to relational governance in family businesses.

Substantial Guanxi is another factor at the cultural level. Yang (2009) explores internal governance within Chinese family businesses from the Guanxi perspective, and believes that the embedded substantial Guanxi is not only a factor influencing a family business's choice of governance mode, but also a characteristic that distinguishes Chinese family businesses from Western family businesses. Substantial Guanxi consists of three types of relationship—emotional and obligatory Guanxi, confidential and reciprocal Guanxi, and authority and obedient Guanxi.

The forms of family enterprises in their incipient stage are all derived from family, and family enterprises are a kinship community at their very beginning. Yang (2009) believes that the Guanxi within the kinship communities will be brought into family enterprises. Based on their emotional and confidential Guanxi with other members of a Chinese family enterprise, the leaders of the firm categorize these staff into groups of insiders and outsiders, and offer different resources, rights, or other important things to different groups. This practice makes the set of hierarchies, rules and regulations function weakly. Consequently, it is the informal rule of substantial Guanxi with rich Chinese cultural characteristic that actually influences the family enterprise's internal governance.

Second, we examine factors at the market level (i.e., uncertainty, institutional environment), which are external to the family enterprise. Uncertainty mainly affects the relational governance of Chinese family enterprises through environmental uncertainty. As the external environment becomes more uncertain, firms have a stronger tendency to choose relational governance or strong relational governance. For example, Li and Chen (2005) empirically find that within a more uncertain external environment, it is more proper for family enterprises to apply both strong relational governance and strong contractual governance modes simultaneously. However, some other scholars argue that when they face a less uncertain environment, family enterprises are more likely to choose relational governance (Hu et al., 2002).

China's economy is in the process of transition, and China's legal system is imperfect. Hence, the institutional environment will have an influence on Chinese family enterprises' relational governance. Most scholars focus on the mechanism of social trust and the legal system when they investigate the influence of institutional environment on relational governance; they think that it is China's current economic transition that leads to the weak mechanism of social trust and the imperfect legal system, which in turn lead to Chinese family enterprises' tendency to choose the relational governance mode (Chu & Li, 2003b; Lou & Xing, 2013; Wang & Gu, 2004; Yang, 2009). Some other scholars think that the institutional environment will influence the strength of relational governance chosen by Chinese family enterprises. For example, Liu and Zheng (2014) argue that a dynamic institutional environment will make family enterprises combine strong relational governance with contractual governance.

Third, we examine factors at the organization level (i.e., scale, ownership structure). On the one hand, Li and Chen (2005) argue that large companies tend to choose contractual governance as the main governance mode, namely strong contractual governance and weak relational governance mode. When the enterprise scale increases gradually, the number of staff also gradually increases; because of the low applicability of relational governance, the leader of the firm tends to choose contractual governance as the main governance mode to match the enterprise development stage. On the other hand, however, Li and Chen

(2005) find that a family enterprise of which a family owns at least 50 per cent of the share is more inclined to adopt relationship governance than a family enterprise in which a family owns less than that. This suggests that a family with a higher stake in an enterprise is more likely to choose relationship governance, because the enterprise's operation is more likely influenced by the various relationships related to the family and its members.

Fourth, we investigate the factors at the personal micro-environment level, which include interpersonal trust, values of the leaders in enterprises, and family intention. Interpersonal trust is trust between individuals. Due to the different trust pattern, insiders and outsiders enjoy different degrees of trust. Applying transaction cost theory, Zhang (2009) and Lou and Xing (2009) find that interpersonal trust can reduce the opportunism behaviors and thereby transaction costs, leading family enterprises to choose relational governance. The values of leaders in enterprises would affect their choice of governance mode. When a leader emphasizes his or her family interests more than the enterprise's interests, he or she is more likely to choose relationship governance (Li & Chen, 2005; Yang, 2009). Regarding family intentions, family enterprises usually choose relationship governance due to the leaders' consideration of the issues like control rights and children inheritance (He, 2010).

Factors Influencing Entrepreneurial Teams' Relational Governance. The relational governance in entrepreneurial teams belongs to interpersonal relational governance, but is different from relational governance in family enterprises. The analysis unit of the research on this type of relational governance is group. Domestic research on this type of relational governance is still in its incipient stage. Zhu, Dai, and Zeng (2013) analyze how trust and interpersonal identification influence the play and development of human capital, and thereby influence entrepreneurial teams' choice of governance mode in the team-building and development stages; Zhu et al. (2013) argue that the degree of confirmed verifiability of human capital is negatively related to entrepreneurial teams' choice of relational governance mode. Zhu et al. (2013) focus on the impact of human capital, without giving enough attention to factors such as asset specificity, external environment, political environment, etc. (Zeng, Ye, & Zhu, 2015). Differently, Zhao and Li (2015) see trust as a component of relational governance of entrepreneurial teams and argue that factors like social networks of group members, personal characteristics and relational behaviors will influence the relational governance of entrepreneurial teams.

Factors Influencing Relational Governance between Firms and Individuals

The relational governance between leading agricultural enterprises and their cooperative farmers represents the relational governance between enterprises and individuals in China. This type of relational governance is influenced by factors like social culture, interpersonal trust, asset specificity, uncertain (see Table 4).

Social Culture. The different trust pattern which characterizes Chinese rural society has a profound impact on the cooperative relationship between leading agricultural enterprises and their cooperative farmers and thereby the relational governance mode between the two parties (Chen, Luo, & Huang, 2010; Wan & Ou, 2011). Chen et al. (2010) argue that leading agricultural enterprises' relational governance on their cooperative farmers represents a new different trust pattern, which is not only dependent on blood and geographical relationships, but also includes factors like occupational relationship. These enterprises differentiate between cooperative farmers from the inner circle and those from the outer circles, and use different degrees of relational governance in different circles. The strongest degree of relational governance is used for the innermost circle; and the more distant from the innermost circle an outer circle is, the weaker the degree of relational governance used. Taking the perspective of social embeddedness, Wan and Ou (2011) illustrate how the different trust pattern of Chinese society influences the cooperation between enterprises and their cooperative farmers and thereby the related relational governance mode in three areas: differentiated equity, differentiated rural enterprises, and differentiated rural enterprises cooperation. For Chen et al. (2010) and Wang and Ou (2011), the influence of social culture on relational governance is based on the different trust pattern of Chinese society, and leading agricultural enterprises expand the use of the individual-based different trust pattern to their cooperation with farmers.

Table 4: ***Factors Influencing Relational Governance between Enterprises and Individuals***

Level	Factors	Studies	Influence
Culture	Social culture	Chen et al. (2010); Wan & Ou (2011)	Influence the strength of relational governance between enterprises and cooperative farmers.
Market	Uncertainty	Wan, Peng, & Chen (2009)	Uncertainty and environmental complexity will influence the choices of relational governance between enterprises and farmers.
		Chen (2013)	The more uncertain the agricultural market is, the more likely enterprises and farmers are to choose relational governance.
		Du, Yan, & Xie (2013)	The more unstable the market and price are, the more likely enterprises are to choose relational governance.
	Asset specificity	Chen (2013); Hu (2013); and Wan et al. (2009)	Influences the choices of relational governance between enterprises and cooperative farmers
	Transaction frequency	Hu (2013)	Influences enterprises' and cooperative farmers' choices of relational governance.
	Institutional environment	Wan & Ou (2011)	Influences the strength of relational governance between enterprises and cooperative farmers.

Organization	Scale	Du et al. (2013)	The bigger the farmers' production scale and the processing enterprise's scale are, the more likely they are to choose relational governance.
Personal micro-environment	Interpersonal trust	Zhang. (2009)	Influences the performance of relational governance between enterprises and cooperative farmers.
		Zhang & Lin (2012);	Influences the choices of relational governance between enterprises and cooperative farmers.
	Farmers' knowledge	Du et al.(2013)	Influences the choices of relational governance between enterprises and cooperative farmers.

Interpersonal Trust. Farmers are the partners of leading agricultural enterprises and live in an acquaintance society of Chinese rural areas. The most prominent feature of an acquaintance society is that people show distrust or a low degree of trust toward outsiders. Zhang (2009) empirically finds that farmers' trust in an enterprise influences the effectiveness of relational governance through the mediator of satisfaction. Focusing on role orientations, Zhang and Lin (2012) find that an enterprise should take different role orientations when farmers have different degrees of trust in the enterprise. For example, when farmers have a higher degree of trust in an enterprise, the enterprise should adopt friendship-oriented relational governance to enhance its own performance.

Other Factors. Drawing on transaction cost theory, some scholars explore the influences of asset specificity, uncertainty, and transaction frequency on the relational governance between leading agricultural enterprises and cooperative farmers. The conceptual study of Wan et al. (2009) explores the traits of transactions between leading agricultural enterprises and cooperative farmers, and argues that the enterprises' choices of relational governance can reduce risks brought by uncertainty and asset specificity to certain degrees. Chen (2013) divides asset specificity into material asset specificity and specific human capital, divides uncertainty into market uncertainty and agricultural products uncertainty, and empirically finds that except for market uncertainty, all the other three factors are positively correlated with relational governance. Hu (2013) explores the influences of asset specificity on the sides of both enterprises and cooperative farmers and of transaction frequency on relational governance and empirically finds that enterprises' asset specificity and transaction frequency are positively correlated with relational governance, and that relational governance influences cooperation performance. By analyzing the data of 157 pig- slaughtering and processing enterprises, Du et al. (2013) find that market stability has a negative influence on the choice of relational governance between enterprises and cooperative farmers (i.e., the more stable the market is, the less likely enterprises and cooperative farmers will be to choose relational governance) and illustrates the positive influence of asset specificity on relational governance by analyzing the effects of factors like an enterprise's scale, manufacturing requirements, etc. Wan and Ou (2011) argue that factors like institutional environment will influence the strength of relational governance between enterprises and cooperative farmers. Adopting the concept of social capital to analyze multiple cases, Han, Liu, Li, and Wang (2014) find that stabilizing the contract between enterprises and individuals requires both contractual governance and relational governance modes.

Factors Influencing Relational Governance among Enterprises

Increasingly fierce global competition has forced more and more enterprises to collaborate with their competitors and to establish strategic alliances, causing many scholars to investigate inter-firm relationships and inter-firm relational governance. Domestic studies on the factors influencing inter-firm governance usually adopt the perspective of transaction cost economics; and there are only a few studies of factors influencing relational governance between Chinese local enterprises (see Table 5).

Yun (2004) analyzes how enterprises in supply chains choose proper governance modes in different contexts, and argues that enterprises often adopt informal governance modes to obtain competitive advantage; but Yun (2004) does not dig deeply into the factors influencing relational governance. Based on their empirical analysis of some domestic and foreign supply chains, Zhou, Poppo, and Yang (2008) find that the degrees of asset specificity and uncertainty are positively related to the likelihood that managers adopt relational governance. Zhang, Liu, and Su (2009) empirically find that input specificity is negatively related to relational governance and that environmental dynamics, trust, resource dependency, information sharing, and organizational fit are positively related to inter-firm relational governance. Zhang and Keh (2010) offer a theoretical understanding of how Chinese enterprises with different organizational forms choose governance modes: state-owned enterprises adopt contractual and relational governance simultaneously and private enterprises choose relational governance in their incipient stage and the early stage of market transformation. Adopting the views of suppliers, Yuan and Mao (2011) argue that when exchange relationships last for a long time and suppliers and their clients become strategic partners, it is much better for the involved enterprises to choose relational governance. Comparing Chinese and foreign suppliers, Yuan (2012) empirically finds that asset specificity is positively related to relational governance, and institutional environment is negatively related to relational governance. Wan and Ao (2013) propose that research into relational governance in the context of China should consider the influence of culture and Guanxi. Zhang (2014) empirically finds that inter-firm trust and learning are positively related to relational governance in industrial clusters and improve the effectiveness of innovation. Yeh (2014) finds that customer orientation and competitive priority significantly influence relational governance between automobile manufacturers and their suppliers. Ran, Xie, and Xiao (2015) find that information technology and environmental uncertainty influence textile enterprises' choices of relational governance.

Table 5: ***Studies on Factors Influencing Inter-firm Relational Governance***

Studies	Factors	Influence
Zhou et al. (2008)	Asset specificity and uncertainty	Influence the choice of inter-firm relational governance.
Zhang et al. (2009)	Input specificity, environmental dynamic, trust, resource dependency, information sharing, and organization fit	Influence inter-firm relational governance behaviors.
Zhang & Keh (2010)	Forms of organizations (ownership)	Influence the choice of inter-firm relational governance.
Zhang, Liu, & Yan (2010)	Information technologies, trust, and input specificity	Influence inter-firm relational governance behaviors.

Yuan (2012)	Asset specificity, and institutional environment	Influence the strength of inter-firm relational governance.
Wan & Ao (2013)	Transaction characteristic, institutional environment, and Chinese culture	Influence the choice of inter-firm relational governance.
Zeng (2014)	Asset specificity, trust, resource dependency, etc.	Influence the effects of inter-firm relational governance.
Zhang (2014)	Inter-firm learning and trust	Influence the levels of inter-firm relational governance in industrial clusters.
Yeh (2014)	Customer orientation, and competitive priority	Influence relational governance between manufacturers and suppliers.
Yeh (2015)	Market uncertainty and customer orientation	Influence the effects of inter-firms relational governance.
Ran et al. (2015)	Information technology, and environmental uncertainty	Influence the choices of inter-firm relational governance.

Summary of the Factors Influencing the Three Types of Relational Governance

Some valuable insights emerge from the above discussion of the factors influencing relational governance, which are summarized as follows (see Table 6). First, while the three types of relational governance (i.e., relational governance among individuals within an enterprise, relational governance between an enterprises and individuals, and inter-firm relational governance) share some common influencing factors, they also have their own unique influencing factors. The three types of relational governance share four common influencing factors: Chinese culture, asset specificity, uncertainty and trust, and transaction frequency. Relational governance between an enterprise and individuals, and inter-firm relational governance, share another common influencing factor—transaction frequency. Relational governance among individuals within an enterprise and inter-firm relational governance share another common influencing factor—institutional environment. Relational governance among individuals within an enterprise and relational governance between an enterprises and individuals share another common factor—enterprise scale. Regarding the levels of influencing factors, Chinese culture belongs to the cultural level; asset specificity and uncertainty belong to the market level; and trust belongs to the personal micro-environment level. The influences of Chinese culture on the three types of relational governance are based on different trust patterns of Chinese society. The theoretical foundation of the common factors of asset specificity and uncertainty is transaction cost theory，with which scholars analyze transaction participants' characteristics and examine the influences of the two factors on different types of relational governance. Although asset specificity and uncertainty affect enterprises' choices of relational governance modes in most cases, whether the two factors facilitate or constrain relational governance depends on the situation. Because trust can decrease opportunistic behaviors before and after transactions, and thereby reduce transaction costs and because the differentiated trust pattern influences cooperation in and out of enterprises, trust can influence different types of relational governance.

Different types of relational governance have their own unique influencing factors. The factors uniquely influencing relational governance between individuals within family enterprises are family intention and ownership structure. The unique factors influencing entrepreneurial teams' relational governance is team members' personal characteristics. The unique factors influencing relational governance are between leading agricultural enterprises and cooperative farmers are cooperative farmers' perceived satisfaction and knowledge. The unique factors influencing inter-firm relational governance are resource dependency, information technology, and inter-organizational learning, etc. The uniqueness of these factors is related to the specific research fields. For example, regarding relational governance in family enterprises, because of a family's control over a family business and children's inheritance of the family business, family intentions will influence family business choices of relational governance (He, 2010). As for inter-firm relational governance, enterprises cooperate with each other to improve their own competitive advantage; but their differences in resources and information technology will influence the effectiveness of inter-firm information exchanges and cooperation and thereby inter-firm relational governance.

Second, there are differences in the factors influencing the three types of relational governance; the differences lie in the effects on relational governance and the influencing process. The same factors may have different effects on different types of relational governance: some influence the choice of relational governance, and others influence the strength of relational governance. For example, Chinese culture influences the choices of relational governance among individuals within an enterprise and inter-firm, but influences the strength of relational governance between enterprises and individuals (Chen, 2010). Relational governance among individuals within family enterprises is influenced by family culture and substantial Guanxi, which bring family relationship and emotions into the governance of family enterprises and lead family enterprises to choose the relational governance rather than contractual governance. As for relational governance between leading agricultural enterprises and cooperative farmers, because the farmers are in an acquaintance society, namely Chinese rural society, enterprises which are influenced by the different trust patterns adopt different relational governance modes for different farmers with whom they have different degrees of close Guanxi and emotional affinity, or show differences in the strength of relational governance. Trust influences the choices of relational governance by individuals within enterprises. Differently, trust influences the performance of relational governance between enterprises and individuals and the level of inter-firm relational governance.

Table 6: ***Summary of Factors Influencing the Three Types of Relational Governance***

Factors			Studies	Influence	Process
Chinese culture	Individuals within enterprises	Family culture	Hu et al. (2002); Wang & Gu (2004); Yang (2013)	Influences enterprises' choices of relational governance.	Positive
		Substantial Guanxi	Yang (2009)	Influences enterprises' choices of relational governance.	Positive
	Enterprises and individuals	Social culture	Chen et al. (2010); Wan & Ou (2011)	Influences the strength of relational governance between enterprises and farmers.	Positive

	Inter-firm		Wan & Ao (2013)	Influences the choices of relational governance.	Undiscussed
Asset specificity	Individuals within enterprises	Human capital verifiability	Zhu et al. (2013)	Influences entrepreneurial teams' choices of relational governance.	Negative
	Enterprises and individuals	Enterprises' asset specificity	Wan et al. (2009); Chen (2013); Hu (2013)	Influences enterprises' and individuals' choice of relational governance.	Positive
	Inter-firm	Asset specificity	Zhou et al. (2008); Zhang et al. (2009); Yuan (2012); Zeng (2014)	Influences the choices, behaviors, levels, and performance of inter-firm relational governance.	Positive, except that Zhang et al. (2009) find negative effects.
Uncertainty	Individuals within enterprises	Environmental uncertainty	Hu et al. (2002); Li & Chen (2005); Liu & Zheng (2014)	Influences inter-firm choices of relational governance.	Both positive and negative
	Enterprises and individuals	Uncertainty	Wan et al. (2009)	Influences the choices of relational governance of both sides.	Positive
		Agricultural production uncertainty	Chen (2013)	Influences the choices of relational governance of both sides.	Positive
		Market stability	Du et al. (2013)	Influences the choices of relational governance of both sides.	Negative

	Inter-firm	Environmental uncertainty	Zeng (2014); Ran et al. (2015)	Influences inter-firm effects of relational governance.	Positive
		Environmental dynamic	Zhang et al. (2009)	Influences inter-firm behaviors of relational governance.	Positive
Trust	Individuals within enterprises	Interpersonal trust	Zhang (2009); Lou & Xing (2013)	Influences the choice of relational governance.	Undiscussed
	Enterprises and individuals	Interpersonal trust	Zhang & Lin (2012)	Influences the choice of relational governance between enterprises and farmers.	Positive
			Zhang (2009)	Influences the performance of relational governance between enterprises and farmers.	Undiscussed
	Inter-firms	Inter-firms trust	Zhang et al. (2010); Zhang (2014)	Influences the choice and levels of inter-firm relational governance.	Positive
Scale	Within enterprises	Asset size	Li & Chen (2005)	Influences relational governance strength.	Negative
	Enterprises and individuals	Scale of processing enterprises	Du et al. (2013)	Influences the choice of relational governance between enterprises and farmers.	Positive

		Scale of farmers' production	Du et al. (2013)	Influences the choice of relational governance between enterprises and farmers.	Positive
Transaction frequency	Enterprises and individuals	Transaction frequency	Hu (2013)	Influences choice of relational governance.	Positive
	Inter-firm	Duration of exchange relationship	Yuan & Mao (2011)	Influences the choice of relational governance.	Positive
Institutional environment	Individuals within enterprises	Institutional trust	Chu & Li (2003b); Yang (2009); Lou & Xing (2013)	Influences the choice of relational governance.	Negative
	Inter-firm	Institutional environment	Yuan (2012); Wan & Ao (2013)	Influences the strength and choice of relational governance.	Negative
Family intention	Individuals within enterprises		He (2010)	Influences family business' choice of relational governance.	Positive
Farmers' knowledge	Enterprises and individuals		Du et al. (2013)	Influences the choice of relational governance between enterprises and farmers.	Positive
Information technology	Inter-firm		Zhang et al. (2010); Ran et al. (2015)	Influences behaviors and choices of relational governance.	Positive

The same influencing factors may have either positive or negative effects on different types of relational governance. For example, depending on the specific contexts, uncertainty has different influences on different types of relational governance. The degree of uncertainty is negatively related to the choice of relational governance for family enterprises (Hu et al., 2002); however, the degree of uncertainty is positively related to the choice of relational governance for the governance between enterprises and individuals and inter-firm governance (Chen, 2013; Du et al., 2013; Ran et al., 2015; Zhang et al., 2009). Uncertainties of leading agricultural enterprises and cooperative farmers include market uncertainty and agricultural production uncertainty. The greater the degree of the market uncertainty and the uncertainty of agricultural production are, the more likely the enterprises are to choose relational governance. As for inter-firm relational governance, the inter-firm uncertainty is mainly environmental uncertainty, and enterprises are more likely to adopt relational governance when the external environment is changing constantly.

Third, the influences of asset specificity and uncertainty on relational governance among individuals within enterprises are different from those on relational governance between enterprises and individuals and inter-firm relational governance. The degree of specific verifiability of human capital has a negative effect on the relational governance of entrepreneurial teams, which is a special type of relational governance among individuals within enterprises but has a positive influence on relational governance between an enterprise and individuals and inter-firm relational governance. While extant studies on relational governance between enterprises and individuals and inter-firm relational governance focus mainly on the specialty of assets invested by enterprises, extant studies on relational governance of entrepreneurial teams mainly focus on the growth of the teams. By examining the effects of the application and growth of the human capital of entrepreneurial teams on the teams' relational governance at the teams' different developmental stages, Zhu et al. (2013) find that the entrepreneurial teams are more likely to choose relational governance when it is more difficult to verify the human capital.

Uncertainty positively influences relational governance between enterprises and individuals and inter-firm relational governance, but negatively influences relational governance among individuals within enterprises. Hu et al. (2002) argue that, with lower environmental uncertainty and the increasingly improved legal system, family businesses will hire more acquaintances and intermediaries rather than outsiders, and adopt relational governance. Hence, in China where the legal system still needs improvement, enterprises should choose an appropriate governance mode by applying the finding that uncertainty has a positive effect on the choice of relational governance.

Fourth, Chinese culture influences the choice of governance modes.

This paper examines the relational governance between enterprises and individuals by focusing on the relational governance between leading agricultural enterprises and cooperative farmers. Owing to the impact of the different trust pattern, leading agricultural enterprises adopt stronger (vs. weaker) relational governance to deal with cooperative farmers of closer (vs. more distant) circles.

General Discussion

Conclusion

Relational governance is attracting increasing attention from researchers, and new influencing factors are continuously being found. However, systematic reviews of the influencing factors are rare, making it difficult to examine relational governance in the context of China. This paper aims to fill this gap by reviewing previous studies on relational governance and exploring the factors influencing three types of relational governance (i.e., relational governance among individuals within an enterprise, relational governance between an enterprise and employees, inter-firm relational governance) and the differences in the factors influencing these types of relational governance. Based on our review of the extant studies, we construct two models of factors influencing relational governance. The first model is about the common factors that influence each type of relational governance (see Figure1).

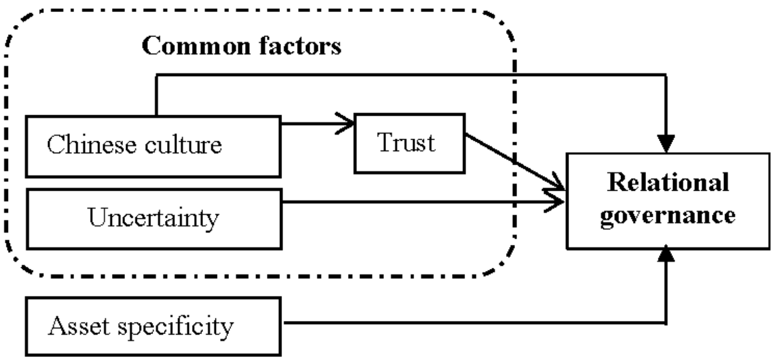

Figure 1. Model of common factors influencing relational governance.

Our review finds that all the three types of relational governance in the context of China are influenced by uncertainty, asset specificity, Chinese culture, and trust. There is a transaction relationship in the relationship among individuals within an enterprise, the relationship between an enterprise and employees, and inter-firm relationships, although different transaction agents are involved in the three types of relationships. Such a transaction relationship is influenced by uncertainty, and attests to specialty at the market level, and uncertainty includes environmental uncertainty and behavioral uncertainty of transaction participants (Chen, 2013). Choosing relational governance can effectively help enterprises adapt to the turbulent environment and reduce transaction costs. Asset specificity includes material and human asset specificity. A higher degree of asset specificity leads to higher transaction costs and risks, and choosing relational governance can effectively reduce opportunistic behaviors (Chen, 2013); thus, when an enterprise's investment in special assets is high, the enterprise should adopt relational governance with the transaction partner to reduce transaction risk and to facilitate the transaction. Family culture, substantial Guanxi, and social culture between enterprises and individuals reflect the importance of Guanxi in Chinese culture. The popular different trust pattern causes enterprises to adopt relational governance of different strengths to deal with people of different circles depending on the degrees of closeness of Guanxi and affinity. Hence, when adopting relational governance, an enterprise should pay attention to the degrees of closeness of Guanxi and affinity, and adopt different governance modes according to different degrees of relationship. For example, the enterprise should mainly adopt relational governance when dealing with subjects with whom the enterprise has close Guanxi and strong affinity and mainly adopt contractual governance with relational governance as a complementary governance mode when dealing with subjects with whom the enterprise has distant Guanxi and weak affinity.

By comparing the factors influencing different types of relational governance, we find that the uniqueness of these factors is reflected in the influencing effects and influencing process: the same influencing factors may have different influencing effects on different types of relational governance and have opposite (positive vs. negative) effects on different types of relational governance (see Figure 2).

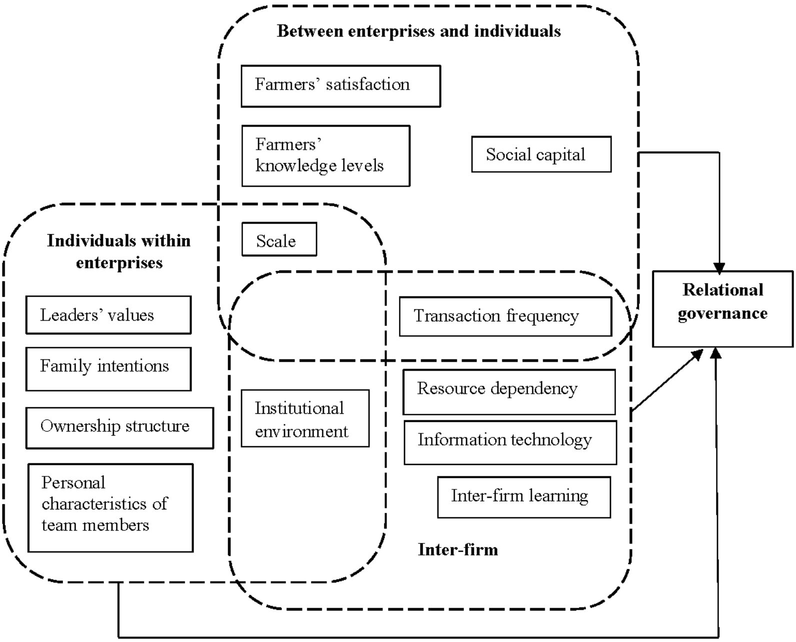

Figure 2. Model of unique factors influencing each type of relational governance.

Limitations

Our findings are based on our review of the extant literature on the three types of relational governance. However, we chose to review the studies on relational governance of certain representative enterprises (e.g., family business, leading agricultural enterprises and their cooperative farmers) in the context of China without examining the relation governance of other forms of enterprises. In addition, the reviewed studies on the relational governance among individuals within an enterprise mainly examine this type of relational governance in family businesses; our paper does not therefore review the studies that examine the factors influencing relational governance between managers of non-family businesses and employees. These two features of this paper limit the generalizability of our findings.

Future Research Directions

Future research could improve our understanding of relational governance in the context of China in several ways. First, future research could examine other types of relational governance. The extant studies focus on relational governance among individuals within an enterprise, relational governance between an enterprise and employees, and inter-firm relational governance. Future studies could investigate relational governance among multiple organizations participating in a project (e.g., relational governance of public projects). Deng, Yan, and Wu (2015) investigate the construction of relational governance of public projects in the context of China. Future studies can further explore the factors influencing relational governance of public projects, further developing our understating of factors influencing relational governance.

Second, extant studies on relational governance among individuals mainly investigate the internal governance of family businesses; more studies are needed to explore the relational governance of entrepreneurial teams. In the extant literature, only the conceptual study of Zhu et al. (2013) explores relational governance of entrepreneurial teams. More conceptual and empirical studies on relational governance of entrepreneurial teams are needed.

Third, the effects of *qing* (emotion or feelings), *li* (reciprocity), and interests on relational governance within entrepreneurial teams and the effects of Guanxi networks or quanzi (Yang & Wang, 2011) on inter-firm relational governance are rarely investigated in the extant literature on Guanxi. Future research could investigate the effects of the content and quality of Guanxi on relational governance of entrepreneurial teams. Future research could also divide inter-firm relationships into different types of Guanxi networks and investigate the effects of different types of Guanxi networks on inter-firm relational governance.

Fourth, future research could further explore leaders' influence on relational governance by exploring the impacts of leaders' leadership style and personal friendship on relational governance.

Fifth, more studies on uncertainty are needed. Particularly, studies on the weak legal system's impact on relational governance will help improve management practice.

Acknowledgment**:** The authors would like to thank the generous financial support provided by the National Natural Science Foundation of China (No.71362006), the Ministry of Education of China (No.12YJA630058), the Jiangxi Social Sciences Planning Project (No.13GL03), and the Jiangxi Postdoctoral Project (No.2015KY26).

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Critical Factors for B2C E-Commerce in China

Feng Ouyang, Jing Zeng, Wei-Wei Geng and Tao Yang*

Focusing on consumer experience and the technology dimension, this paper established a three-class index system about the critical factors influencing the success of B2C e-commerce in China. The top nine Chinese B2C self-operating e-commerce platforms in terms of trade volumes were selected as the research sites and data were collected via the Internet, which included certain third-party statistics, real-time test data, and the actual data displayed in the observed nine platforms. The data were processed with the algorithm of the rough set theory; and some key factors influencing B2C e-commerce success emerged from the data. It is concluded that: (1) the herd effect causes competition between e-commerce companies to develop in terms of both depth and width for adapting to consumers' continuously increasing need for personalized experience; and (2) technologies and services (e.g., recommendation system, after-sale services) are keys to expanding a B2C e-commerce platform's market share.

Keywords: China, B2C, e-commerce, critical factor, e-marketing, e-marketplaces, rough set theory, evaluation

B2C e-commerce is the trading in products or services between companies and customers via the Internet, and plays an important role in the online retail market. In recent years, China's "Internet +" policy has become a national strategy, facilitating the development of e-commerce in China. In this context, many companies have been paying increasing attention to B2C e-commerce and devoting lots of resources to building their B2C e-commerce platforms (e.g., shopping websites, online stores, online malls). They have been competing with each other with different

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business models, which include the platform-service model (charging users fees for providing an open platform), the self-operated model (selling products by themselves and profiting from the differences between selling prices and purchasing costs) and the branded e-commerce model (selling their own brands online).

B2C e-commerce has been the most dynamic and booming pattern in China's e-commerce field. According to the research reports published by the iResearch (www. iresearch.cn) and the Chinese E-commerce Research Center (www.100ec.cn), the revenues of self-operated e-commerce platforms have had higher quarter-on-quarter growth rates than those of the whole B2C industry since 2014, and their online retail market share has gradually increased; but their market share is still far behind that of the Tmall, which is the largest platform-service e-commerce company in China.

While some B2C e-commerce platforms are successful, some of their counterparts are finding it hard to survive, and may even go bankrupt or be acquired. In this context where China's government is advancing e-commerce and accelerating its steps of fostering its new economic impetuses, and where the ecosystem of ecommerce is continuously changing, studying the critical factors influencing the success of the evolving B2C e-commerce by applying an effective, systematic method thus has significant theoretical and practical implications.

Factors Influencing the Success of B2C E-commerce

The early studies into the critical factors influencing the success of B2C e-commerce emerged in 1998. From the perspective of user-engagement, Schaffer and Sorflaten (1998) categorize the factors influencing the performance of an e-commerce website into five types: user motivation, visual work, intellectual work, memory work, and physical work. The earliest e-commerce standard published in the world, "The standard for Internet Commerce" (The Ziff-Davis Gll Group, 1999), proposes 47 items regarding the minimal acceptable standards and best practices across seven categories. Focusing on usability, Li and Li (2011) evaluate Chinese B2C e-commerce websites across four categories of influencing factors: content, ease of use, promotions, and emotional factors. Zhang and Guo (2012) evaluate the service quality of e-commerce websites across three categories of consumer perceptions: human-human interaction, human-computer interaction and interaction consequence. Yu, Guo, Guo, and Huang (2014) rank B2C e-commerce websites across five categories of factors: product, design, technology, service quality and logistics. Based on consumer experience, Pei, Xue, Li, Chang, and Su (2015) create a website evaluation system which consists of five types of indicators: web availability, web usability, transaction cost, web presentation, participation, and interaction of consumers. By focusing on consumers' repeated purchasing behaviors and examining the utilitarian and hedonic values to consumers, Chiu, Wang, Fang, and Huang (2014) build an evaluation system and analyze the perceivable risks of B2C e-commerce companies. Taking Tmall, JD, and Amazon.cn as examples, Zhang, Zhao, Zou, and Xu (2015) evaluate B2C e-commerce websites from the perspective of consumers' assessment of online products. Focusing on the usability of web sites, Hasan, Morris, and Probets (2013) evaluate e-commerce websites in developing countries by examining eight dimensions of a website: navigation, internal search, structure, content, customer service, shopping process, number of visits, and operation performance. Ye (2010) uses website function, website operation, and website service to assess B2C platforms. Based their review of the studies published between 1999 and 2011, Xia and Li (2012) create a model containing 35 critical factors influencing the success of e-commerce at the strategic level, technical resources level and management level. Wang and Wu (2014) use the four items of operation ability, debt-paying ability, development ability, and online operating ability to evaluate the credibility of B2C e-commerce companies. He (2015) investigates the impacts of entrepreneurial characteristics, corporate strategy, corporate resources, environment, and public policy on the growth of B2C companies. Wang, Gao, Zhang, and Chen (2016) analyze the characteristics of microblog marketing and discuss the most important factors influencing its performance, such as the instant interactivity, the communication ability, the amount of information transferred, the information reliability, the users' media literacy, the number of followers, and the systems used to evaluate the effects of marketing.

From the above literature review, we conclude that researchers have examined the factors influencing the success of B2C 2-commerce from multiple perspectives and at multiple levels. From different research perspectives and looking at different core dimensions, we can extract different factors. One common view is to pay more attention to consumers' experience: consumers influence the success of e-commerce companies and it is a foundation of success for companies to satisfy consumers' needs and to devote to creating more value for consumers.

Thus, building on the evaluation system of Ye (2010) and other reviewed studies, this paper proposes an evaluation indicators system, which includes three first-class indicators, 14 second-class indicators and 72 third-class indicators as factors influencing the success of B2C e-

Table 1: ***The Evaluation Indicators and Scoring Rules in B2C E-commerce***

First-class indicators	Second-class indicators	Third-class indicators	Scoring rules							Mark
			0	1	2	3	4	5	6	
Platform function	Search function	Have a search engine	No	Yes						c1
		Number of ways of advanced search	0	1	2	3				c2
		Stored search records	No	Yes						c3
		Number of ways of search-result sequencing	0	1	2	3	>3			c4
		Number of ways of search-result classifications	1	2	3	4	>4			c5
	Shopping features	Have e-carts	No	Yes						c6
		Stored shopping records	No	Yes						c7
		Support for paying for multiple products simultaneously	No	Yes						c8
		Have an instant chat program	No	Yes						c9
		Have the function of one-click shopping	No	Yes						c10
		Have instructions that some products are available for specific groups or regions	No	Yes						c11
		Provide retailers’ inventory information	No	Yes						c12
		Have shopping navigation service on the home page	No	Yes						c13

	Order management	Orders can be revised and canceled	No	Yes						c14
		Support for the sellers to process complete shipping information	0	1	2	3	4	>4		c15
		Support for tracking a product's location in the process of transportation	No	Yes						c16
		Show detailed information about the whole process of the products' being received	0	1	2	3				c17
		Offer a historical record of orders	No	Yes						c18
		Insurance against damage and theft for each product	No	Yes						c19
		Retailers' actions and detailed information after the execution of orders	0	1	2	3				c20
		Policies of coping with canceling, returning, refunding orders	0	1	2	3	4	5	6	c21
		Offer the functions of real-time order payment and bank-card authentication	0	1	2					c22
	Recommendation system	Compare and recommend similar products	0	1	2					c23
		Recommend products to consumers' friends	No	Yes						c24
		Recommend products based on the focuses of consumers	No	Yes						c25

First-class indicators	Second-class indicators	Third-class indicators	Scoring rules							Mark
			0	1	2	3	4	5	6	
Platform operation	Activeness	Have sales promotion any day on the home page	No	Yes						c26
		Product variety and richness								c27
		Timeliness of updating information								c28
	Products	Have explicit texts on products	No	Yes						c29
		Have products' pictures	No	Yes						c30
		Mark the products which cannot be directly ordered on the website	No	Yes						c31
		Have after-sales service information about each product or service	0	1	2	3				c32
		Have explicit information about quality guarantee	0	1	2	3	4			c33
		Products are sorted in different categories	No	Yes						c34
		Number of product categories	0	1	2	3	>3			c35
		Clear prices	No	Yes						c36
		Price competitiveness								c37
	Payment	Announce the ways of payments	No	Yes						c38
		Number of ways of payment	0	1	2	3	>3			c39
		Number of banks which collaborate with the B2C website for the online payment service	0~1	2~3	4~5	6~7	8~9	≥10		c40

		Announce payment rules on the home page	No	Yes						c41
	Logistics and distribution	Consumers can choose a logistic company by themselves	No	Yes						c42
		Provide special delivery services to consumers	No	Yes						c43
		Number of the ways of delivery	0	1	2	3				c44
		Announce the delivery instructions	No	Yes						c45
	Platform appeal	Percentage of total visits								c46
		Percentage of total visit time								c47
		Percentage of total pageviews								c48

First-class indicators	**Second-class indicators**	**Third-class indicators**	**Scoring rules**							**Mark**
			0	**1**	**2**	**3**	**4**	**5**	**6**	
Platform service	Privacy	Announce privacy principles	0	1	2	3	4	5		c49
		Offer links of privacy principles on the home page	No	Yes						c50
		Encryption of consumers' data	No	Yes						c51
		List retailers' names and their respective contact information	0	1	2	3				c52
		Offer online consumer service and other contact ways	No	Yes						c53
		Provide access to consumer service policies in the home page	No	Yes						c54

	Service quality	Help resolve disputes between consumers and retailers	No	Yes						c55
		Use systematic ways to deal with consumers' feedback and learn about their feelings	No	Yes						c56
		Have a room for consumers' complaints and feedback	No	Yes						c57
		Offer a BBS for product reviews or a consumer community	No	Yes						c58
	Web page	Any web page can be linked to the home page	No	Yes						c59
		Headings on the home page exceeding 80 characters								c60
		Compression techniques used on the website								c61
		Evaluation mark from the 360 website								c62
		Google PR value								c63
		The volumes of inclusion by the major search engines								c64
		Weight value given by Baidu								c65
	Technological structure	Response speed of the website								c66
		Consumers' transaction information is encrypted during transmission	No	Yes						c67
		Security of the website								c68

	User stickiness	Average visit days per person									c69
		Average visit time per day per person									c70
		Average visit time per web page									c71
		Average pageviews per day per person									c72
B2C e-commerce platform performance											d

commerce (see Table 1). Together, these factors influence the success of one B2C e-commerce platform; the B2C e-commerce platform's performance is measured by its market status or market share. For this purpose, we also add a comprehensive indicator of one B2C e-commerce platform's performance.

Samples, Sources of Data and Scoring Rules

According to the data of China's online retail market transactions in 2014 published by the iResearch, and the monitoring report on Chinese e-commerce market in 2014 released by the Chinese E-commerce Research Center, the top10 B2C e-commerce platforms in terms of market share are ranked from high to low as follows: Tmall, JD, Suning, Gome, Vip, Amazon.cn, Dangdang, Yixun, Jumei, and Yhd. Tmall adopts the platform-service model while the others adopt the self-operated model. Because self-operated e-commerce platforms better represent the B2C e-commerce in China, this study used the top nine self-operated e-commerce platforms in China as the samples.

As for the sources of data, the previous studies usually collected data from questionnaire surveys, statistics of third parties, and the underlying data resulting from the tests on the B2C e-commerce platforms. Comparatively, collecting data from the statistics of third parties, the underlying data resulting from tests on the B2C e-commerce platforms, and the actual data shown in the studied platforms makes the data analysis results more persuasive. Therefore, we divide all the third-class indicators in Table 1 into two types. The first type includes the indicators with their respective scoring rules displayed in Table 1, and their data are displayed on the websites. Under the given scoring rules, the values of these indicators are not affected by individuals' subjective opinions, and any investigator will get the same results by browsing and experiencing a web site. The second type includes the indicators whose scoring rules are not listed in Table 1. The data were collected from the statistics of third parties and the underlying data resulting from the tests on the B2C e-commerce platforms.

The second type of indicators and related scoring rules used in this paper are as follows:

(1) Product variety and richness. The numbers of the products of the nine self-operated e-commerce platforms were collected from the website named www.b5m.com, which reflect the richness of products. The higher the number was, the higher the richness was.

(2) Timeliness of updating information. The data were collected from the update times on the Baidu snapshots. For each sample website, the value of this item is the difference between the observation day and the update day on the Baidu snapshot, which reflects timeliness of updating information. The higher the value was, the higher the timeliness was.

(3) Price competitiveness. The monthly reports on prices of e-commerce companies in 2014 released by www.b5m.com, and the sample survey results of prices of e-commerce companies, were used to calculate price competitiveness in terms of the number of lowest-priced products in each e-commerce platform. For a sample company listed in the reports, we used the arithmetic average of its monthly percentages of lowest-priced products in 2014. For a company not listed in the reports, by means of sample survey, we compared products' prices among all the e-commerce platforms, classified and made up missing data in terms of the percentage of lowest-priced products. The higher the value, the higher the price competitiveness was.

(4) Percentage of total visits, percentage of total visit time, percentage of total pageviews, average visit days per person, average visit time per day per person, average visit time per web page, and average page views per day per person. The data were collected from the statistics about China's Internet data platforms released by China's Internet Information Center, reflecting platform appeal and user stickiness. The higher the value was, the greater the platform attraction and user stickiness were.

(5) Evaluation mark from the 360 website. The data were collected from the real-time test results of the web site www.ce.cloud.360.cn, which is affiliated to the company named 360. The comprehensive evaluation mark consists of nine items (i.e., lower request times, keep long interlink, cache for a web page's content, keep GZIP compression, put scripts on the bottom of the web structure, simplified types of CSS and JS files, avoid No. 404 dislocation, compress cookies, keep external links), reflecting the access efficiency, usability, simplicity and generalizability of e-commerce web pages. The higher the mark was, the higher the quality of the web pages was.

(6) Google PR value. The value was decided by the outcome of SEO inquiry which came from the website named www.pr.chinaz.com. The algorithm was designed by Google to calculate the rank of a web page in terms of hyperlinks among web pages on the targeted

websites. The higher the mark was, the more popular or more important the websites were.

(7) The volume of inclusion by the major search engines. The property and source of data were the same as those of the data for (6). The value was the arithmetic average of the volumes of inclusion by the four major search engines (i.e., Baidu, Google, Sogou, 360), which indicates the volumes of web page snapshots for each e-commerce website in the databases of the four search engines and reflects the contents and comparative status. The higher the value was, the greater the number of visits to the website was.

(8) Weight value given by Baidu. The property and source of the data were the same as those of the data for (6). The algorithm was designed by Baidu to calculate a web site's rank in terms of popularity, represented by keyword ranking. A higher value indicates that the related website has a more readable layout, fewer advertisements, clearer videos, higher download speed, etc.

(9) Response speed of the website. The property and source of the data were the same as those of the data for (5). There were 84 monitoring points in 27 provinces examining the sample websites' response speeds. We conducted 10 tests for each sample and calculated their arithmetic average, which reflects the speed of the B2C e-commerce website. The higher the value was, the faster the website's speed was.

(10) Security of the website. The data were collected from the test results of 360's website security test center. The measure consists of six indicators: website vulnerabilities, host security, false or fraudulent website, Trojan or malicious website, malicious tampering, and masked by Google search engine. The higher the value was, the safer the e-commerce website was.

(11) Headings on the home page exceeding 80 characters and compression techniques used on the website. The property and source of data were the same as those of the data for (6). These items reflect the simplicity of a website and concise websites were marked by 1 point.

(12) B2C e-commerce platform performance. The data were collected from the report on Chinese e-commerce market in 2014 released by the Chinese E-commerce Research Center. The scoring rule is as follows: B2C e-commerce platform performance=100×percentage of e-commerce platform trading volume. The higher the value was, the more significant the B2C e-commerce platform's performance was.

The raw data of the second type of indicators were processed with the following procedures. Firstly, we normalized them by using the SPSS statistical software. Secondly, we measured the distances between two samples in order, using the Euclidean distance method. Thirdly, we applied a systematic cluster analysis in terms of group average connection method and classified the samples into three categories according to the average square distance between two clusters in order. Finally, based on the degrees of their beneficial influences on the websites, we marked such influences as follows: 3 points (high), 2 points (intermediate) and 1 point (low).

Based on the above-mentioned scoring rules, we attained the original points of the three classes of indicators and the comprehensive indicator (i.e., d) of the nine B2C e-commerce platforms, which are shown in Table 2. Except the data which came from the statistics reports, the other data were collected through online observations and tests in mid-January 2015.

Table 2: ***Points of the Three Classes of Indicators and the Synthetic Indicator***

Mark	JD	Yhd	Suning	Amazon.cn	Dangdang	Gome	Yixun	Vip	Jumei
c1	1	1	1	1	1	1	1	1	1
c2	3	3	3	3	3	3	3	3	3
c3	1	1	1	0	0	0	1	0	0
c4	4	4	4	4	4	4	3	2	4
c5	4	4	4	4	4	4	4	4	4
c6	1	1	1	1	1	1	1	1	1
c7	1	1	1	1	1	1	1	1	1
c8	1	1	1	1	1	1	1	1	1
c9	1	1	1	0	0	1	0	0	0
c10	1	1	1	1	1	1	1	1	1
c11	1	1	1	1	1	1	1	1	1
c12	1	0	0	0	1	0	0	0	0
c13	1	1	1	0	1	1	1	1	1
c14	1	1	1	1	1	1	1	1	1
c15	2	2	2	2	2	2	2	4	2
c16	1	1	1	1	1	1	1	1	1
c17	3	3	3	3	3	3	3	3	3
c18	1	1	1	1	1	1	1	1	1
c19	0	0	0	0	0	0	0	0	0
c20	3	3	3	1	1	3	1	1	1

c21	6	4	6	6	6	6	6	6	6
c22	2	1	2	1	1	1	1	1	2
c23	1	0	1	1	1	2	2	1	1
c24	1	1	1	1	1	1	1	1	0
c25	1	1	1	1	1	1	1	1	1
c26	1	1	1	1	1	1	1	1	1
c27	3	2	1	3	1	1	1	1	1
c28	2	2	1	1	1	3	2	2	2
c29	1	1	1	1	1	1	1	1	1
c30	1	1	1	1	1	1	1	1	1
c31	1	0	0	1	0	0	0	1	1
c32	3	3	3	3	3	2	3	3	3
c33	4	4	4	0	4	4	4	4	4
c34	1	1	1	1	1	1	1	1	1
c35	4	4	4	4	4	4	4	4	4
c36	1	1	1	1	1	1	1	1	1
c37	2	1	1	2	2	1	1	3	1
c38	1	1	1	1	1	1	1	1	1
c39	4	3	3	2	3	4	3	2	2
c40	3	1	2	1	1	3	1	1	1
c41	0	1	1	1	1	1	1	1	1
c42	0	0	0	0	0	0	0	0	0
c43	1	1	1	1	1	1	0	1	1
c44	1	1	1	1	3	1	2	1	2
c45	1	1	1	1	1	1	1	1	1
c46	3	2	2	2	2	1	1	1	1
c47	3	2	2	2	2	1	1	1	1
c48	3	2	2	2	2	2	1	1	1
c49	5	5	5	5	2	5	4	4	4
c50	0	0	0	0	0	0	0	0	0
c51	1	1	1	1	1	1	1	1	1
c52	2	2	2	1	1	2	1	2	2
c53	1	1	1	0	1	1	1	1	1
c54	1	1	1	1	1	1	1	1	1
c55	1	1	1	1	1	1	1	1	1
c56	1	0	1	0	1	1	0	0	1
c57	1	1	1	0	1	1	1	1	1
c58	1	1	1	1	1	1	1	0	1
c59	1	1	1	1	1	1	1	1	1

c60	1	1	1	1	1	1	1	1	1
c61	1	1	1	1	1	1	1	1	1
c62	2	1	3	3	1	2	2	2	2
c63	2	1	2	3	2	2	2	1	2
c64	2	1	1	3	1	2	1	1	1
c65	3	2	1	2	2	2	1	1	2
c66	3	2	3	2	3	1	3	1	1
c67	1	1	1	1	1	1	1	1	1
c68	2	2	2	2	2	1	2	2	2
c69	3	2	2	2	2	2	2	1	1
c70	3	2	3	2	3	2	2	1	1
c71	3	3	3	2	3	3	3	1	1
c72	3	2	2	2	2	2	2	1	1
d	3	1	2	2	1	2	1	2	1

Choices of the Analysis Methods

Extant studies have used various methods to analyze the critical factors influencing the success of B2C e-commerce, such as AHP, FCE, correspondence analysis and website analysis driven by commercial value. Generally speaking, using AHP and FCE to analyze these types of issues have some shortcomings. Firstly, they are strongly subjective and depend on personal experiences and judgment. The core of AHP is to evaluate the comparative importance of various factors based on experts' experience and assign specific values accordingly. However, there are often differences between personal experiences and the reality; also, an expert's experience does not necessarily keep pace with the dynamic process in which e-commerce adapts to the changing business environment. The application of FCE has similar problems when the membership matrix is in progress. Applying such methods therefore largely depends on the synthetic analysis and transformation, by a human brain, of something objective, which may not be consistent with the reality. Secondly, applying them will lose some evaluation information in the process because of the high requirement for accurate data. Furthermore, the calculation processes of the above-mentioned methods are supposed to be accurate mathematic calculation processes, which generate certain numbers. However, the original, raw data are transformed by a human brain whose improper classification or construction may lead to the loss of some information, lowering the degree of accuracy of the data. Therefore, to deal with the complicated and uncertain characteristics of the factors influencing B2C e-commerce, we drew on the rough set theory to propose a method of analyzing the critical factors influencing B2C e-commerce.

The rough set theory proposed by Pawlak is a mathematical theory for dealing with uncertain and imprecise problems (Miao & Li, 2008). Its main idea is to generate decision or classification rules through knowledge reduction in terms of keeping partition constant. The theory is applicable to this paper because it helps extract raw data reflecting B2C e-commerce platforms' characteristics directly from the platforms or the third parties, and the data-processing based on this theory is dependent on the knowledge base of the raw data without any additional information or prior knowledge. This theory is therefore preferable to reflect fuzziness and objectivity of knowledge; and this theory can effectively overcome previous studies' shortcoming in terms of subjective evaluations regarding the indictors system, leading to more persuasive analysis results. The core of this analysis method is attribute reduction, and its basic procedure is finding partition from the domain based on known issues and then calculating the degree of support to a concept. This analysis method starts from the information's characteristics, classifies and simplifies the information and attains the minimal expression of the related knowledge while keeping the key information, examines the relationship between B2C e-commerce performance and critical factors influencing the performance, and explores the comparative weight relationships among these factors by processing the data collected from the samples.

Analysis of the Critical Factors Influencing B2C E-commerce Based on the Rough Set Theory

The Discretization of Continual Values

The raw data were continual values, so we turned these data into discrete values. The discretization of raw data was divided into three types. Firstly, for the indicators whose points were attained from our systematic cluster analysis and for the indicators whose points were attained from the answers of either "Yes" or "No," the values of the points were directly regarded as discrete values. Secondly, for the indicators of the first type whose original values were equal to or lower than 3, we assigned 1 to the lowest original value, 2 to the second lowest ones, and 3 to the highest ones. Thirdly, for the indicators of the first type whose original values were higher than 3, we divided their values into three intervals whose upper and lower limits were rounded to the nearest whole numbers, and then took discretization with the equidistance discretization method. Next, we added the discrete values of the three classes of indicators to their corresponding second-class and first-class indicators individually and got the points of their superior indicators. Finally, we discretized the accumulated values into three categories by applying the systematic cluster analysis and the equidistance discretization method. We got discrete values of all of the three-class indicators.

The Establishment of B2C E-commerce Decision Tables' System

This paper uses nine B2C e-commerce platforms as samples, each of which incorporated condition attributes which consisted of three first-class indicators, 14 second-class indicators, 72 third-class indicators and a decision attribute represented by B2C e-commerce performance.

Definition 1: As for the third-class indicators, the B2C e-commerce performances (denoted by d) were related to their 72 influencing factors (denoted by $c_1, c_2, ..., c_{72}$). Let $u_t=(c_{1,t}, c_{2,t}, ..., c_{72,t}; d_t)$ (t=1, 2, ..., 9), where u_t represented objects (namely B2C e-commerce platforms), $c_{i,t}$ represented the condition attribute c_i's value on objects u_t, d_t represented the decision attribute d's value on objects u_t, and t represented the number of the platforms. Let $U=\{u_1, u_2, ..., u_9\}$, $C=\{c_1, c_2, ..., c_{72}\}$, $D=\{d\}$, $V=\cup Vc_i$, $f=\{f_{Ci}|f_{Ci}: U\rightarrow V_{Ci}\}$, then we established a B2C e-commerce decision table $DT3=(U,C\cup D,V,f)$ where U was called domains, C was called condition attribute set, D was called decision attribute set, V was called value range on information function f, Vc_i represented value range of a single attribute c_i, f represented information function of the decision table, f_{Ci} represented information function of attributes c_i, each volume denoted a condition attribute or decision attribute, and each row represented a sample. Corresponding to their superior indicators, the decision table $DT3$ could be divided into 14 sub-decision tables named $DT3k$ $(k=1, 2, ..., 14)$. Similarly, the decision tables, which served for first-class and second-class indicators denoted by $DT1$, $DT2j$ $(j=1, 2, 3)$, were generated in the same way.

Definition 2: In order to represent the relationships between performances attribute D and influencing factor attributes C, for all the decision tables $DT1$, $DT2j$ $(j=1, 2, 3)$, $DT3k$ $(k=1, 2, ..., 14)$, we defined $d_u: C\cup D\rightarrow V$, $X|\rightarrow d_u(X)=X(u)$ as a decision function where $\forall X\in C\cup D$, $\forall u\in U$, $d_u|C$ was called the condition of d_u and represented that decision function d_u was constrained to get value only on the set of condition attributes C; $d_u|D$ was called the decision of d_u and represented that decision function d_u was constrained to get value only on the set of decision attribute D.

The Classification Based on Equivalence Relation

Definition 3: Supposed that S was a cluster of equivalence relations on domain U, $K=(U,S)$ was a knowledge base, $S=\{R_1, R_2, ..., R_i\}$ where R_i represented a equivalence relation on S. If the element $a \in U$ and element set $\{a, b\} \subseteq R_i$ in the indicator X_i, a, b were indistinguishable on K. R_i was called an indiscernible relation. We denoted R's equivalence class including a by $[a]_R$. If $P \subseteq R$ and $P \neq \phi$, $\cap P$ was still an equivalence relation on R, which was called indiscernible relation on P and marked by $IND(P)$, $s.t.\ \forall a \in U$, $[a]_{IND(P)} = \cap [a]_R$. $U/IND(P)$ represented all equivalence classes on the equivalence relation $IND(P)$, which is equal to equivalence relation $IND(P)$'s induced partition on U.

The Calculation of Weight Values Based on Attribute Significant Degree Algorithm

Generally, in the decision tables, the degrees of dependency of different decision attribute sets on different condition attribute sets were different. In order to measure a significant degree of decision attribute sets on one condition attribute, the method based on the rough set theory was used as follows: we deleted a condition attribute from the decision table, and then calculated what variance occurred on the classification of the decision table without the condition attribute. The bigger the variance was on the classification of decision table, the bigger the significant degree values on the condition attribute was, and vice versa. Based on Pawlak's attribute significant degree algorithm, we calculated the weight value of each indicator.

Definition 4: Supposed that lower approximation of rough set was $\underline{R}(X) = \cup \{Y \in U/R | Y \cap X \neq \phi\}$, where $POS_R(X) = \underline{R}(X)$ was called R's positive domain of X.

The calculation of each condition attribute's degree of importance was as follows:

$$sig(a_i, C;D) = \gamma_C(D) - \gamma_{C-\{a_i\}}(D) = \frac{card(Pos_C(D)) - card(Pos_{C-\{a_i\}}(D))}{card(U)} \quad (1)$$

The bigger the resulting value was, the bigger the effect of deleting one influencing factor a_i on the influences which the influencing factors set C had on the classification capacity of the decision attribute D. This means that the influencing factor a_i was more important among the influencing factors terms of influencing in the classification capacity of the decision attribute D. So if $Pos_C(D) = Pos_{C-\{a_i\}}(D)$ then attribute a_i was unnecessary on the condition attribute set *C*.

Then we normalized the calculation of the triple-classes indicators and got the comprehensive weight value ω_{ij}^* for each indicator. The formula of normalization in the peer indicators was

$$\omega_{ij} = \frac{sig_{ij}(a_i, C:D)}{\sum_{j=1}^{k} sig_{ij}(a_i, C:D)} \quad (2)$$

Where, *i* denoted classes of indicator, *j* denoted indicators' names and *k* denoted the number of indicators on the corresponding peer.

We allocated weight values between different classes, got comprehensive weight value

$$\omega_{ij}^* = \omega_{1j}\omega_{2j}\omega_{3j} \quad (3)$$

Where, it subjected to $\sum_{j=1}^{k}\omega_{1j}^* = \sum_{j=1}^{k}\omega_{2j}^* = \sum_{j=1}^{k}\omega_{3j}^* = 1$. If the value of ω_{ij}^* was bigger, the corresponding influence factors was more important. The comprehensive weight value of each attribute was listed on Table 3 (Value 0 in the third-class indicators were not listed).

We deleted the attributes whose weight values were 0 and got the results as follows:

The first-class indicators' reduct was *{platform function, platform operation, platform service}* and its corresponding set of weights was *{0.2, 0.6, 0.2}*. The result indicates that platform operation is the most important one among the three first-class indicators, while platform function is as important as platform service.

The second-class indicators' reduct was *{shopping features, recommendation system, products, privacy, service quality, web page}*. The number of the total elements of the reduct was 6, which were reduced by 57.1%. Its corresponding set of weight was *{0.133, 0.067, 0.6, 0.067, 0.067, 0.067}*. The result shows that the factor of products is the most important, the factor of shopping features is the second most important, privacy, service quality of consumers, web page are the third most important ones, and recommendation system is the least important factor.

The third-class indicators' reduct was *{c4, c9, c12, c13, c15, c20, c21, c22, c23, c24, c27, c28, c31, c32, c33, c37, c39, c40, c41, c44, c48, c49, c52, c56, c58, c62, c63, c64, c65, c68, c71}*. The number of the total elements of the reduct was 31, which were reduced by 56.9%. The indicators were ranked according to their respective degrees of importance (from high to low) as follows: *c37, c31, c33, c49, c32, c9, c12, and c58*; and the corresponding third-class indicators were: price competitiveness, mark the products which cannot be directly ordered on the website, have explicit information about quality guarantee, announce privacy principles, have after-sales service information about each product or service, have an instant chat program for consumers and businesses to communicate conveniently, provide retailers' inventory information before consumers place their orders, and offer a BBS for product reviews or a consumer community.

Result Analysis and Discussion

Drawing on the rough set theory, this paper analyzed the data generated between 2014 and 2015 and calculated the weights of a set of evaluation indicators, which were also attained in the study of Ye (2010) which used the Delphi method and AHP to analyze the data collected between 2004 and 2005. The two studies have both similar and different results.

Table 3: ***Weight Values of All Attributes***

First-class indicators		Second-class indicators		Comprehensive weight value	Third-class indicators		Comprehensive weight value
Platform function	0.2	Search function	0	0	c4	1	0
		Shopping features	0.667	0.133	c9	0.4	0.053
					c12	0.4	0.053
					c13	0.2	0.027
		Order management	0	0	c15	0.143	0
					c20	0.286	0
					c21	0.286	0
					c22	0.286	0
		Recommendation system	0.333	0.067	c23	0.5	0.033
					c24	0.5	0.033
Platform operation	0.6	Activeness	0	0	c27	0.5	0
					c28	0.5	0
		Products	1	0.6	c31	0.3	0.18
					c32	0.1	0.06
					c33	0.2	0.12
					c37	0.4	0.24
		Payment	0	0	c39	0.333	0
					c40	0.444	0
					c41	0.222	0

		Logistics and distribution	0	0	c44	1	0
		Platform appeal	0	0	c48	1	0
Platform service	0.2	Privacy	0.333	0.067	c49	1	0.067
		Service quality	0.333	0.067	c52	0.25	0.017
					c56	0.25	0.017
					c58	0.5	0.033
		Web page	0.333	0.067	c62	0.25	0.017
					c63	0.25	0.017
					c64	0.25	0.016
					c65	0.25	0.016
		Technological structure	0	0	c68	1	0
		User stickiness	0	0	c71	1	0

The two studies share some common results: among the first-class indicators, platform function and platform service are similarly important; among the second-class indicators, products, prices, shopping features, privacy and service quality are comparatively more important; and among the third-class indicators, price competitiveness and shopping navigation are comparatively more important, too.

Compared with the results of Ye (2010), the results of this study show some changes in the e-commerce market. Among the first-class indicators, the degree of importance of platform operation has dramatically increased, while the degrees of importance of both platform service and platform function have slightly decreased in recent years. Among the second-class indicators, the degrees of importance of products, prices, recommendation system and web page have increased significantly; the degree of importance of search function and order management have decreased significantly; and the degrees of the importance of both privacy and security have slightly dropped. The changes in the degrees of importance of the third-class indicators reflect the changes in the degrees of importance of the second-class indicators: the third-class indicators related to products and prices (e.g., price competitiveness, quality guarantee, after-sales services and inventory information) have higher degrees of importance after reduction. But, there are still significant changes in the degrees of importance of some third-class indicators such as shopping features and service quality.

The results of this study indicate four characteristics of the changes in the factors influencing B2C e-commerce performance in recent years. First, the degrees of importance of the indicators related to shopping experience and instructions of certain principles (e.g., privacy rules and measures, shopping navigation) have no significant declines. Second, the degrees of importance of some indicators, obviously reflected on the platforms (e.g., search function, product introduction, clear price, smooth and concise process of shopping), have dropped significantly. Third, the degrees of importance of some indicators reflecting more advanced technology and service levels have risen. These indicators include recommendation system, quality guarantee, and after-sales service. Fourth, although the degrees of importance of some indicators have not declined, there have been great changes in the degrees of importance of their subordinate indicators. For example, the degrees of importance of the subordinate indicators under shopping features and service quality have changed significantly.

The first characteristic is consistent with the results of Ye (2010), illustrating that B2C e-commerce platforms are still at an early stage of development. The presentation of platform can still attract consumers and improve the operation performance of e-commerce to a certain degree. But there are differences in some indicators related to presentation of an e-commerce platform between this paper and Ye (2010), which are reflected in the second characteristic, which could be explained with the concept of the herd effect. In the incipient stage of B2C e-commerce, no e-commerce platforms could dominate the online retail market. E-commerce companies developed their own business relatively independently by following their own strategies. At this time, the factors related to the consumer's purchase process and experience, such as smooth and concise shopping, revise and cancel order, search function, texts of product introduction, e-cart and payment methods, were fundamental and indispensable and thus most important factors. In order to attract consumers and compete for the newly emerging trading opportunities, e-commerce companies did their best to improve consumers' shopping process and experience. As time went by, the e-commerce industry moved into an accelerated development stage. Tmall has firmly dominated the online retail market, so it has been considered to be a successful example, and other e-commerce platforms have begun to imitate its business model. One consequence is that the variances among different platforms in terms of these factors have gradually vanished, and the degrees of importance of these factors have dropped consequently.

The third characteristic is a consequence of three causes: the herd effect, technological progresses, and the higher demand for consumer experience. As all e-commerce platforms have improved due to the herd effect, the leading platforms lose their previous competitive advantages. To maintain their competitiveness, the leading operators need to develop new competitive advantages; thus, the degrees of importance of other indictors gradually increase and the focus of competition shifts. For instance, the degree of importance of a recommendation system rises with the technological progresses and the increasing demand for consumer experience. In an era when personalized needs constantly grow, the recommendation system, as an intelligent system, applies data mining technologies to grasp the characteristics of users' purchase behaviors and recommend products accordingly, improving the efficiency of an e-commerce platform and the degree of consumer satisfaction. In addition, owing to the need for e-commerce platforms to build a valuable brand, an e-commerce platform must effectively manage the whole process, including the activities of sourcing, quality management, supply, and delivery to provide consumers with better products and services. So, prices, quality guarantee, and after-sales services are extraordinarily important for an e-commerce operator because they are key factors influencing an e-commerce platform's competitiveness, efficiency, and success.

The fourth characteristic results from the changes in the degrees of importance of the third-class indicators, or the subordinate indictors of the second-class indicators. For example, the third-class factors of e-cart and shopping process under the second-class indictor of shopping features were relatively important in the study of Ye (2010), but were less important in our study. Instead, the indicators of instant chat program (c9) and inventory information (c12), which are details related to shopping features, were comparatively important in our study. This study indicates that it is essential for B2C e-commerce operators to constantly add and improve their basic functions and enhance the degree of user satisfaction.

Conclusion

First, to a certain extent, Chinese B2C e-commerce is still in its infancy.

Second, there exists the herd effect in the marketplace of B2C e-commerce. The items displayed on the websites are basic requirements, which are easily studied and imitated. So, different e-commerce platforms will become similar to each other in terms of these items. Important indicators in the past may become less important due to the herd effect and be easily and universally applied by all e-commerce companies. They are not the major causes which lead to the differences in performance of e-commerce companies. By continuous imitation and fierce competition, each B2C e-commerce platform has improved significantly. Thus, the degrees of importance of most of the indicators reflecting the basic functions of a platform for a B2C e-commerce platform's performance have decreased. The focus of competition in the marketplace of B2C e-commerce has shifted from the issue "whether a company meets the minimal acceptable standards regarding various indictors or not" to the issue "whether a company has the best practices regarding these factors or not," and from the surface to the bottom. As a consequence, in order to satisfy consumers' higher need for personalized experiences, operators must pay more attention to details in designing and operation and continuously add new functions to and improve the functions of their platforms.

Third, service quality is a major factor influencing the performance of B2C e-commerce companies. The operators need to improve their market research and platform operation and thereby improve their service quality.

In particular, they should focus strongly on products, strengthen vertical management of products from sources to after-sales services, and take control of each risky process to provide consumers with better products and services.

Fourth, technology influences service quality and is a major factor influencing the performance of B2C e-commerce companies. The operators should improve their technologies on the bottom layer and track the latest technological developments. In particular, they should strengthen their research into, and application of, the recommendation system in the era of big data and machine learning.

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The Influence of U.S. Media and Country Image on Chinese High School: Students' Attitudes toward and Intent of Studying in the U.S.A.

Hongwei (Chris) Yang and Yingqi Wang[1]

Based on multidisciplinary theories of country image and nation branding, a paper survey of 865 Chinese high school students was conducted in the summer of 2013 to examine how young Chinese students' consumption of the U.S. media content and their perceptions of the U.S.A. (U.S. country image) influence their attitudes toward and intent of studying in the U.S.A. The structural equation modeling and multiple regression results both show that Chinese high school students' U.S. media consumption positively predicted their perceptions of the U.S.A. which contributed significantly to their favorable attitudes toward studying in the U.S.A. Their U.S. media consumption, perceptions of the U.S.A., and attitudes positively predicted their intent to study in the U.S.A. Additional regression results are also presented. The theoretical and practical implications are discussed.

Keywords: international education, international students recruiting, U.S. media influence, country image effect, studying in the U.S.A., Chinese high school students

The rapidly increasing presence of international students, especially Chinese students, in U.S. universities, has made a huge contribution to the slowly growing U.S. economy in recent years. According to the NAFSA (2016), 974,926 international students and their families supported 373,000 jobs and contributed $30.5 billion to the U.S. economy in the 2014-2015 academic year. Since 2009, more Chinese students have enrolled in U.S. universities than international students from any other

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country in an academic year. U.S. universities recruited 304,040 Chinese students in the 2014-2015 academic year, 10.8% increase from the previous year, who made up 31.2% of the total number of international students in the U.S.A. (Institute of International Education, 2015).

Although the United States has been the leader of the international education industry, it needs to take more proactive measures to attract Chinese students in the face of the fierce competition from other developed countries such as the United Kingdom, Australia, Germany, and France (McCarthy, Sen, & Garrity, 2012). The United States had the biggest share (22%) of overseas education (Verbik & Lasanowski, 2007) but its competitors have been trying aggressively to capture a bigger market share. Recently, three reports on international education trends and strategies were released by the British Council (2012), the International Education Advisory Council Australia (2013), and the Foreign Affairs and International Trade Canada (2012). The British Council Services for International Education Marketing has been actively promoting the U.K. higher education to Chinese students and parents by offering many programs and initiatives such as the Education U.K. Exhibition. As a result, the enrollment of Chinese students (No. 1) in the U.K. increased from 49,090 (12.6% of all international students) in 2007-2008 to 82,995 (17% of all international students) in 2011-2012 (Institute of International Education, 2014). In response to the Chaney report, the Australian government vowed to improve the availability, affordability, and quality of international student accommodation (McKenzie, 2014). The enrollment of Chinese students in Australia (No. 1) increased from 149, 577 in 2012 to 150,116 in 2013, accounted for 28.5% of all international students (Australian Education International, 2013). Finally, there are signs that the influx of Chinese students to U.S. universities may tapper off. Because of the aging population in China, the number of Chinese students in senior high schools who were eligible for college education, declined from 46.9 million in 2012 to 41.7 million in 2014 (National Bureau of Statistics of China, 2012, 2015). Chinese students' applications for U.S. graduate schools dropped by 5% in 2012/2013 and decreased by 1% in 2013/2014 (Council of Graduate Schools, 2013, 2014).

However, little is known about the factors influencing Chinese high school students' attitudes toward and intent of studying in the U.S.A. and about how to reach Chinese teenagers, whereas China has been the most important source country of international students for the U.S.A. since 2009 (Institute of International Education, 2010; 2014). The current research literature on studying abroad primarily focused on various social and psychological motives of international students to choose developed countries as their destinations of advanced studies (Mazzarol & Soutar, 2002; McCarthy et al., 2012). Few studies explored the potential influences of Western media consumption and country image on international students' choice of destination countries except the studies of Li, Liu, and Rojas-Méndez (2013) and Morrish and Lee (2011). Similarly, most studies on the cross-border education of Chinese students investigated what motivated Chinese students to pursue advanced degrees in developed countries generally (Griner & Sobol, 2014; Sánchez, Fornerino, & Zhang, 2006), and most studies of Chinese secondary school students involved major cities in China (Chen, 2014; Hung, 2010; Hung, Chung, & Ho, 2000; Li et al., 2013; Liu, Hung, & Chung, 2013; Yi, 2001). As of writing, no published study can be retrieved from the EBSCO and ProQuest databases that examined the influences of U.S. media consumption and U.S. country image on Chinese high school students' attitudes toward and intent of studying in the U.S.A. It is a huge gap considering that about 200,000 Chinese high school students chose to study abroad in 2013 (Center for China & Globalization, 2013) and the percentage of undergraduate students among all Chinese international students in the U.S.A. increased from 31.3% in 2010 to 40.3% in 2014 (Institute of International Education, 2010, 2014). Accordingly, international education stakeholders cannot figure out how to influence Chinese high school students' attitudes toward and intent of studying in the U.S.A. effectively.

The present study is intended to help these international education researchers and practitioners in U.S. universities better understand the roles of U.S. media consumption and country image in influencing Chinese high school students' attitudes toward and intent of studying in the U.S.A. Our findings will have practical implications for higher education marketers, college recruiters, communication specialists, administrators, and policy makers in the U.S.A. and other developed countries. To investigate young Chinese students' decision making process, the current research has adopted a multi-disciplinary approach by integrating the marketing, tourism, communication, and psychological theories of country image, media effects, attitudes and intent, as shown in the following section.

Theoretical Framework

Country Image and Media Influence

The present study endorses the conceptualization of country image as the sum of perceptions, beliefs and attitudes which people hold about a particular country, following a broader view of country image in marketing and business literatures (Lala, Allred, & Chakraborty, 2009; Martin & Eroglu, 1993; Parameswaran & Pisharodi, 2002; Pereira, Hsu, & Kundu, 2005; Rojas-Méndez, 2013). We decided not to adopt a narrower product-oriented definition of country image as "the picture, the reputation, (and) the stereotype that businessmen and consumers attach to products of a specific country," "created by such variables as representative products, national characteristics, economic and political background, history, and traditions" (Nagashima, 1970, p. 68). Although many marketing and business scholars used country image (CI), country-of-origin image (CoI), and product-country image interchangeably by adopting a variant of Nagashima's definition (Han, 1989; Roth & Diamantopoulos, 2009), we believe that country images should contain widely shared cultural stereotypes, general impressions of countries, and idiosyncratic beliefs about a country's products, which consumers have formed in direct or indirect product experiences (Jaffe & Nebenzahl, 2001; Verlegh & Steenkamp, 1999). Therefore, country image can be considered as consumers' overall attitudes toward a particular country, composed of a cognitive component and an affective component: country beliefs—consumers' beliefs about the country's industrial development and technological advancement, and their attitudes toward the country's people (Laroche, Papadopoulos, Heslop, & Mourali, 2005; Roth & Diamantopoulos, 2009).

For tourism researchers, country image is a kind of Tourism Destination Image (TDI), an attitudinal concept consisting of a tourist's mental representation of beliefs, feelings, and general impressions about a destination. TDI is often operationalized as a multidimensional construct consisting of two primary dimensions: cognitive/perceptual evaluations are people's beliefs about a destination's attributes while affective evaluations concern their feelings toward the destination (Baloglu & McCleary, 1999; Elliot, Papadopoulos, & Kim, 2011).

Anholt's (2005) Nation Brand Hexagon offered a more comprehensive definition of country image. Conducting a survey of 10,000 consumers in 10 countries, Anholt employed his Nation Brand Index to measure a country's brand as "the sum of people's perceptions of a country across the six areas of national competence" (p. 297) including Tourism, Exports, Governance, Investment and Immigration, Culture and Heritage, and People (Anholt & Hildreth, 2010).

Influenced and inspired by the CI research, TDI studies, and Anholt's Nation Brand index, we define country image as the sum of people's perceptions of a country's cognitive image, affective image, and product-country image. The cognitive country image consists of people's general impressions of its social-political, economic, scientific, and technological developments (Anholt, 2005; Elliot et al., 2011; Martin & Eroglu, 1993; Rojas-Méndez, 2013). The affective country image concerns people's feelings about a country's agreeableness, friendliness, safety, and credibility (Elliot et al., 2011). The product-country image refers to people's evaluations of all kinds of products and services that originate from a particular country including various consumer products or services, and cultural products/performances/activities (Nagashima, 1970; Han, 1989; Roth & Romeo, 1992).

Previous CoI studies have examined many internal consumer characteristics but just a few external factors influencing country image or CoI evaluations such as ethnocentrism (Balabanis & Diamantopoulos, 2004), the cultural orientation of individualism/collectivism (Gürhan-Canli & Maheswaran, 2000), country stereotypes (Liu & Johnson, 2005), country-specific animosity (Klein, Ettenson, & Morris, 1998), the extent of assimilation of host country stereotypes (Parameswaran & Pisharodi, 2002), and subcultural differences based on geographic regions and languages (Laroche et al., 2005). However, some important external factors including the influence of mass media were neglected, except a country's level of economic development (Verlegh & Steenkamp, 1999).

The influence of mass media deserves special attention when it comes to country image formation. Communication studies suggest that many people, especially those who have no direct experience in foreign countries, develop a country image through their vicarious experience and perceptions of a particular country in mass media (Lippmann, 1922). Kunczik (1997) also argues that radio and TV programs, newspapers, books, news services, and other media products are probably the strongest shapers of a country's image. Cultivation scholars have empirically demonstrated a broad, accumulated, long-term, and social-psychological impact of media exposure on an audience's worldview and perspectives of social reality (Gerbner, Gross, Morgan, Signorielli, & Shanahan, 2002; Signorielli & Morgan, 1996). As television (so do other popular media such as films, advertisements, and lifestyle magazines) portrays a quite skewed picture of American life, over-representing the middle class and legal professions (DeFleur, 1964), heavy television viewers tend to develop a very rosy/scary view of American life (Gerbner & Gross, 1976). For example, Shrum, O'Guinn, Semenik, and Faber (1991) found that heavy viewers of television were more likely to exaggerate the proportion of millionaires in the U.S. population. Without direct experiences of American life and people, non-Americans should be more likely than American citizens to search and recall most frequently occurred and recent media images about the U.S.A. that they have kept in their memory to form their U.S. country image, as suggested by the heuristic sufficiency and accessibility principles of social cognition (Shrum, 2002).

Previous studies have already provided strong empirical evidence that people's general perceptions, beliefs and attitudes regarding the U.S.A. (U.S. country image) are derived primarily from U.S. media products, especially television programs, films, and newspapers. However, these products often lead to an inaccurate picture of the U.S. society so that people's perceptions of the U.S.A as an affluent society are often inflated. Heavy viewers of U.S. TV programs and movies in Israel, Taiwan, Mexico, Thailand, Korea, and Japan are more likely to overestimate wealth in the U.S.A. (Weimann, 1984), to have social stereotypes about Americans (Tan, Li, & Simpson, 1986; Tan & Suarchavarat, 1988), and to develop a crime-ridden mean world view of the U.S.A. (Tamborini & Choi, 1990). Harris and Krafta (1999) reported that college students shared a strikingly similar aggregate stereotype about the U.S.A in 11 countries including Germany, France, Denmark, Switzerland, Austria, Morocco, Nigeria, Hong Kong, Argentina, Brazil, and Canada. In addition, students listed television programs, films, and newspapers as having the most influence on their formation of impressions about the U.S. Similarly, most participants (56.25%) in a Brazilian survey claimed to receive their information about American lifestyles from the media and 41% of them stated that the American way of life was better than the Brazilian (Primo, 1999). Randolph, Fulerton, and Kendrick (2010) found that the consumption of U.S. media content was positively related to attitudes toward Americans among 67 international students. More studies on Asian people's perceptions of foreign countries testified mass media's influence on country image formation (Iwashita, 2009; Kim, Agrusa, Lee, & Chon, 2007; Kim, Agrusa, Chon, & Cho, 2008; Tsai & Lu, 2012; Yoo, Jo, & Jung, 2014). Therefore, we assume that young Chinese students' overall impressions, beliefs and perceptions of the U.S.A. are heavily influenced by their exposure to U.S. media content.

Abundant tourism research also shows that the consumption of media products, especially films and TV programs, can enhance viewers' intent to visit a destination/country, and even induce them to action (e.g., Busby & Klug, 2001; Connell & Meyer, 2009; Im & Chon, 2008; Iwashita, 2009; Kim & Richardson, 2003; Mitchell & Stewart, 2012; Riley, Baker, & Van Doren, 1998; Shani, Wang, Hudon, & Gil, 2009; Tasci, 2009). Studies in an Asian context also confirmed the influence of films and TV dramas on viewers' interest to visit and actual visit to the country of origin, especially South Korea (Han & Lee, 2008; Kim et al., 2007; Kim et al., 2008; Kim, Chen, & Su, 2009; Lin & Huang, 2008). Hence, it is very possible that Chinese high school students will develop favorable attitudes toward studying in the U.S.A. and consider studying in the U.S.A. because they enjoy U.S. media products that depict U.S. attractions and lives including the campus life of U.S. college students.

Country Image, Nation Branding, and Studying Abroad

It is widely recognized by marketing scholars that country image can positively influence consumers' evaluations, preferences, and purchase intent of products, which is often called the Country of Origin (CoO) effect (see reviews by Bloemer, Brijs, & Kasper, 2009; Pharr, 2005; Verlegh & Steenkamp, 1999). It was identified not only in developed countries such as Germany (Koschate-Fischer, Diamantopoulos, & Oldenkotte, 2012), the United Kingdom (Guina & Giraldi, 2012), and Spain (Jiménez & Martín, 2014), but also in emerging economies including India (Batra *et al*., 2000), Brazil (Giraldi & Lopes, 2012), Taiwan (Tseng, 2014), and Thailand (Ahmed & d'Astous, 2007). The CoO effect was also found salient among Chinese consumers when considering foreign product purchases (Klein et al., 1998; Souiden, Pons, & Mayrand, 2011). Generally, the current CoO research literature shows that, when consumers are not familiar with a particular product category and/or when the attribute information is missing, inadequate or ambiguous, the CoO cue will have a more salient and direct effect on consumers' product beliefs and evaluations (Bloemer et al., 2009; Pharr, 2005; Verlegh & Steenkamp, 1999). The meta-analysis of 41 studies from 1980 to 1996 demonstrates that the CoO effect is significantly larger when products from more developed countries are compared with products from less developed countries (Verlegh & Steenkamp, 1999). The CoO effect is more salient when consumers evaluate Western brands in developing countries compared to those who evaluate Western brands in mature markets (Jiménez & Martín, 2014).

There are four primary cognitive models of information processing to explain how the country image or CoO cue affects consumers' evaluation of products and services (Bloemer et al., 2009). First, the CoO effect can be considered as a kind of halo effect in which the general impression of a country's image shapes one's evaluations of products or services from the country (Boatwright, Kalra, & Zhang, 2008). Second, the country image or CoO cue is regarded as a summary construct consisting of all information about various brands from a country that consumers have gathered over time, saved in their memory in the form of overall evaluations of products from the country, and retrieved readily when evaluating the brands (Han, 1989, 1990). In this case, the CoO effect is direct and substantial as consumers tend to base their evaluations on this automatically activated database already filled with detailed information about various product attributes (Bloemer et al., 2009). Third, Manrai, Lascu, and Manrai (1998) proposed a default heuristic CoO effect, a process where consumers process a product's CoO image together with additional information about the product, resulting in an interactive effect on one's product evaluation. Finally, the CoO cue is seen as a particular product attribute that excites consumers' general curiosity about the quality of a product and, consequently, stimulates consumers to think more extensively about its attributes (Hadjimarcou & Hu, 1999; Hong & Wyer, 1989, 1990; Li & Wyer, 1994). In this study, the second model is more appropriate as we did not provide any additional information and product attributes about the U.S. higher education to our survey respondents.

Although insufficient research focused on the influence of country image or CoO cue on consumers' choices of international services, several studies did provide certain evidence that the CoO effect was salient and similar to products when consumers considered several kinds of international services such as European ski vacations (Ofir & Lehman, 1986), ophthalmology service providers (Harrison-Walker, 1995), retail services (Berentzen, Backhaus, Michaelis, Blut, & Ahlert, 2008; Lascu & Giese, 1995; Pecotich, Pressley, & Roth, 1996), international airlines (Bruning, 1997; Cheng, Chen, Lai, & Li, 2014), and cruise lines (Ahmed, Johnson, Chew, Tan, & Ang, 2002). These studies suggest that consumers tend to consider that services are better in more developed countries such as Germany than less developed ones such as Mexico when brand names are not well known. However, consumers will be glad to choose services offered by less developed countries if presented with price or service advantages. Studies of tourism service industry also show that tourism destination image (TDI) or country image can influence consumers' attitudes toward the country as a travel destination and intent to visit (Bolan & Williams, 2008; Gertner, 2010; Iwashita, 2009; Lee, Scott, & Kim, 2008; Tapachai & Waryszak, 2000).

This study focuses on international higher education or studying abroad for an advanced degree (bachelor's degree or higher) - a high involvement service that is time-consuming, cost-intensive, and has life-changing consequences (Morrish & Lee, 2011; Srikatanyoo & Gnoth, 2002). We consider international students as rational consumers of higher education based on previous studies (Delucchi & Korgen, 2002; Finney & Finney, 2010; Modell, 2005; Obermiller, Fleenor, & Raven, 2005; Watjatrakul, 2010), despite that a small stream of recent research has emerged to challenge the neoliberal paradigm of treating students as customers of higher education (Saunders, 2014, 2015). We remain skeptical of those counter claims and evidence. For example, the internal validity of Saunders' (2015) Customer Orientation Scale is poor because its Average Variance Exacted (AVE) was below .50, no proof of predictive validity was produced, and no confirmatory factor analysis was operated. The content validity of Saunders' (2015) scale is also questionable as it probably measured the careerist perspective about education of first year students in the United States. Additionally, Saunders ignored the service marketing literature when developing his scale. Finally, international students in the United States are required to pay high tuitions and fees as out-of-state residents during the whole course of their study. When international students pay twice or three times of the tuition fees of their U.S. peers, they should be more likely to exhibit a customer orientation. Extant research suggests that young Chinese students are capable of making rational choices when considering overseas education (Rudd, Djafarova & Waring, 2012; Wu, 2014) and their personal opinions are closely aligned with that of their parents (Bodycott, 2009; Bodycott & Lai, 2012). Studies also identified a child-centered decision making style regarding cross-border education in Chinese families because an overwhelming majority of young Chinese students are only children (Lee & Morrish, 2012; Zhang, Sun, & Hagedorn, 2013).

Similar to previous studies on international students' decision to study abroad (Altbach, 2004; Chen, 2008; Mazzarol & Soutar, 2002; McCarthy et al., 2012; Sison & Brennan, 2012), studies on Chinese students have identified the following economic, social and psychological motivations of studying abroad: a desire for a high quality of education, improving one's professional and financial potentials, taking control of one's future, international or intercultural experiences, gaining new insights and outlooks through new relationships, costs and tuition fees, and future migration opportunities after graduation (Chirkov, Hegarty, Fuxman, Elifoglu, & Chao, 2013; Griner & Sobol, 2014; Vansteenkiste, Tao, & Lynch, 2007; Yang, 2007; Zheng, 2003).

International education studies also show that country image influences students' evaluations and choice of a study destination (e.g., Bourke, 2000; Cubillo, Sánchez, & Cerviño, 2006; Gertner, 2010; Mazzarol & Soutar, 2002; Morrish & Lee, 2011; Srikatanyoo & Gnoth, 2002). For example, Das' (1999) survey demonstrated that most of 450 Indian urban youths perceived America as the land of opportunities with high standard of living, powerful media, and advanced technology, whereas 40% of them considered America as the first choice of pursuing further studies. Pinkaeo and Speece (2001) revealed that country image influenced Thai students' price expectations, expected quality, expected pride of buying and expected reliability, when they were asked to evaluate BBA international programs in developed and developing countries. Srikatanyoo and Gnoth (2002) identified a direct relationship between the evaluation of a higher education institution and the image of the host country. Raharjo's (2012) pilot survey of 50 Indonesian students showed that country image affected student perceptions of tertiary education in 10 countries including the U.S.A. Basha, Sweeney, and Souta (2015) identified the CoO effect on students' perceived risks (performance, financial and social) of selecting an international university.

More relevantly, previous studies suggest that country image influences Chinese students' choice to study in a Western developed country. Rudd et al. (2012) conducted 51 interviews with Chinese students and identified the British education reputation was the biggest factor in their decision to study in the U.K. Similarly, Li et al. (2013) found that higher education images of the U.S.A. and Australia positively predicted Chinese high school students' intent to enroll in an offshore program. Therefore, it is expected that U.S. country image will have a positive influence on Chinese high school students' attitudes toward and intent of studying in the U.S.A.

According to the Theory of Planned Behavior (Ajzen, 1991), people's intention to perform a behavior is partly determined by their attitudes toward the behavior. The Theory of Planned Behavior (TPB) has been widely adopted to predict consumers' intention to purchase products (Lin, 2013; Tang, Luo, & Xiao, 2011) and intention to adopt new services such as e-commerce and mobile services (Pavlou & Fygenson, 2006; Yang, 2013). Armitage and Conner (2001) conducted a meta-analysis of 185 independent psychological studies and concluded that the TPB explained 27% and 39% of the variance in behavior and intention. When it comes to innovation adoption, the most recent quantitative review of information systems research concluded that attitude and behavior were highly correlated with $r = .53$ (Weigel, Hazen, Cegielski, & Hall, 2014). In the context of international education, several studies also demonstrate that not only the TPB can be applied to examine U.S. college students' intent and behavior of studying abroad (Fitzsimmons, Flanagan, & Wang, 2013; Polumbaum, 2011; Presley, Damron-Martinez, & Lin, 2012; Schnusenberg, de Jong, & Goel, 2012) but also can it be employed to investigate international students' decision making process (Chen & Zimitat, 2006; Gatfield & Chen, 2006; Li et al., 2013). After conducting focus group interviews, in-depth interviews and a survey of 518

Taiwanese students, researchers found that Taiwanese students' attitudes toward studying in a developed English-speaking country greatly shaped their intentions to study in the U.S.A., U.K., and Australia (Chen & Zimitat, 2006; Gatfield & Chen, 2006). More relevantly, Li et al.'s (2013) survey of 598 students showed that Chinese high school students' attitudes toward studying in an international program strongly predicted their intent to choose the U.S.A. as a study destination. Thus, it follows that Chinese high school students' favorable attitudes toward studying in the U.S.A. will strengthen their intent of studying in the U.S.A.

Based on relevant studies and theories reviewed above, a conceptual model was constructed and shown in Figure 1 with six paths representing the following hypotheses:

H1: Chinese high school students' frequency of consuming U.S. media content positively predicts their favorable perceptions of the U.S.A. (U.S. country image in China).
H2: Chinese high school students' frequency of consuming U.S. media content positively predicts (a) their favorable attitudes toward and (b) intent of studying in the U.S.A.
H3: Chinese high school students' perceptions of U.S. country image positively predict (a) their attitudes toward and (b) their intent of studying in the U.S.A.
H4: Chinese high school students' attitudes toward studying in the U.S.A. positively predict their intent of studying in the U.S.A.

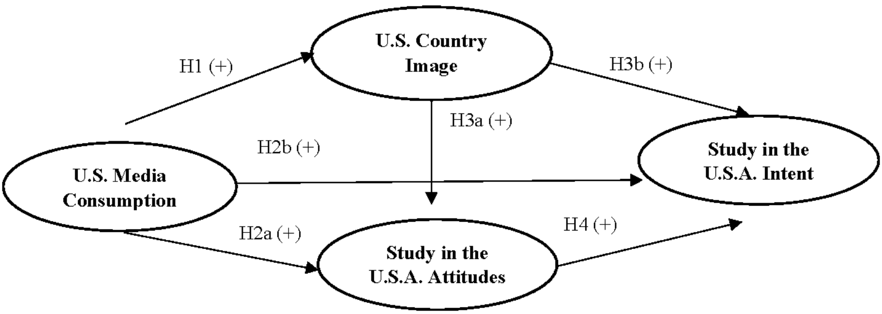

Figure 1. The conceptual model of media, country image and studying in the U.S.A.

Method

Data Collection

A paper survey was conducted to test all proposed hypotheses. 865 high school students voluntarily participated in the survey in Yunnan Province, China. The participants were from seven different high schools in Kunming City, the capital city of Yunnan Province, and Yiliang, a small satellite city near Kunming. With an urban population of 5.47 million, Kunming is not one of China's top 10 richest cities, nor one of top 10 most populous cities, but representative of capital cities of Chinese provinces with a similar size in many ways (Chinadaily.com.cn, 2014; National Bureau of Statistics of China, 2014). Almost all previous studies focused on Tier I cities in China (Chen, 2014; Hung, 2010; Hung et al., 2000; Li et al., 2013; Liu et al., 2013; Yi, 2001) and Tier II cities such as Kunming deserve more academic attention as they have become more affluent in recent years, sending more students abroad. To achieve a more representative sample, the researchers selected seven schools with varying academic reputation, located in suburban and urban areas of Kunming City. Five high schools are located in urban areas, among which two are top ranked high schools, two schools are in the middle, and one is at the bottom of an academic ranking by the provincial education department. Two high schools are located in a satellite city – Yiliang which is considered a suburban area of Kunming City. One is in the middle of the ranking and the other is a low-performing school.

Several cooperating high school teachers helped administer 900 paper questionnaires and collected data at their schools in June, 2013. The completion rate is 96.1%. According to the enrollment plans of 2012-2014 published at the official website of the Kunming Education Department, there were over 200,000 high school students in Kunming City during the period of 2013-2015. With the help of the sample size calculator on the website of Australian National Statistical Service, a random sample of 246 students would be sufficient for generalizing the findings to the population of 200,000 students at the 95% confidence level. As for availability sampling, a large sample size will allow the collected data to approximate to the normality assumption of most parametric statistics. Actually, Henly (1993) suggested that the sample size should be at least 600 to obtain unbiased parameter estimates for a sample with a multivariate non-normal distribution. In the present study (N = 865), the skewness and Kurtosis of four key variables fell between -1 and +1 so that data normality became very acceptable (Muthén & Kaplan, 1985).

Measurement

The instrument written in English was translated into Chinese by the first author and back-translated into English by the second author. The questionnaire consists of 95 questions regarding Chinese high school students' consumption of U.S. media, their perceptions of U.S. country image, their attitudes and intent to study in the U.S.A., their personal motivations, cultural values, and demographic information (gender, SES and age). Their perceptions of U.S. country image (13 items) (Anholt, 2005; Elliot et al., 2011), attitudes toward studying in the U.S.A. (3 items) (Yang, 2013), and intent of studying in the U.S.A. (3 items) were measured by three five-point Likert scales with answer choices ranging from strongly disagree (1) to strongly agree (5). Similarly, eight Likert-like 6-point interval measures with anchors from (1) never to (6) always were employed to measure their frequency of consuming U.S. movies, U.S. TV series, U.S. music, U.S. video games, U.S. magazines, U.S. literary works, U.S. news, and visiting U.S. websites.

Data Analysis

The survey data set was subject to statistical analyses including exploratory factor analysis, confirmatory factor analysis, and Structural Equation Modeling (SEM) with SPSS-22 and AMOS 22. SEM has many advantages over traditional methods to test theoretical models: after taking into consideration measurement errors of key variables, it can help us examine the complicated relationships of latent constructs with multiple observed variables with a high level of validity and reliability (Schumacher & Lomax, 2010). SEM has been widely adopted by marketing researchers (Babin, Hair, & Boles, 2008; Martínez-López, Gázquez-Abad, & Sousa, 2013).

Results

The descriptive statistics are reported in Table 1. Among 865 high school students, 367 respondents (42.4%) are male and 498 are female (57.6%). The average age of our respondents is 16.7. Their monthly family income distribution is slightly skewed to lower brackets. Their monthly personal income is heavily skewed and concentrated in three lower brackets.

Table 2 presents the Cronbach's coefficients (α) of four adapted scales and the results of exploratory factor analyses (maximum likelihood with varimax rotation) on four key concepts. The sampling adequacy was assessed by the Kaiser-Meyer-Olkin (KMO) test whose value was 0.905. Bartlett's test of sphericity was very significant ($p < .001$). Therefore, the exploratory factor analysis is appropriate (Field, 2005). A liberal minimum requirement for scale reliability is 0.60 (Churchill, 1979; Peter, 1979), while a stricter minimum requirement of 0.70 is recommended (e.g., Nunnally & Bernstein, 1994). Thus, the performance of 4 scales is satisfactory with high internal consistency. In addition, the extracted common variance of two concepts has exceeded 0.50, and the other two common variances are very close to 0.50, the recommended level (Fornell & Larcker, 1981).

Table 1: ***Descriptive Statistics***

<table>
<tr><td></td><td>Male</td><td>Female</td><td></td><td>Mean</td><td>SD</td></tr>
<tr><td>Gender</td><td>42.4%</td><td>57.6%</td><td>Age</td><td>16.7</td><td>.81</td></tr>
<tr><td colspan="2">Family Monthly Income (SES)</td><td>%</td><td colspan="2">Personal Monthly Income</td><td>%</td></tr>
<tr><td colspan="2">≤ 2,000 yuan</td><td>22.9%</td><td colspan="2">≤ 300 yuan</td><td>39.4%</td></tr>
<tr><td colspan="2">2,001 – 4,000 yuan</td><td>25.2%</td><td colspan="2">301 – 600 yuan</td><td>34.4%</td></tr>
<tr><td colspan="2">4,001 – 6,000 yuan</td><td>19.6%</td><td colspan="2">601 – 900 yuan</td><td>13.2%</td></tr>
<tr><td colspan="2">6,001 – 8,000 yuan</td><td>12.7%</td><td colspan="2">901 – 1200 yuan</td><td>6.6%</td></tr>
<tr><td colspan="2">8,001 – 100,000 yuan</td><td>9.3%</td><td colspan="2">> 1200 yuan</td><td>6.5%</td></tr>
<tr><td colspan="2">> 100,000 yuan</td><td>10.2%</td><td colspan="2"></td><td></td></tr>
</table>

Note. N = 865.

Table 2: ***Construct Reliability and EFA Results***

Construct	Cronbach α	Variance Explained
U.S. Country Image	.915	61.20%
U.S. Media Consumption	.880	48.04%
Studying in the U.S.A. Attitudes	.701	48.56%
Studying in the U.S.A. Intent	.865	68.53%

The three factor solution seems to define U.S. country image very well as a result of another exploratory factor analysis with maximum likelihood extraction and direct oblimin rotation (see Table 3). A confirmatory factor analysis was conducted after correlating all reasonable error terms. It is suitable even when multivariate normality is slightly compromised, with the univariate skewness < 2 and kurtosis < 7 (Curran, West, & Finch, 1996). Results demonstrated that the three-factor measurement model of U.S. country image fit the survey data very satisfactorily: $\chi^2 = 190.59$, $df = 53$, $p < .01$; Normed $\chi^2 = 3.60$; RMSEA = 0.055; TLI = 0.969; CFI = 0.979. These fitness indexes have outperformed four conventional standards: the normed chi-square (the model chi-square divided by the degree of freedom) in the range of 1-5, the Root Mean Square Error of Approximation (RMSEA) ≤ 0.06, Tucker-Lewis Index (TLI) ≥ 0.95, and Comparative Fit Index (CFI) ≥ 0.95 (Hu & Bentler, 1999; Schumacker & Lomax, 2010). Therefore, the three-factor measurement model is considered a good measure of U.S. country image among Chinese middle school students, and included in further analyses. Based on previous studies, we labeled the three dimensions of U.S. country image as U.S. affective image, U.S. cognitive image, and U.S. product-country image.

Table 3: ***Exploratory Factor Analysis of U.S. Country Image***

Items	Factor Loading		
	U.S. Affective Image	U.S. Cognitive Image	U.S. Product-Country Image
The United States, as a country, is pleasant.	.378		
The United States, as a country, is friendly.	.732		
The United States, as a country, is safe.	.920		
The United States, as a country, is trustworthy.	.822		
The U.S. standard of living is the highest in the world.		.673	
The United States is one of the wealthiest countries in the world.		.839	
The science and technologies of the United States are one of the most advanced in the world.		.891	
The educational level of the United States is one of the highest in the world.		.794	
I am very satisfied with the U.S. companies including Sino-U.S. joint ventures in China.			.527
I am very satisfied with products made in the U.S.A.			.720
I seek out products made in the U.S.A. in the marketplace.			.943
I believe that American culture is one of the best in the world.			.520
The United States is my first choice of tourism destination.			.540

Note. N = 865. Exploratory Factor Analysis with maximum likelihood extraction and direct oblimin rotation. Only the absolute values of factor loadings higher than .30 are shown.

The maximum likelihood method of structural equation modeling (SEM) was employed to fit the proposed research model to our survey data. Figure 2 presents the tested structural model with standardized path estimates, critical ratios and fitness indexes. Its normed chi-square value was 3.56, RMSEA value was smaller than 0.06, its comparative fit index (CFI) and Tucker-Lewis index (TLI) both exceeded 0.93 (Hu & Bentler, 1999; Schumacker & Lomax, 2010). Therefore, the prosed model has achieved satisfactory fit to the survey data.

Harman's one factor test was carried out to account for the common method variance (CMV) or bias. All items measuring 4 key concepts were loaded into an unrotated principal components analysis to determine whether one factor can account for the variance in these variables. The results showed six factors with eigenvalues greater than 1.0, accounting for 67.4% of the total variance, whereas the first biggest factor explained only 35% of the total variance. Thus, no general factor was present (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The marker variable technique was also employed to calculate the CMV-adjusted correlations between the variables under investigation shown in Table 4. The CMV is not an issue as all CMV-adjusted correlations are statistically significant at $p < .01$ level (Lindell & Whitney, 2001).

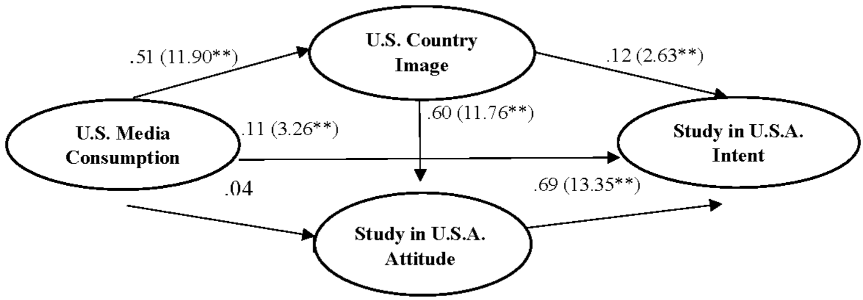

Figure 2. The tested structural model of studying in the U.S.A. with standardized coefficients. Significance of the path estimates are shown in parentheses (critical ratio). † $p \leq .10$, *$p \leq .05$, **$p \leq .01$, ns = not significant. Model fit: $\chi^2 = 1075.75$, $df = 302$, $p < .01$; RMSEA = 0.054; TLI = 0.931; CFI = 0.941.

Two hierarchical multiple regressions were also used to determine whether demographic variables, the frequencies of using different U.S. media, and three dimensions of U.S. country image predicted Chinese high school students' attitudes toward and intent of studying in the U.S.A. The results are presented in Table 5. In the order of importance, we found that

U.S. affective image, U.S. product-country image, U.S. news, gender, U.S. movies, U.S. cognitive image, and personal income emerged as the significant predictors of Chinese high school students' attitudes toward studying in the U.S.A. and explained 28.3% of its variance. Their attitudes toward studying in the U.S.A, U.S. product-country image, U.S. websites, U.S. affective image, U.S. news, gender and age served as the significant predictors of their intent to study in the U.S.A. and accounted for 49.3% of its variance. Two sets of multicollinearity statistics demonstrated that multicollinearity was not a problem with the independent variables in two final models as no tolerance was below .40 and no variance inflation factor (VIF) was higher than 3 (Cohen, Cohen, West, & Aiken, 2003).

Table 4: ***The Correlation Matrix of Four Key Variables after Adjusting the Common Method Bias/Variance***

	U.S. Media Use	U.S. Country Image	Studying in U.S.A. Attitude	Studying in U.S.A. Intent
U.S. Media Use	1			
U.S. Country Image	.398** (.426**)	1		
Studying in U.S.A. Attitude	.273** (.306**)	.452** (.477**)	1	
Studying in U.S.A. Intent	.330** (.361**)	.498** (.521**)	.611** (.629**)	1

Note. N = 865. **p* < .05, ***p* < 0.01. The original Pearson's correlation coefficients are in parentheses.

Table 5: ***Predictors of Chinese Students' Attitudes toward and Intent of Studying in the U.S.A.***

Variables	Studying in the U.S.A. Attitudes β			Collinearity Statistics[b] Tolerance	VIF	Studying the U.S.A. Intent β			Collinearity Statistics[c] Tolerance	VIF
Gender[a]	.095**	.097**	.103**	.805	1.242	ns	ns	-.069*	.796	1.257
Age	-.062†	ns	ns	.849	1.178	-.114**	-.084*	-.066*	.848	1.179
Family income	.130**	ns	ns	.597	1.674	.080†	ns	ns	.597	1.675
Personal income	-.104**	-.104**	-.072*	.711	1.407	ns	ns	ns	.707	1.414
U.S. movies		.113*	.094*	.454	2.205		ns	ns	.451	2.217
U.S. TV		ns	ns	.461	2.168		ns	ns	.461	2.171
U.S. Music		.095*	ns	.477	2.098		ns	ns	.475	2.104
U.S. Websites		.088†	ns	.476	2.099		.148**	.079*	.476	2.103
U.S. Games		ns	-.070†	.494	2.024		-.082†	ns	.492	2.031
U.S. Magazines		ns	ns	.452	2.213		Ns	ns	.452	2.213
U.S. Writers		ns	ns	.497	2.011		.075†	ns	.497	2.011
U.S. News		.110*	.103**	.568	1.760		.126**	.070*	.563	1.775
U.S Affective Image			.282***	.505	1.979			.076*	.479	2.089
U.S. Cognitive Image			.079*	.619	1.615			ns	.616	1.623

U.S. Product Image			.137**	.436	2.296			.217***	.431	2.322
Studying in the U.S.A. Attitude	—	—	—	—	—			.476***	.717	1.395
Studying in the U.S.A. Intent	—	—	—	—	—	—	—	—	—	—
Total R^2	.029	.128	.283			.025	.156	.493		

Note. Multiple regression results. $N = 865$. † $p \leq .10$, * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$, ns = not significant. [a] Gender: dummy-coded as 1 = male, 2 = female. [b, c] they are for the last models.

Finally, a simple multiple regression analysis was conducted to discover what demographic and media use variables predicted Chinese high school students' overall perceptions of the U.S.A. (U.S. Country Image). The following variables explained 19.6% of their U.S. country image, listed in the order of importance: U.S. magazines (β = .129, t = 2.833, p = .005), U.S. TV programs (β = .120, t = 2.639, p = .008), personal income (β = -.075, t = -2.072, p = .039), U.S. music (β = .086, t = 1.954, p = .051), U.S. websites (β = .078, t = 1.753, p = .080), and U.S. writers (β = .074, t = 1.697, p = .090).

Both SEM and multiple regression results supported Hypothesis 1 that the consumption of U.S. media content strongly predicted U.S. country image among young Chinese students. Their consumption of U.S. media content was also a significant, positive predictor of their intent to study in the U.S.A. in hierarchical multiple regression modeling and SEM. However, their U.S. media consumption failed to predict their attitudes toward studying in the U.S.A. in the SEM results. So, Hypothesis 2a was partially supported and H2b was supported. Hypothesis 3a and 3b posited that their perceptions of the U.S.A. would predict both their attitudes toward and their intent of studying in the U.S.A. They were both supported by our SEM and multiple regression results. Finally, both SEM and multiple regression results show that our respondents' attitudes toward studying in the U.S.A. positively predicted their intent to study in the U.S.A. Thus, Hypothesis 4 was substantiated.

Discussion and Implications

Built upon marking, tourism and communication studies of country image and nation branding, we constructed and tested a conceptual model to examine the influence of U.S. media and country image on Chinese high school student's attitudes toward and intent of studying in the U.S.A. As one of the first studies, our current research revealed the important roles of U.S. media and country image in influencing young Chinese students' decision making process for studying in the U.S.A., with or without controlling demographics. Both SEM and multiple regression results showed that U.S. media consumption of young Chinese students served as a strong predictor of their perceptions of the U.S.A. (U.S. country image). The U.S. country image positively predicted their attitudes toward studying in the U.S.A in both SEM and multiple regression results, whereas U.S. media consumption emerged as a positive predictor of their attitudes only in multiple regression results. U.S. media consumption, U.S. country image and attitudes positively predicted their intent to study in the

U.S.A. with or without controlling demographics. U.S. country image may have a stronger influence on their attitudes than on their intent to study in the U.S.A. Our multiple regression results also demonstrated that the consumption of U.S. movies and U.S. news significantly contributed to their favorable attitudes toward studying in the U.S.A. while visiting U.S. websites and consuming U.S. news positively predicted their intent to study in the U.S.A. We also found that U.S. affective image, U.S. product-country image and U.S. cognitive image all shaped their attitudes toward studying in the U.S.A. positively but their intent was determined by U.S. product-country image and U.S. affective image, not U.S. cognitive image. Their perceptions of U.S. country image, consumption of U.S. media content, gender, and personal income explained 28.3% of the variance in their attitudes toward studying in the U.S.A. Nearly 50% of their intent to study in the U.S.A. was explained by their attitudes, U.S. country image, U.S. media consumption, gender and age. These empirical findings carry meaningful theoretical and practical implications for marketing scholars, international education researchers, communication specialists, university administrators, recruiters, and even policy makers.

Our study has confirmed that young Chinese students' overall perceptions of the U.S.A. (U.S. country image) are mainly derived from their exposure to U.S. media content. This finding is consistent with previous studies on country image formation (Harris & Krafta, 1999; Primo, 1999; Randolph et al., 2010; Weimann, 1984), especially those studies on Asian people (Kim et al., 2008; Tamborini & Choi, 1990; Tan et al, 1986; Tan & Suarchavarat, 1988; Saito, 1999; Yoo et al., 2014). Although our respondents' overall exposure to U.S. media content was positively related to their perceived U.S. affective image, U.S. cognitive image, and U.S. product-country image, our further analysis showed that U.S. magazines and U.S. TV programs were more important predictors of U.S. country image than U.S. music, U.S. websites, and U.S. writers, whereas the influence of U.S. movies and U.S. games was insignificant. It suggests that many Chinese high school students frequently pay attention to magazine coverage on the U.S.A. which may have strongly influenced their view of the U.S.A., as few Chinese high school students read U.S. magazines published in English regularly. In this sense, U.S. country image will likely benefit from favorable free publicity and sponsored content in Chinese magazines popular among teenagers such as *Youth Digest, Yilin, Duzhe (Reader), and Rayli Fashion*. For Chinese youths, U.S. country image will also be boosted by the positive portrayal of the U.S.A. in TV programs exported to China, usually translated into Chinese, or at least with Chinese subtitles. It can partly be explained by the fact that nowadays U.S. TV programs are readily accessible on many Chinese websites. To some extent, U.S. music, U.S. websites, and U.S. writers' work can also help cultivate a favorable U.S. country image among young Chinese students. Our study clearly demonstrated the importance of U.S. cultural products and activities in building and maintaining U.S. country image among Chinese teengers. The export of U.S. cultural products and activities should receive the continued endorsement and support by U.S. policy makers, diplomats, cultural and educational institutions. Both governmental and public diplomacy efforts to foster the positive U.S. country image in China will benefit the sustainable development of international education in the United States. On the other hand, it is very likely that young Chinese students with favorable perceptions of the U.S.A. will consume more U.S.-related media content. Regardless, U.S. marketers and college recruiters should target to medium and heavy consumers of U.S.-related media content in China.

Our SEM results showed that the aggregated consumption of U.S. media content had a positive, moderate influence on Chinese high students' intent to study in the U.S.A. but not their attitudes. However, multiple regression results indicated that their U.S. media consumption positively predicted both their attitudes toward and intent to study in the U.S.A, after controlling demographics. Further analyses revealed that U.S. movies and U.S. news served as two positive predictors of their attitudes, whereas U.S. websites and U.S. news positively predicted their intent. These findings are mostly consistent with previous movie-induced tourism studies (Kim et al., 2007; Kim et al., 2008; Kim et al., 2009; Lin & Huang, 2008). It is possible that the influence of overall consumption of U.S. media content on their attitudes was mostly mediated by the influence of U.S. media exposure on their U.S. country image, without controlling demographics. These findings suggest that U.S. communication professionals and marketers should promote the U.S. higher education on all media platforms in China with special attention given to U.S. news, U.S. movies, and U.S. websites. The U.S. government and higher education industry should consider seeking the help of public relations specialists in China to gain favorable media coverage of the U.S. higher education, in light of the unique contribution of U.S. news to cultivating Chinese teenagers' attitudes toward and intent of studying in the U.S.A. It is quite surprising that U.S. movies was not a strong predictor of their intent to study in the U.S.A. as previous studies pointed to the powerful influence of Hollywood. Our study may have provided some evidence that Hollywood's influence on Chinese youths has been mitigated by Chinese government's restriction of imported U.S. movies (20 foreign films each year) from 2001 to 2012. We believe that Hollywood's influence will be more salient in future studies as China allowed the import of additional 14 U.S. movies in 3-D or IMAX format each year, according the 2012 U.S.-China Film Agreement (Smith & Davis, 2012). At the same time, it is possible that young Chinese students who dream of studying in the U.S.A. will pay more attention to U.S.-related media content. U.S. marketers and college recruiters should try their best to direct their promotional messages to those young consumers who expressed some or a lot of interest in pursuing cross-border education online and offline.

Our current research demonstrates that U.S. country image could contribute significantly to young Chinese students' favorable attitudes toward studying in the U.S.A. and predict their intent to study in the U.S.A. positively. It also shows that high ratings of U.S. affective image, U.S. cognitive image, and U.S. product-country image led to their favorable attitudes, whereas positive U.S. affective image and U.S. product-country image enhanced their intent to study in the U.S.A. Moreover, the results indicate that U.S. country image can be successfully measured as an umbrella concept consisting of U.S. cognitive image, U.S. affective image, and U.S. product-country image for Chinese youths. These results are consistent with almost all studies of the influence of country image/reputation on international students' decision making process (Cubillo et al., 2006; Das, 1999; Gertner, 2010; Morrish & Lee, 2011; Raharjo, 2012; Rudd et al., 2012; Srikatanyoo & Gnoth, 2002). The present study produced strong empirical evidence that the country image or CoO effect plays an important role in Chinese teenagers' decision making process of selecting a destination country for advanced studies. We have reasons to believe that the country image or CoO effect is salient for a very specialized and highly involved service industry—international higher education.

Our results suggest that both the U.S. government and U.S. higher education industry can benefit immensely from building a positive U.S. image in China. When dealing with Chinese youths, all U.S. stakeholders are recommended to project a brand personality of being agreeable, friendly, safe, and trustworthy. Actually, a recent study shows that amicableness of the U.S. brand personality positively predicted Chinese respondents' intent to purchase U.S. products and their overall attitudes toward the U.S.A. (Rojas-Méndez, Murphy, & Papadopoulos, 2013). U.S. manufacturing and service industries (including tourism industry and higher education institutions) should all take responsibilities to maintain a favorable U.S. product-country image by exporting or providing the quality products or services to Chinese consumers. The halo and summary effect of Made-in-U.S.A. labels may carry over to influence people's evaluations of the U.S. higher education, especially when young people are not well informed of the U.S. higher education.

Moreover, we found that Chinese high school students' attitudes toward studying in the U.S.A. stood out as the strongest predictor of their intent to study in the U.S.A. In this sense, the Theory of Planned Behavior is applicable to explaining Chinese youths' evaluations of study destinations for international education, as shown in previous studies of Asian students (Chen & Zimitat, 2006; Gatfield & Chen, 2006; Li et al., 2013).

We found that some demographic variables had a positive or negative influence on Chinese teenagers' attitudes toward and intent of studying in the U.S.A. While their attitudes were positively predicted by gender and negatively predicted by personal income, their intent was negatively influenced by gender and age. Female Chinese students tended to have a more favorable attitudes toward studying in the U.S.A. than males but male students were more likely to express their intent to study in the U.S.A. than females. Confucian value of filial piety and their only child status may have hindered female students' intent to study in the U.S.A. more than male students. It suggests that female Chinese high school students may need more incentives and encouragements when they consider studying in the U.S.A. Wealthier kids' attitudes toward studying in the U.S.A. were less favorable than poorer kids. To attract Chinese children from upper middle class families to study in the U.S.A., we recommend U.S. college recruiters to target their parents strategically. Younger students felt freer to express their willingness to study in the U.S.A. than older students. So, similar to advertising branded products, U.S. college recruiters need to get them while they are young. Marketers should plant the seeds of studying in the U.S.A. as soon as they enter high school. Marketers should not wait until their senior year when they may have decided to prepare for Chinese college entrance exam.

Limitations and Future Research

Inevitably, there are some limitations in this survey study. First of all, a large availability sample (N = 865) was used in the present study and the data were collected from a southwestern province in China, not representative of the whole population of Chinese high school students. In future research, the samples from cities of all sizes should be included. Secondly, the current study did not examine Chinese high school students' personal motivations, normative influences, behavioral control, and other social-economic or cultural factors. Finally, survey research cannot help us determine causality and the relationships of key variables are likely bidirectional in this project. Future studies should employ longitudinal and/or experimental designs to investigate the effects of U.S. media and country image.

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