THE EFFECTS OF COUNTRY OF ORIGIN, CONSUMER ETHNOCENTRISM AND CONSUMER ANIMOSITY ON PRODUCT PREFERENCE AND WILLINGNESS TO BUY

A Study of Urban Adult Chinese Consumers

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Abstract

This study's primary aim is to explain Urban Adult Chinese Consumers’ preference between foreign and Chinese products. It examines how Country of Origin (COO), Consumer Ethnocentrism (CE) and Consumer Animosity (CA) influence Urban Adult Chinese Consumers’ product preference and willingness to buy. The existing knowledge is divided on this issue. By reviewing the relevant literature, it is clear that there are two completely different approaches of investigating the impact of COO on Chinese consumers. The researcher of this current study classified the two opposing methods as ‘the simplistic approach’ and ‘the cautious approach’. Studies follow ‘the simplistic approach’ firmly believe Chinese consumers overwhelmingly evaluate foreign products positively and they have a strong preference for foreign products. Research follows ‘the cautious approach’ argues that Chinese consumers’ complexity and internal differences cannot be ignored, some of them prefer Chinese products and they cannot be simply considered as in favour of foreign products. Past studies all concluded that Chinese consumers hold low to moderate level of CE beliefs. However, two investigations concluded Chinese consumers harbour strong animosity towards the Japanese. This study follows the philosophical understanding of pragmatism. The research questions are the most important factors that determine the research strategy and quantitative and qualitative methods can complement each other to address the research problem. This study employs a concurrent embedded mixed methods research strategy that consists of a street survey and semi-structured interviews. Due to the distribution pattern of the quantitative data, this study used non-parametric analysis methods including: Chi-Square Test for Independence, Spearman’s Rank Order Correlations, Mann-Whitney U test and Kruskal-Wallis Test. The qualitative section of the investigation focuses on four issues: how Urban Adult Chinese Consumers (UACC) determine whether a product is foreign or Chinese, sources and background of animosity, the impact of domestic alternatives and areas for Chinese products to improve. This study discovered that UACC’s preference between foreign and
Chinese products remain divided. They cannot be simply considered overwhelmingly in favour of foreign products or prefer Chinese products. For those UACC have a preference for foreign products, quality and design are the main two reasons. Desire to support China’s domestic industry and patriotism are the main driving forces behind some UACC’s preference of Chinese products. UACC holds low to moderate level of CE beliefs, which suggests they are worldminded consumers that capable of evaluate foreign products based on merits, without strong negative bias. UACC have strong animosity towards the Japanese, but antagonistic sentiments towards the Americans and French are relatively low. There are complex sources of animosity and this study identified a wide range of factors that contributed to UACC’s strong animosity towards the Japanese. The main area of original contribution of this study concentrates on Consumer Animosity. It discovered a wide range of sources of animosity towards the Japanese and constructed an enhanced animosity model.
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Chapter 1 Introduction

Since the then Chinese leader Deng Xiaoping introduced the ‘Opening Up’ policy in 1978, China has experienced a rapid economic growth for more than 30 years. It surpassed Japan as the world’s second largest economy in 2010 (Bloomberg, 2010). According to a recent report by the Organisation for Economic Co-operation and Development (OECD), China could replace Unites States as the world’s largest economy in 2016 (OECD, 2012). It stands as the world’s economic superpower, manufacturing powerhouse and one of the largest receipts of foreign direct investment.

1.1 Research Background

Rapid economic development has caused massive changes to Chinese society. One of the biggest transformations is that it has improved millions of Chinese people’s living standards. From 1990 to 2009, the annual disposable income per capita has increased from US $174 to US $2,055, which is a 12 fold growth in 19 years (Euromonitor, 2010). Taking into account the size of the population, currently at 1.3 billion, China has grown into one of the world’s largest consumer markets. According to the research firm Euromonitor International, China’s collective annual disposable income has increased from 2.63 trillion US dollars in 2008 to 4,44 trillion US dollars in 2012, i.e. it nearly doubled in just 5 years (Euromonitor, 2012). It is already the world’s second biggest luxury goods market, and is expected to become the world’s largest luxury goods market around 2016 (Boston Consulting Group, 2009). The increased wealth of Chinese citizens is not only reflected in the domestic Chinese consumer market, it is also evident when they shop abroad. According to a recent Guardian report, quoting World Tourism Organisation figures, Chinese travellers are on the verge of leapfrogging the Germans and Americans to become the biggest spending group overseas. Chinese travellers spent US $54 billion in 2010 and US $72 billion in 2011, compared with US $84 billion for Germans.

Although the world’s economy has experienced a sharp global slowdown, caused by the economic recession in the developed countries starting in 2008, China has been able to maintain strong growth through a set of fiscal interventions and policy changes. At the end of 2008, it announced a massive 4 trillion yuan (about 570 billion U.S. dollars) economic stimulus package to invest in infrastructure development and boosting domestic consumption. This is an example of the Chinese leadership's effort to shift China’s growth from an export oriented economy into a more balanced development model (Xinhua, 2008). Despite the impact of the global economic recession, China maintained a 7.6% growth in the first three quarters of 2012 (BBC, 2012). Therefore, some argued in the current economic climate, the Chinese consumer market will not decline but is more likely to experience further growth.

In the last 10 years, under the leadership of outgoing President Hu Jintao and Premier Wen Jiabao, China has implemented a range of policies to ease the burdens on ordinary Chinese citizens, especially the rural farmers, and constructed a basic social welfare system. It scrapped the levies and taxes imposed on rural farmers, abolished tuition fees of government schools for children aged between 6 to 15, introduced a nationwide basic pension scheme and extended health cover to 95% of the Chinese population, up from less than 15% in 2000, and had spent US $800 billion to build affordable housing in the urban areas (The Economist, 2012). These measures could potentially free up more household expenditure and further increase the personal disposable income. The new leadership for the next 10 years under the incoming President Xi Jinping is likely to continue with wealth redistribution and addressing income disparities, to ensure more Chinese citizens benefit from China’s remarkable economic growth. The Chinese consumer market presents a tremendous opportunity to both Chinese and foreign companies.
1.2 The Current Study

Alongside China’s economic development and increased wealth of Chinese citizens, many countries and companies outside China also benefited from this rapid growth. The ‘Opening Up’ policy has enabled increasingly free trade between China and rest of the world, and a vast number of foreign goods and services have since entered into this once isolated middle kingdom. China is now European Union’s second largest trading partner just behind United States and it is the fourth largest trading partner for the United States, after the EU, Canada, and Mexico (European Commission, 2012). Just like other international markets, foreign goods are competing with domestic Chinese products. In recent years, some signs have suggested a growing competence of local Chinese companies and some leading firms are starting to expand internationally. In 2004, Lenovo bought IBM’s personal computer division and another Chinese company took over the iconic Swedish carmaker – Volvo (The Economist, 2010). It seems foreign companies are likely to be challenged by increasingly competitive local rivals. Clarification of Chinese consumers’ product preference between foreign and Chinese products, assess their CE and CA beliefs and investigate factors influencing their product preference and willingness to buy will provide valuable insights to both foreign and Chinese companies wishing to benefit from China’s remarkable economic growth.

1.21 Research Aim and Objectives

This study’s primary aim is to explain Urban Adult Chinese Consumers’ (UACC) preference between foreign and Chinese products. It examines how Country of Origin (COO), Consumer Ethnocentrism (CE) and Consumer Animosity (CA) influence UACC’s product preference and willingness to buy.

The following are this study’s research objectives:

1. To clarify UACC’s preference between foreign and Chinese products.
2. To examine the factors that explain UACC’s product preference.
3. To assess UACC’s CE beliefs using the modified CETSCALE.
4. To assess whether UACC harbour animosity towards products from foreign countries (with reference to specific countries).
5. To examine CE and CA’s impact on willingness to buy.
6. To test the impact of gender, age group, education level and location.

1.22 Definitions of Key Terms

The three key concepts that influence consumers’ product preference and willingness to buy that will be examined in depth in this study are: COO, CE and CA.

**COO – Country of Origin**

The concept of COO and its impact has been studied extensively, and there is an active debate on how to define the product’s origin. Wang and Lamb (1983) defined COO effect as intangible barriers for entering new foreign markets in the form of negative consumer bias toward imported products; others argued that COO is a crucial information cue that forms attitudes and perceptions. In essence, all previous research indicated that the product’s origin is an important information cue, which affects the imported products’ acceptance, consumers’ perception, product evaluation and willingness to buy in foreign markets.

**CE – Consumer Ethnocentrism**

Compared with COO, there are fewer disagreements about CE. Shimp and Sharma (1987) defined CE as the beliefs held by consumers about the appropriateness and morality of purchasing foreign made products. Ethnocentric consumers believe buying foreign products is wrong. It damages the domestic economy, causes job losses and is unpatriotic behaviour. Consumers with high CE beliefs evaluate foreign products negatively and perceive domestic products positively. CE negatively affects consumers’ willingness to buy foreign products.
CA – Consumer Animosity

Klein et al. (1998) defined the construct of animosity as the remnants of antipathy related to previous or ongoing military, political, or economic events. Such events – for example, war could cause consumers to be unwilling to purchase products from a target country. The original study concluded that Chinese consumers harboured animosity towards Japan, due to historic concerns particularly the Japanese occupation during WW2, and were unwilling to purchase products from Japan. Furthermore, CA’s impact on willingness to buy is independent of product quality judgment. Chinese consumers were unwilling to purchase Japanese products, while acknowledging Japanese products were of good quality.

Detailed reviews on COO, CE and CA are carried out in the following Chapter 2 – Literature Review.

1.23 Why UACC?

The researcher’s decision to focus this study on Urban Adult Chinese Consumers (UACC) is based on three factors: the complexities of the Chinese consumer market, the urban–rural divide and time, resources and research access available to the researcher.

First of all, China is the most populous country with 1.3 billion people and the fourth largest nation by land mass, the internal complexities are immense with 56 ethnic groups and 34 provincial level regions. The Chinese consumer market is a complex heterogeneous market with considerable regional differences and varied demographic, psychographic and lifestyle characteristics. It is paramount for any investigations on Chinese consumers to acknowledge the complex and diverse nature and not to treat China as a single homogeneous market.

Secondly, one of the most significant characteristics of Chinese consumer market is the urban-rural divide. This stark contrast has been highlighted by previous studies,
especially by Sun and Wu (2004), who suggested that urban and rural consumers are situated at two levels of living standards that they are different in terms of their attitudes toward the whole marketing mix and they constitute completely different market segments. According to the research firm – Gallup, China’s uneven development has, in a very real sense, split the country into two economies: urban and rural. In contrast to significant income increase in urban areas, rural incomes only experienced very moderate growth. In 1997, the urban-rural gap, in terms of average annual household income was 6,000 RMB. The disparity increased to 17,245 RMB in 2006 (Gallup, 2007). The researcher of this current study recognises that urban and rural areas are completely different markets and decided to focus on the urban consumers with significantly higher income. The urban areas, especially the coastal cities, are at the forefront of China’s economic transformation. After more than 30 years of rapid growth, big cities such as Beijing, Shanghai, Guangzhou and Shenzhen have developed a dynamic market, robust infrastructure, and sophisticated consumer spending culture. Urban consumers are prime target of both foreign and Chinese companies.

Finally, the nature of this study meant that it was not possible to study into the characteristics of the entire Chinese consumer market. Due to time and resource constraint, and the size and complex nature of China, it is simply impossible for this study to investigate all segments of Chinese consumers. Therefore, the researcher decided to focus on urban adult Chinese consumers. The decision not to include the under-18s in this investigation is due to the entirely different purchasing decision making of adult and non-adult consumers. The rationale of selecting UACC is further emphasised in both literature review and methodology chapters. Based on previous studies, gender, age group, educational level and location were selected as the testing variables. Cui (1999), Cui and Liu (2001) and Dickson et al. (2004) in particular have argued China’s vast regional variations cannot be ignored, therefore this current study decided to investigate the difference between Northern and Southern China. The moderating effects of gender, age group and education levels have been investigated by previous studies. Whilst CE studies by Wei et al. (2009), Wong et al
(2008) and Parker et al. (2011) conducted in China provided consistent findings to suggest age, income or education levels have significant impact on CE, there are inconsistent results in terms of their effects on CA. Klein et al. (1998) and Klein and Ettenson (1999) concluded gender, income and education had no significant impact on CA, however, Klein (2002), Bahaee and Pisani (2009b) and Ishii (2009) suggested age and education level significantly affected CA beliefs. This current study decided to test the impact of gender, age group and education level on CE and CA. The decision not to include income as a testing variable is based on the consideration that in a street survey setting asking personal questions such as income level could deter potential respondents to participate in the survey or give inaccurate answers to avoid being identified as having low income.

1.24 Animosity towards Foreign Countries?

Alongside China’s economic growth, there are growing concerns in the west about China’s rising nationalism. A 2008 Council on Foreign Relations report suggested that there is anti-West sentiment in China and that it is often triggered by sudden events. It further pointed out that the Chinese feel very strongly about issues such as the sovereignty and integrity of their territory because they still have the historical memory of Western imperialism. Protests in support of Tibet in the West and linking the 2008 Olympics to the Tibet issue aroused anti western sentiment in China. It also suggested that there are tensions between China and Japan dating back to the 1894-1895 Sino-Japanese war and Japan's abusive conduct during World War 2 (Council on Foreign Relations, 2008). Nationalism/patriotism is the core component of CE and CA, one of the key objectives of this study is to assess UACC’s CE and CA level towards Japan, France and the United States.

Japan is a historic rival of China. Chinese consumers’ animosity towards the Japanese was investigated by Klein et al. (1998), who concluded that there is strong animosity towards the Japanese. Recent events suggest Chinese consumers’ animosity towards Japan has not faded but on the contrary has further
strengthened over the years. In September 2012, violent Anti-Japanese protests erupted across China over a group of disputed islands in the Eastern China Sea. The uninhabited Diaoyu islands, known by the Japanese as Senkaku Islands, were recently bought by the Japanese government from a private owner. This move was seen as a provocation and angered many people in China. Thousands demonstrated outside the Japanese embassy in Beijing, and the visibly angry mob threw eggs and rocks towards the embassy (Financial Times, 2012). By 18th September, the protests had spread across China with more than 50 Chinese cities witnessing mass street demonstrations. There were violent incidents, and many chose to vent their anger towards Japanese products and businesses. Angry protesters torched a Panasonic factory and a Toyota dealership in Qingdao. Many protesters smashed Japanese-made vehicles in Xian. More than 1,000 protesters in Guangzhou burned Japanese flags and stormed a hotel next to the Japanese consulate. There were mass protests in the Southern Chinese city of Shenzhen, thousands of protesters smashing Japanese made cars (many are produced by joint ventures in China), attacking Japanese restaurants and burning Japanese flags. It turned so violent that the police used tear gas and water cannons to dispel the angry mob (The Telegraph, 2012). This is still an escalating event, with both governments refusing to back down. From September there were almost daily standoffs between Chinese and Japanese coastguard vessels in the disputed waters, and further escalations could result into naval clashes (BBC, 2012). The widespread call for a boycott of Japanese goods has severely damaged Japanese businesses operating in China. Japanese carmakers appear to be suffering significant sales declines, Mazda reported that sales in China fell 35% year on year in September 2012. Another Japanese carmaker - Nissan slashed its full year profit forecast by 20% after car sales slumped in China amid anti-Japanese protests (BBC, 2012). It is clear that animosity towards Japan is very active and could have profound consequences.

France and French products also experienced antagonistic sentiments and boycott calls in China. In April 2008, Chinese consumers were being urged via internet and text messages to boycott French products. Consumers were being asked not to
shop at Carrefour, the French supermarket operator, and to stop buying French luxury goods, such as Christian Dior and Louis Vuitton. This boycott call was caused by pro-Tibetan protesters disrupting the 2008 Beijing Olympic torch relay through Paris, forcing the flame to be extinguished. Chinese consumers were also angered by the then French President Nicolas Sarkozy’s refusal to rule out a possible boycott of the Olympic opening ceremony in Beijing (Bloomberg, 2008).

The only current superpower – United States has clashed many times with the rising power of China. On May 8, 1999, a U.S. plane ‘accidentally’ bombed the Chinese embassy in Belgrade mistaking it for a Serbian target, killing three Chinese embassy workers and injured several others. In April 2001, a U.S. EP-3 surveillance plane, which China claims violated Chinese airspace, collided with a Chinese F-8 jet fighter, killing the Chinese pilot. Both incidents trigged widespread anti-U.S. demonstrations in China (CFR, 2008). With the recent strategic shift of U.S. military balance towards Asia, perceived by many in China as a move try to contain China’s rise as a global power, there could be further conflicts between these two countries (Reuters, 2012).

Issues discussed above clearly suggest that there are antagonistic sentiments towards Japan, France and United States. This study aims to evaluate the CE and CA levels towards the Japanese, French and Americans and identify factors contributing to this particular sentiment.

1.3 Organisation of the Thesis

This thesis is divided into 6 chapters. Chapter 2 reviews the relevant literature and establishes the theoretical foundation of this study. It includes 3 separate sections on COO, CE and CA. The COO section describes how COO is defined, the arguments about product origin, how COO works and COO studies on Chinese consumers. The CE section reviews how CE is defined, the key components of CE – nationalism and patriotism, whether CE is a rational, affective or normative choice, the moderating effects of domestic alternatives and product categories, and CE studies on Chinese
consumers. The final CA section explains how CA study is originated, the relationship between CA, product judgement and willingness to buy, CA’s further conceptual developments and the need to refocus on fundamental issues, such as sources of animosity.

Chapter 3 presents this study’s research methodology. It explains the purpose of this study and establishes the philosophical foundation. This chapter also outlines the overall research design, the research strategy, sampling strategy and data collection methods. Access to data and research ethics, testing and pilot study and limitations are also discussed in this chapter.

Chapter 4 explains the processes of data analysis and presents the findings. It is divided mainly into two sections, quantitative data analysis and findings and qualitative data analysis and findings. Each section is further broken down by research topics. The quantitative data analysis and findings section focuses on COO, CE and CA. The qualitative data section concentrates on how UACC determine whether a product is foreign or Chinese, the sources of animosity, types of animosity, impact on willingness to buy, influence of domestic alternative and areas for Chinese products to improve.

Chapter 5 discusses the significance and implication of the research findings. This chapter reflects on the findings in the light of the literature and analyzes its relevance and contribution to the subject fields. All the issues discussed are centred on the three main concepts: COO, CE and CA.

Chapter 6 presents the conclusions of this study. It summarises the major findings, highlights the original contributions, discusses managerial implications and points out this study’s limitations and areas for further research.
Chapter 2 Literature Review

2.1 Introduction

This chapter reviews the three main concepts that affect consumers’ preference between foreign and domestic products, Country of Origin, Consumer Ethnocentrism and Consumer Animosity. In section 2.2 the concept of Country of Origin (COO) is examined, how it is defined, the discussion of the difficulties to identify hybrid products’ origin and how COO affect consumers’ attitude, perception, product preference and evaluation, willingness to buy and purchase decisions. The understandings of the impact of COO on Chinese consumers are divided. Based on the existing literature, the researcher of this current study clustered previous COO studies on Chinese consumers into ‘the simplistic approach’ and ‘the cautious approach’. Studies adopted the contrasting ‘the simplistic approach’ or ‘the cautious approach’ reached entirely different conclusions.

In section 2.3 the concept of Consumer Ethnocentrism (CE) is reviewed. The key issues in this section include: how CE is defined by Shimp and Sharma (1987)’s original study, two opposite sides of CE ‘nationalism’ and ‘patriotism’ vs. ‘internationalism’ and ‘worldmindedness’, whether CE is a rational, affective or normative choice, impact of the availabilities of domestic alternatives, the varying effect between product categories and CE’s relevance to Chinese consumers.

Section 2.4 reviews the concept of Consumer Animosity (CA). It explains how CA is originally defined by Klein et al. (1998) and its further developments, the differences between CA and CE, and finally pointed out there is a need for further CA studies to refocus on the fundamental issues: sources of animosity, measurement method, and the relationship between animosity, product judgement and willingness to buy.
2.2 Country of Origin

The concept of COO has been examined extensively over the last 30 years. COO comes into effect when products enter a foreign country. According to previous studies, COO could impact on consumers’ attitude, perception, product preference and evaluation, willingness to buy and purchase decisions. A number of studies have produced detailed reviews of COO, Al-Sulaiti and Baker (1998), Leonidou et al. (2007), Bhaskaran and Sukumaran (2007), Knight and Calantone (2000), Ahmed et al. (2004), and Ahmed and d'Astous (2008). The following section is a discussion of the key issues and their relevance to the current study, but it does not provide a detailed analysis of all the published works.

2.21 Country of Origin Effect Defined

A number of authors have attempted to define COO effect. In a study examining the factors that affect consumers’ willingness to purchase foreign products, Wang and Lamb (1983) defined COO effects as intangible barriers for entering new foreign markets in the form of negative consumer bias toward imported products. Samli (1995) pointed out COO is a critical information cue, which plays a major role in having products accepted in a foreign market. Roth and Romeo (1992) refer COO effect as to how consumers perceive products imported from a specific country. Papadopoulos (1993) considers COO effect as the process of how the origin of imported products would affect consumers’ perceptions of a product and their evaluation of its attributes. Chinen et al. (2000) describes COO effects as consumers’ reliance on COO information in evaluating the quality of products from various countries and making their decisions on product purchases. Some authors emphasised how the country image of product origin has an impact on consumers’ perceptions and evaluations. Nebenzahl et al. (1997) and Jaffe and Nebenzahl (2001) summarised the product country image effect as the generalizations and perceptions about a country have on consumers’ evaluation of that country’s products.
Although the definitions of the effect of COO do vary, in essence all previous studies indicated that the products’ COO is an important information cue, which affects the imported products’ acceptance, consumers’ perception, product evaluation and willingness to buy in foreign markets. The concept of COO effect effectively explains why some consumers consider that wine from France is better quality than wine produced in Argentina, cars made in Germany are more reliable than cars made in China, and clothing labels from Italy are better to products from East Asia. The products from these countries all benefited from a good country image in their respective categories.

2.22 The Product Origin

2.22.1 COM, COA, COD & CODes

It appears to be straightforward to discover a product’s origin, in some countries, it is legally required to display where the product is being made. However, in reality it is not that simple to identify a product’s real origin. Similar to the discussion on defining COO effect, how to identify the true origin of a product is a matter of continuous debate. Bilkey and Nes (1982) defined COO as the country where the products’ manufacturing or assembling took place. That is to define the product origin as ‘Country of Manufacture’ (COM) or ‘Country of Assembly’ (COA). It has been supported by Han and Terpstra (1988), Papadopoulos and Heslop (1993) and Ahmed and d'Astous (2004). However, Johansson et al. (1985) and Ozsomer and Cavusgil (1991) defined the origin of a product as the country where the headquarters of that product or brand’s company is located. Saeed (1994) consider product origin as the country which a manufacturer’s product or brand is associated with, it supported the term ‘Country of Association’ (COA). Nagashima (1970), Nagashima (1977), Bannister and Saunders (1978) and Chasin and E.Jaffe (1979) used the “made in” or “manufactured in” label to define the origin of the product.

The fact that many multinational corporations manufacture products in foreign countries with lower costs caused further difficulties in defining the origin of a
product. For example, Apple’s iPhone is an American brand. It is manufactured by factories located in mainland China which is owned by a company headquartered in Taiwan. Thus, a new term ‘Country of Design (COD)’ has emerged. Some researchers suggest COD should be treated as the real COO of a product. It pointed out that COD will have an important impact on consumer’s perception of the product. Hamzaoui and Merunka (2006) concluded that for products with symbolic meanings, consumers from emerging countries could be very sensitive to COD information.

The growing trend of outsourcing and globalisation has determined the increasing complexity of hybrid products. It not only added more difficulties for identifying the real origin of a product, but also triggered the debate as to whether COO can be treated as a single dimensional cue. Chao (1993) and Chao (2001) pointed out the rapid development of global enterprises have made it no longer easy to identify the COO of hybrid products. This was supported by Ahmed and d’ Astous (1996), which argued COO is a multi-dimensional cue should be divided into at least into COA and COD. Insch and McBride (2004) attempted to address the different impact of COA and COD on product evaluations. Essoussi and Merunka (2007) concluded in their study that consumers in emerging markets are more sensitive to the COD for public goods than private goods and also value the COM of branded products.

It is important to note that the increasing complexity of modern hybrid products has divided the understanding of COO. In many cases, the company’s headquarter is located in its home country, the product is designed by teams in another country, manufactured or assembled in its joint venture factories in the emerging countries and finally shipped across oceans to sell in Europe or United States. This caused major difficulties for consumers and companies to identify the real origin of a product. Yucetepe (2003) developed a term in his PhD thesis named ‘Country of Destination (CODes)’. It refers to the country to which the products are eventually designated. The CODes concept argues that although the product might be produced in quality terms an un-desirable developing country, because it was
designated to a certain developed country (for example, United States), therefore, it has to possess certain quality standards to be accepted by the developed country’s consumers. The destination becomes a quality indictor, which could impact on consumers’ product evaluations.

2.22.2 Brand Origin

The importance of ‘brand origin’ has been increasingly underlined by recent studies. Batra et al. (2000) revealed consumers in the developing countries, in some product categories, brands perceived as having a nonlocal country of origin, especially from the West, are preferred to brands seen as local, not only due to perceived quality but also of social status. The benefits of being perceived as having a non-local brand origin were further supported by Zhou et al. (2010), that amongst consumers in the emerging economies non-local brands are preferred than those brands with local origins. Usunier (2011) argued there is a shift from COM to brand origin. It argued brand origin therefore ‘Country of Brand’ (COB), has became an issue that is worth investigating instead of ‘COM’ or ‘COD’ based origins. ‘Brand origin’ seems to have been established as the dominate information cue in determining the product origin. Magnusson et al. (2011a) appeared to be in agreement with Usunier (2011) that brand origin is more important than ‘made in’ labels.

Samiee et al. (2005) argued about difficulties in brand origin recognition accuracy. It suggested consumers only have modest knowledge of the national origins of brands. Therefore, there are considerable complications for the consumers to identify the accurate brand origin. Zhuang et al. (2008a) supported the findings of Samiee et al. (2005) that there are brand origin confusions amongst consumers and it could impact on the preference between foreign and local products. Chlivickas and Smaliukiene (2009) pointed out the advantages of adopting international regions, for example the Baltic Sea region, as brand origins. Balabanis and Diamantopoulos (2008) concluded consumers’ ability to classify brands correctly to their true origins is limited. Balabanis and Diamantopoulos (2011) further discussed
the importance of ensuring the consumers awareness of a brand’s true origin. It pointed out there are difficulties for consumers to associate a brand with its true origin. Brand misclassification and non-classification have adverse consequences on brand evaluation and purchase intention. Magnusson et al. (2011b) provide strong evidence that brand origin affected consumer attitude, therefore there are benefits in educating consumers on the brand’s true origin.

It seems there is a considerable amount of evidence to suggest the brand origin has increasing importance in determining a product’s origin. This is particularly relevant in today’s economic environment, as many products are typically designed and manufactured in different countries. The brand origin argument brings in a new perspective of how a hybrid product is perceived in an increasingly globalised world.

2.23 How Country of Origin Works

Several researchers have explored the process of how COO effect impacts on consumer’s perceptions, product evaluation and willingness to buy. It can be explained by the theory of ‘halo and summary construct’ and ‘national stereotyping’.

2.23.1 Halo Effect and Summary Construct

Han (1989) examined the role of country image in consumer evaluations of televisions and automobiles. It concluded that the impact of COO effect can be explained by the theory of ‘Halo Effect’ and ‘Summary Construct’.

“First, when consumers are not familiar with a country’s products, country image may serve as a halo from which consumers infer product attributes and it may indirectly affect their brand attitude through their inferential beliefs. In contrast, as consumers become familiar with a country’s products, country image may become a construct that summarizes consumers’ beliefs about product attributes and directly affects their brand attitude. These
implications suggest structural interrelationship between country image, beliefs about product attributes, and brand attitude.” (Han, p.228, 1989)

This is illustrated in the following Figure 1:

**Figure 1 Halo Effect and Summary Construct Model**

**Halo Effect Model**

![Halo Effect Model Diagram]

**Summary Construct Model**

![Summary Construct Model Diagram]

Jaffe and Nebenzahl (2001) proposed a revised model of ‘Combined Halo and Summary Model of Country Image’. It points out that the effects of ‘Halo and Summary Construct’ do not work separately. Consumers’ experiences and exposures to products over time will modify beliefs and perceptions toward country image, product evaluations and brand attitude. It acknowledged the fact that consumers’ attitudes may change, therefore their existing beliefs and perceived country image could be revised accordingly. A more dynamic model is proposed to address the change, see the following Figure 2:

**Figure 2 Combined Halo and Summary Model of Country Image**

![Combined Halo and Summary Model Diagram]

Jaffe and Nebenzahl (2001)
2.23.2 National Stereotyping

The influence of stereotyping has been examined in the COO debate. Fiske et al. (2002) proposed a Stereotype Content Model (SCM) which divided stereotype into two dimensions: ‘warmth’ and ‘competence’. It argues two variables ‘status’ and ‘competition’ predicts dimensions of stereotypes. It concluded that ‘warmth’ and ‘competence’ do not work alone to form stereotypes. ‘Warmth’ and ‘competence’ act jointly to build different types of stereotypes. The nature of combinations determines the different forms of prejudices or beliefs towards certain groups. Based on Fiske's SCM, Chattalas et al. (2008) proposed a model which identifies the relationship between ‘national stereotypes’ and COO effect. It argues the two dimensions of stereotypes, ‘warmth and competence’, initiate the COO effect process. National stereotypes act jointly with other components, product type, consumer expertise, culture, product involvement and consumer ethnocentrism, to form the COO effect. The conceptual framework is illustrated in the following figure 3:

*Figure 3 The Conceptual Framework of National Stereotyping and COO Effect*
2.25 Country of Origin and Chinese Consumers

The impact of COO effect on Chinese consumers has been studied by a range of researchers. Several common themes and consumer trends have been identified. However, there are contradictions and confusing findings among published investigations. This study proposes to cluster past researches of the COO effect on Chinese consumer market, into 2 approaches: the simplistic approach and the cautious approach. The simplistic approach represents the studies that treat the entire Chinese consumers as a single homogeneous market, which overwhelmingly concluded Chinese consumers perceive foreign products positively. The cautious approach recognised the vast differences, changing nature, and increasing sophistication of Chinese consumer market, therefore considering China as a complex heterogeneous market. The two approaches of understanding the Chinese Consumer market is summarized into the following table 2.1 and table 2.2:

Table 1 The Simplistic Approach

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Zhang</td>
<td>COO influenced Chinese consumers’ product evaluations. Products from Japan and USA were perceived positively. Perceived degree of economic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>development are more important than cultural similarities.</td>
</tr>
<tr>
<td>1997</td>
<td>Hu and Dickerson</td>
<td>Chinese consumers have a strong preference on foreign products. Foreign brand apparel is perceived significantly more positive than</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chinese brand apparel.</td>
</tr>
<tr>
<td>1997</td>
<td>Li et al</td>
<td>Foreign products are perceived to possess higher quality than Chinese products. Chinese consumers prefer foreign products. Japanese</td>
</tr>
<tr>
<td></td>
<td></td>
<td>products enjoy high quality reputation.</td>
</tr>
<tr>
<td>2000</td>
<td>Sin et al</td>
<td>Mainland Chinese consumers have strong preference in foreign brands.</td>
</tr>
<tr>
<td>2004</td>
<td>Delong et al</td>
<td>US brands overwhelmingly have more positive perceptions than local Chinese brands. US brands are more preferred than local brands by</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chinese consumers.</td>
</tr>
<tr>
<td>2006</td>
<td>Wu and Delong</td>
<td>Chinese consumers have strong preference for western brands and they are dissatisfied of some attributes of Chinese brands.</td>
</tr>
<tr>
<td>2004</td>
<td>Ahmed and d’Astous</td>
<td>Chinese consumers’ perceptions of products made in highly industrialised countries are much more positive than for those made in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>newly industrialised countries. Chinese consumers did not show animosity towards Japanese products.</td>
</tr>
<tr>
<td>2008</td>
<td>Wang and Yang</td>
<td>Chinese consumers perceived German and German joint venture products positively and significantly impacted on the purchase intention.</td>
</tr>
</tbody>
</table>
### Table 2.2 The Cautious Approach

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Zhou and Hui</td>
<td>Symbolic benefits determined Chinese consumers’ preference for foreign products. Chinese consumers associate foreign products with modernity, prestige and foreign lifestyles. Although Chinese consumers still have a tendency to purchase foreign products, symbolic value is starting to fade.</td>
</tr>
<tr>
<td>1999</td>
<td>Cui</td>
<td>China should not been regarded as a single homogeneous market. There are massive differences within the Chinese consumer market. Geographic, demographic, psychographic and lifestyle segmentation methods should be used to examine the different characteristics of Chinese Consumers</td>
</tr>
<tr>
<td>2001</td>
<td>Cui and Liu</td>
<td>Segmented Urban Chinese consumers into 4 categories. Chinese consumers are becoming more sophisticated. Chinese consumers can no longer been regarded as overwhelmingly favour foreign products. Some Chinese consumers prefer to purchase local products.</td>
</tr>
<tr>
<td>2004</td>
<td>Dickson et al</td>
<td>Segmented Chinese consumers into 6 distinguished clusters. Some groups of Chinese consumers strongly favoured foreign products, but other groups preferred Chinese products. Some Chinese consumers are unlikely to purchase foreign-made products.</td>
</tr>
<tr>
<td>2006</td>
<td>Kwok et al</td>
<td>Some Chinese consumer recognised the importance of buying domestic products. A growing number of Chinese consumers have favourable attitudes towards some categories of Chinese products.</td>
</tr>
<tr>
<td>2004</td>
<td>Wang and Chen</td>
<td>Consumer ethnocentrism could impact on Chinese consumers purchase intention to domestic products. However, the effect is not as effective as in developed countries. Even ethnocentric Chinese consumers might not have a preference on domestic products.</td>
</tr>
<tr>
<td>2008</td>
<td>Wong et al</td>
<td>Chinese consumers with high level of ethnocentrism have more positive evaluations of local products as compare to foreign product, although the difference is not statistically significant. It found no evidence of consumer ethnocentrism impact on purchase intentions.</td>
</tr>
<tr>
<td>1998</td>
<td>Klein et al</td>
<td>Chinese consumers have strong animosity towards Japan, it impacted negatively on their willingness to purchase Japanese products.</td>
</tr>
<tr>
<td>2009</td>
<td>Ishii</td>
<td>Consumer ethnocentrism and consumer animosity of Chinese consumers significantly affected their willingness to buy US and Japanese products.</td>
</tr>
</tbody>
</table>

### 2.25.1 The Simplistic Approach

Zhang (1996) conducted a study into Chinese consumers’ perception of COO images and how such perceptions influenced their product evaluations and product choices. It examined local Beijing shoppers’ shopping patterns and product evaluations of products from USA, Japan and South Korea. The results of this study revealed that COO information influenced Chinese consumers’ evaluation of foreign products. Products that have a more positive COO image were highly rated by the Chinese consumers. Products from US and Japan were preferred to those coming from
South Korea, which indicated national stereotyping was a factor in Chinese consumers’ product evaluations. The result also suggested the perceived degree of economic development was a more important determinant than cultural similarities between countries. This 1996 study validated the fact that COO affects Chinese consumers’ product evaluations.

Hu and Dickerson (1997) carried out an investigation on Chinese consumers’ perceptions of foreign-branded and Chinese-branded apparel. It was designed to test Chinese consumers’ preference for foreign or local Chinese brands, more specifically, to test whether Chinese consumers' perceived quality, perceived price, and purchase willingness would be different as a result of different country of origin labels. The results of this study confirmed:

“Chinese consumers' positive bias toward foreign-brand apparel over Chinese-brand apparel: their perceived quality, perceived price, and purchase willingness toward foreign labeled shirts were all significantly higher than the corresponding ratings for 'Chinese-made' identical shirts as a result of fictitious brand origins.” (Hu and Dickerson, p.112, 1997)

Hu and Dickerson (1997) concluded that Chinese consumers had a significantly stronger preference for foreign branded apparel over Chinese branded apparel. It indicated that Chinese consumers have a strong general preference for foreign products. This study advanced the understanding of COO effect on Chinese consumers to the next level, which not only confirmed Chinese consumers perceived foreign products positively, but further implied that Chinese consumers have a strong preference for foreign products.

Li et al. (1997) concluded in their study that foreign brands are traditionally perceived in China as having higher quality. Chinese consumers have unfavourable perceptions towards Chinese products, foreign products are highly preferred. This was further supported by Sin et al. (2000), who conducted a review about past studies on ‘Advertising in China’ between the periods of 1979-1998. This study
implied that mainland Chinese consumers have a strong preference for foreign brands.

The preference between foreign brands and Chinese brands was further investigated by Delong et al. (2004). It carried out a study on Chinese consumers’ perceptions of registered foreign brands sold in Shanghai. It concluded that US brands overwhelmingly have more positive perceptions than local Chinese brands. US brands were evaluated much more positively than Chinese brands, in terms of design innovation, workmanship, brand image, service, and display of products. It reached the conclusion that US brands are more preferred than local brands by Chinese consumers. This study also revealed that Chinese consumers generally cannot differentiate between US and European brands. They basically regarded both as ‘western brands’.

Another study by Wu and Delong (2006) supported the findings of Delong et al (2004). It tested Chinese consumers’ perceptions of western-branded denim jeans. This study found there were no significant differences between different demographic groups regarding their perceptions of ‘western brands’. It subsequently concluded Chinese consumers have strong preferences for ‘western brands’. They associated ‘western brands’ with superior quality. The general evaluation of ‘western brands’ indicated Chinese consumers’ strong preference for ‘western brands’ and their dissatisfactions with some attributes of local Chinese brands.

Ahmed and d’Astous (2004) carried out a study into Chinese consumers’ perceptions of countries as producers of consumer goods. The results of this study revealed that Chinese consumers’ perceptions of products made in highly industrialised countries are much more positive than for those made in newly industrialised countries. As products/brands from more industrialised countries, such as US, have a very positive image amongst Chinese consumers, Ahmed and d’Astous (2004) suggested foreign companies should capitalize on this opportunity.
to develop their business in China. The other interesting finding of this study was that, it concluded Chinese consumers did not show animosity towards Japanese products. There are other studies that suggested a contrary view towards this specific finding, which will be addressed separately later on.

**Shifting from Foreign to Domestic?**

Zhou and Hui (2003) conducted a study on the symbolic benefits of foreign goods in China. The study’s main focus was to determine whether the symbolic benefits of foreign products, such as modernity, prestige and associations with foreign lifestyles, was the main motivation of Chinese consumers to buy products of foreign origins. It examined the tendency of Chinese consumers to shift away from foreign products towards local offerings. The results of this study concluded that Chinese consumers still had a tendency to purchase foreign products, which was not driven by the products’ functional benefits but by its symbolic values. Chinese consumers commonly associate foreign products with modernity, novelty and prestige, which placed them in favour of purchasing foreign products. It pointed out specifically that:

“In many Asian societies, in which the dominant culture is interdependent and hierarchical, consumers purchase luxury goods and prestigious brands from the West mainly for their symbolic values. Moreover, with rapid economic development and market reform in the PRC, new consumer groups (such as young professionals working for foreign or joint-venture companies) have emerged; these consumers are keen to display their new class status through consumption and possession of foreign or global symbols.” (Zhou and Hui, p.51-52, 2003)

Although it concluded that the Chinese consumers still had a tendency to purchase foreign products, Zhou and Hu (2003) pointed out there are signs suggesting the symbolic values are starting to fade.
According to the past studies discussed above, COO affects Chinese consumers’ product evaluations and they placed foreign products and brands above local manufactured products and brands. It was suggested that Chinese consumers associate foreign products and brands with superior quality and design, novelty, modernity and are treated as social status symbols. This is consistent with some findings of research reports conducted by commercial organizations. For example, a survey of Chinese consumers by KPMG and Monash University suggested over 70% of Chinese respondents appreciate the superior quality of foreign luxury brands (mainly European). Chinese consumers associate foreign luxury brands with premium quality, craftsmanship, recognisability, exclusivity and reputation. (KPMG, 2006)

2.25.2 The Cautious Approach

Past studies adopting ‘The Simplistic Approach’ concluded that foreign products benefited from a positive image among Chinese consumers and Chinese consumers prefer foreign products to Chinese products. However, there are other authors argued that it is not that simple and Chinese consumers are far more sophisticated. More studies have started to emerge, which suggested a contrary view to the understandings of ‘The Simplistic Approach’. This study proposes to classify this cluster of researches that take into account the complexity of the Chinese consumer market, as ‘The Cautious Approach’.

Fading Symbolic Values

Although Zhou and Hui (2003) concluded that Chinese consumers still have a general tendency to purchase foreign products, it also pointed out that there are signs to suggest that symbolic values are fading. It indicated that locally made Chinese products have improved visibility and in general are of reasonable quality and affordable price. Local products will become more competitive and more popular than their foreign rivals. It argued the traditional Chinese consumption philosophy of good quality at a reasonable price may play the dominant role in
consumers' purchase decision making, which means that local rivals could pose a serious threat to foreign products. Zhou and Hui (2003) suggested although foreign products have enjoyed the preference of Chinese consumers, the position could, or perhaps has already started to, change. It recognised the changing characteristics of Chinese consumers. Cui and Liu (2001) also argued that the novelty affect of foreign products are likely to wear off. Chen (2004) supported the view that local Chinese companies are becoming more competitive. This study used the Chinese PC, oven and mobile phone market as examples. Foreign companies occupied most of the market share in the beginning but local Chinese rivals have eventually dominated the market.

**Market segmentation of Chinese consumer market**

One of the characteristics of ‘the simplistic approach’ is that Chinese consumers were regarded as a single homogeneous market. It fails to recognise the complexity and size of the Chinese consumer market. Schmitt (1997) and Wei (1997) suggested it is important to recognise the differences within China. The key researcher who attempted to segment the Chinese consumer market is Geng Cui. Cui (1999) proposed a strategy in the paper ‘Segmenting China’s consumer market: A cautious approach’. It illustrated a detailed picture of the Chinese consumer market, using multiple segmentation methods: geographic, demographic, psychographics and lifestyles. China was divided into eight geographic regions: South China, East China, North China, Northeast China, Central China, Southwest China, Northeast China and West China.

Cui (1999) emphasised the regional differences in terms of economic development, infrastructure, consumer purchasing power, distribution. The population have diverse cultural patterns and varied in dialects, taste, temperament and lifestyles. It is very clear that China should not be considered as a single homogeneous market, but a complex heterogeneous market with massive regional differences and varied demographics, psychographics and lifestyles. When examining the characteristics of
Chinese consumers, such as the particular preference for foreign or local Chinese products, consideration needs to be given to the differences within this diverse market.

Taking into account the suggestions of Cui (1999), Dickson et al. (2004) conducted a study of Chinese consumer market segments for foreign apparel products. It examined Chinese consumers’ evaluation of local and foreign apparel products. Dickson et al. (2004) segmented the Chinese consumer market into 6 distinguished clusters: US-brand value consumers, Chinese-brand value consumers, US-made cotton classic consumers, High price China-made fashion consumers, Budget China-made cotton fashion consumers and US-made and branded fashion consumers. It concluded that country of assembly and style were influential and significantly impacted the purchase intentions of some Chinese consumers. The most significant finding of this study was that it identified that some groups of Chinese consumers...
strongly favoured US branded products but other groups preferred Chinese brands. It is clear that some consumer groups are unlikely to purchase foreign-made or foreign brand apparels.

The findings of this study contradicted the understanding of ‘the simplistic approach’ that Chinese consumers favour foreign products. It pointed out that Chinese consumers had a mixed evaluation in relation to foreign products, some groups favour foreign products but other groups are unlikely to purchase foreign products, which was in line with Cui (1999) that China is a heterogeneous market with different characteristics.

**Urban and Rural Divide**

Taking the argument further, the different characteristics of urban and rural Chinese consumers have been investigated. Cui and Liu (2001) presented a study on urban consumers in China. It examined the characteristics of different market segments within the urban Chinese consumer market.

It utilised the data from a national survey of Chinese consumers conducted by the Gallup Research Co. Ltd in 1997. The survey was designed and executed by Gallup’s local staff based on its offices located in major Chinese cities. This survey was designed to represent the whole nation, and to this end collected data from 41 cities and included all the provinces, municipalities, and autonomous regions in China. It surveyed all the major cities in China, such as Beijing, Shanghai, Guangzhou, and many other smaller cities. It was a rare and thorough investigation, which took into account the population’s variations in terms of demographic and psychographic differences, for the first time.

The results Cui and Liu (2001) revealed some significant findings. It summarised the urban Chinese market into 4 categories: working poor, salary class, little rich and yuppies, as illustrated in Figure 5:
Cui and Liu (2001)

The working poor households, which roughly represent 55% of urban Chinese consumers, were the least brand conscious and usually purchase domestic brands. The salary class group, one fourth of the urban population was content with the status quo and did not see much need for change. They occasionally seek foreign products. The little rich class, representing the emerging middle class, have already achieved a decent living by Chinese standards and they have greater expectations for better improvements. An increasing number of Little Riches have started to stock up on foreign luxury items. The Yuppies group, only 5% of the total urban population, represented the most prosperous urban elite in China. They are willing to pay a premium for foreign branded goods and services. However, it is evident that they have also become increasingly sophisticated in recognizing good value.

This study highlighted the growing sophistication of Chinese consumers. It is very clear that Chinese consumers can no longer be regarded as being overwhelmingly in
favour of foreign products. “As the (foreign products’) novelty effect has worn off, Chinese consumers have become more sophisticated and value conscious.” (Cui and Liu, p.35, 2001) It suggests the preferences of urban Chinese consumers vary between segments. To recognise the heterogeneity, complexity and evolving nature of the Chinese consumer market has a fundamental importance when conducting consumer research in China. Cui and Liu (2001) also pointed out that many foreign companies “have underestimated the competitiveness of local companies, which have become more sophisticated in product development, distribution, advertising, pricing, and post sale services.” (Cui and Liu, 2001, p.104)

Following the footsteps of Cui (1999) and Cui and Liu (2001), Sun and Wu (2004) carried out an investigation on consumption patterns of urban and rural Chinese consumers. The result of this study validated the huge differences between urban and rural Chinese consumers. It confirmed that urban and rural consumers were situated at two levels of living standards, are different in terms of their attitudes toward the whole marketing mix and the two areas are completely different market segments.

Kwok et al. (2006) conducted a concentrated investigation on brand preferences and brand choices among urban Chinese consumers. It was designed to study the nature and extent of the COO effect amongst urban Chinese consumers and the impact of COO on actual purchase behaviour. It suggested there were contrary and mixed understandings from past studies. The results of this study disclosed that respondents generally have favourable attitudes towards Chinese grocery brands. About 50 per cent of respondents agreed or strongly agreed that they will buy Chinese brands whenever possible and that they enjoy shopping for Chinese brands. This study added to the growing amount of evidence that Chinese consumers sometimes prefer local Chinese products. The results also highlighted that consumers recognise the importance of buying Chinese brands across product categories. On average, more than 50 per cent of respondents considered purchasing local Chinese brands as highly or relatively important. This study strongly
supported the argument that Chinese consumers preferred Chinese brands in some product categories. It is evident that the characteristics of Chinese consumers are evolving. Chinese consumers cannot simply be defined as favouring foreign products. The Chinese consumer market is a vast heterogeneous market that contains differences. The above studies have revealed a tendency towards local Chinese product/brands. There is no doubt, with the continuing rapid economic development and emergence of competent local rivals, the sophistication and complexity of Chinese consumers has increased as well.

2.3 Consumer Ethnocentrism

2.3.1 Consumer Ethnocentrism Defined

Shimp and Sharma (1987) proposed the concept of ‘Consumer Ethnocentrism’ (CE). The term CE was adopted from the general sociological concept of ethnocentrism. In general the concept of ethnocentrism refers to the tendency of people to “view their own group as the center of the universe, to interpret other social units from the perspective of their own group, and to reject persons who are culturally dissimilar while blindly accepting those who are culturally like themselves.” (Shimp and Sharma, p.280, 1987) CE represents the beliefs held by consumers about the appropriateness and morality of purchasing foreign made products. Ethnocentric consumers believe buying foreign products is wrong. It damages the domestic economy, causes job losses and is an unpatriotic behaviour. In contrast, non-ethnocentric consumers consider foreign products should be evaluated on their own merits without consideration as to where they come from. Essentially, it is a concept to determine whether foreign products are acceptable or unacceptable.

Since the introduction of CE in 1987, the CE’s measurement scale – CETSCALE, has been tested and validated in many countries. Hamin and Elliott (2006), Evanschitzky et al. (2008) and Shankarmahesh, (2006) provided detailed reviews on CE investigations across different countries, the levels of CE were all measured by the CETSCALE. The Shimp and Sharma (1987) CETSCALE has been established as the
The standard measurement scale of CE. The CETSCALE includes 17 items statements, measured by 7 items Likert scale, to test attitudes towards foreign and domestic products:

1. American people should always buy American-made products instead of imports.

2. Only those products that are unavailable in the U.S. should be imported.


4. American products, first, last, and foremost.

5. Purchasing foreign-made products is un-American.

6. It is not right to purchase foreign products, because it puts Americans out of jobs.

7. A real American should always buy American-made products.

8. We should purchase products manufactured in America instead of letting other countries get rich off us.

9. It is always best to purchase American products.

10. There should be very little trading or purchasing of goods from other countries unless out of necessity.

11. Americans should not buy foreign products, because this hurts American business and causes unemployment.

12. Curbs should be put on all imports.

13. It may cost me in the long-run but I prefer to support American products.

14. Foreigners should not be allowed to put their products on our markets.

15. Foreign products should be taxed heavily to reduce their entry into the U.S.

16. We should buy from foreign countries only those products that we cannot obtain within our own country.

17. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

It is widely acknowledged that CE will affect foreign products’ acceptance and may lead to domestic consumption. The following table provides a summary of the main studies:
# Table 3 CE Studies across Countries

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Country or Region</th>
<th>Aim(s)</th>
<th>Method</th>
<th>Key Finding(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shimp and Sharma (1987)</td>
<td>USA</td>
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Shankarmahesh (2006) produced a review paper on CE examined all the possible factors that could impact on CE. It studied the antecedents of CE, which included socio-psychological antecedents, economic antecedents, political antecedents and demographic antecedents, but also the mediators and possible outcomes of CE. It was illustrated in the following figure 6:
It is a well-constructed model that included all the factors that could influence CE and clustered them into four categories: Socio-psychological antecedents, Economic Antecedents, Political Antecedents and Demographic Antecedents. It covered some of the factors which could play a major role amongst consumers in emerging economies, such as patriotism and consumer animosity. The possible outcomes of CE which were listed in the model, affect the attitude towards foreign products, purchase intentions and support (preference) for foreign product.

However, this model could be very difficult to put into practice. As it considered so many possible factors that could be the antecedents of CE, it is very problematic to examine and measure. Some of the factors, such as conservatism, materialism and...
collectiveness, are complex to define and monitor on their own. This model could complicate the situation, rather than clearing the understanding on CE. A simpler and more practical model could be constructed to better understand the nature of CE.

2.32 Consumer Ethnocentrism, Nationalism and Patriotism

2.32.1 Nationalism and Worldmindedness

As reflected in the Shankarmahesh (2006) CE model, Nationalism and Patriotism has been closely associated with CE. It has been established as an integral part of ethnocentrism. The relationship between Nationalism, Patriotism and CE has been examined by other researchers.

Rawwas et al. (1996) conducted a study to investigate whether nationalism affects consumers’ product quality perception, and to determine whether consumer ideologies and COO work together to influence product quality perceptions. It constructed two sides of consumer ideologies, nationalism and worldmindedness. Rawwas et al. (1996) adopted Han and Terpstra (1988) description of consumer nationalism, which refers to nationalism as a sentiment of supreme consumer loyalty towards a nation-state, having significant effects on attitude and purchase intentions. Consumer nationalists are willing to make sacrifices to purchase a domestic brand because they believe that imported goods may damage their country’s economy. It adopted the other side of consumer ideology of ‘worldmindedness’ from Sampson and Smith (1957) and Skinner (1988), that ‘worldminded’ consumers are those who favour a ‘world view of the problems of humanity and whose primary reference group is human kind’, rather than Americans, Germans, Japanese, etc.

Rawwas et al (1996) constructed a conceptual model that illustrates the effects of two consumer ideologies:
It assumes that consumer ideologies work together with COO cues to influence consumers’ product quality perceptions. Consumer nationalism leads to higher quality perception of domestic products and ultimately affects the purchase intention and purchase action. On the other hand, consumer worldmindedness leads to higher quality perceptions for foreign products. The results of this study basically supported the conceptual model. Respondents were found to adopt either of the two consumer ideologies and it influenced product quality perceptions respectively. It further suggested that companies operating in foreign markets will benefit from analysing the ‘nationalism’ and ‘worldmindedness’ consumer ideologies, as well as considering the traditional segmenting varies, such as demographics and psychographics.

The suggestion of considering ‘nationalism’ and ‘worldmindedness’ as segmenting variables is potentially very valuable for MNCs. Nevertheless, there could be a fundamental miscalculation of the proposed conceptual model. It believes that nationalist consumers rate domestic products as higher quality and worldminded consumers regard foreign products as higher quality, and then ultimately leads to subsequent purchase intentions. What if nationalistic consumers decided to purchase domestic product regardless of the product quality differences? It is
plausible to accept that nationalist consumers, at least highly nationalist consumers, are willing to make a sacrifice on quality to purchase lower quality domestic products, in order to support domestic industry. It is possible, at least in some circumstances, that product quality perception is irrelevant to the purchase of domestic products. Rawwas et al. (1996) also suggested that in some situations, purchase intentions might be explained by other cues, such as price, design and brand associations.

The impact of consumer worldmindedness on CE was further tested by Nijssen and Douglas (2008). It tested consumer worldmindedness, CE and impact on store images amongst consumers in Netherlands. The findings of this study are consistent with Rawwas et al. (1996) that consumer worldmindedness affected CE levels. Consumer worldmindedness leads to favourable association with foreign stores. It seemed that consumer worldmindedness often results in lower level of CE beliefs. The issue of consumer worldmindedness was investigated once again by Nijssen and Douglas (2011) on Dutch consumers’ attitudes toward product position in advertising.

The findings of this study further confirmed consumer worldmindedness’ moderating effect on CE. Consumer worldmindedness has a positive impact on foreign and global consumer culture positioning and a negative impact on local consumer culture positioning. Openness to other cultures and lifestyles and willingness to adapt and try products from other countries and cultures affected consumers’ CE levels. Nijssen and Douglas (2011) further emphasised that exposures to other cultures and international travel experiences, together with consumer worldmindedness significantly affected consumers’ CE beliefs.

2.32.2 Nationalism, Patriotism and Internationalism

Balabanis et al. (2001) did not follow Rawwas et al. (1996) approach of consumer ideologies. It investigated the relationship between ‘nationalism’, ‘patriotism’, ‘internationalism’ and CE. It was tested on consumers in Turkey and Czech Republic.
Balabanis et al. (2001) provided a definition for the three key terms.

“Patriotism refers to strong feelings of attachment and loyalty to one's own country without corresponding hostility towards other nations. Nationalism encompasses views that one's country is superior and should be dominant (and thus implies a denigration of other nations). Finally, internationalism emerged as a distinct dimension and not simply as the opposite end of nationalism. Specifically, internationalism focuses on one's concern about other nations' welfare and reflects empathy for the people of other nations.” (Balabanis et al., p.160, 2001)

It attempted to distinguish between ‘nationalism’ and ‘patriotism’, and used the term ‘internationalism' rather than ‘worldmindedness’. It argues ‘patriotism’ is a lower level, more gentle sentiment compared with nationalism. While patriotism is also related to some of the behaviours associated with nationalistic attitudes, patriots are more moderate and do not indulge in the extremities of nationalists. Both ‘patriotism’ and ‘nationalism’ promote the protection of national interests and identify, however, that patriotism is more gentle and rational and nationalism is irrational and more extreme.

The results of Balabanis et al. (2001) raised some interesting questions. It concluded that neither patriotism nor nationalism has a consistent influence on consumer ethnocentrism. The effects vary from country to country. It believes demographic and cultural differences could explain the variations between countries. In Turkey, patriotism was the main motive for CE. It suggested that it is because of the collectivist characteristics of Turkish societies, which place emphasis on group loyalty. In contrast, nationalism seems to be the main drive for CE in the Czech Republic. Feelings of superiority and dominance seem to find a more fertile ground in the Czech Republic, and translated this into consumer ethnocentrism.

It found no evidence of internationalism influences Turkey and Czech consumers’ empathy towards other nations. Although, the terms adopted by Balabanis et al.
(2001) and Rawwas et al. (1996), ‘internationalism’ and ‘worldmindedness’, embodies slightly different meanings, in essence they both represent the other side of ‘nationalism’. ‘Internationalism’ and ‘worldmindedness’ both suggest a certain level of openness towards values and mindsets of other cultures.

However, the findings of Balabanis et al. (2001) and Rawwas et al. (1996) contradicted each other. Rawwas et al. (1996) believes ‘worldmindedness’ will lead to preference for foreign products, on the contrary, Balabanis et al. (2001) found no evidence of internationalism influences preference of foreign goods.

2.33 Rational, Affective or Normative Choice?

Balabanis et al (2001) tried to distinguish between ‘nationalism’ and ‘patriotism’ with the level of rationality. It suggests patriot consumers are more rational than nationalist consumers. Vida and Reardon (2008) investigated the notion of domestic consumption, whether it is a rational, affective or normative choice? It described domestic consumption as buyers deliberately identify and select domestic products and brands. This study focused on consumer preference formation for domestic against imported products, in the context of a new European Union member state by examining cognitive, affective and normative mechanisms in decision making. It classified product evaluation as a cognitive process, social and personal norms as normative, symbolic and emotional values as the affective dimension of COO. It attempted to determine how the three dimensional effects of COO caused domestic consumption.

Vida and Reardon (2008) did not adopt the concepts of previous studies that define the other side of ‘patriotism’ as ‘worldmindedness’ or ‘internationalism’, but accepted the term of ‘cosmopolitanism’. It addressed individual’s stance toward the home nation as ‘patriotism’ and the preference of outsiders as ‘cosmopolitanism’. The finding of this study was somewhat in line with the conclusion of Rawwas et al. (1996) that, there is a positive relationship between product quality perception and domestic consumption. It means that patriot consumers tend to rate domestic
products as having higher quality than imported ones, which consequently leads to the purchase intention of domestic products. However, the most interesting finding of this study is that, all the three dimensional effects of COO: perceptions of relative product quality, patriotism and CE, all exert a direct and significant impact on consumers’ preference of domestic and foreign consumption. It effectively means cognitive, normative and affective affects all impacted on consumer preference. The previous studies were based on the concept that consumers are rational decision makers, therefore cognitive measures such as product quality, should play a major role in consumer preference. However, Vida and Reardon (2008) concluded that, affective measures like CE followed closely by patriotic attitudes tend to be much stronger drivers of consumer purchase behaviours.

2.33.1 Patriotic Consumers Are Not Rational Decision Markers

The findings of Vida and Reardon (2008) clearly suggest that patriotic consumers are not rational decision makers. For them, the necessity of supporting domestic products and industries drive them to make sacrifices, in some circumstances, they will purchase domestic products even if their product quality perception is low. This casts further doubts of the validity of Rawwas et al. (1996) consumer ideologies conceptual model, in which it essentially argued that nationalist consumers’ high quality perception of domestic products drive them to the purchase of domestic products. However, as Vida and Reardon (2008) argued, nationalist or patriotic consumers could not be rational decision makers. Therefore, the foundation of their domestic consumption is the desire to support domestic products and industries, rather than higher quality perceptions. Although there are different expressions of consumer openness: internationalism, worldmindedness and cosmopolitanism, there is no doubt that nationalism or patriotism plays a key role in forming consumers’ CE beliefs. Nationalism and patriotism are considered as the core components of CE.
2.34 Availability of Domestic Alternatives

Watson and Wright (2000) carried out a study on New Zealand consumers of the relationship between consumer ethnocentrism and consumer attitudes toward foreign manufactured products in product categories that domestic alternatives are not available. It investigated whether cultural similarities were significant to consumer attitude, when domestic alternatives were not available. Refrigerator was chosen as the product category has a New Zealand alternative, and TV and Camera were chosen to represent those product categories without domestic alternatives. Respondents of the mail survey were asked to rate the technical advancement, prestige, workmanship, price, reliability, and value of the products from each country.

The results concluded that amongst New Zealand consumers, ethnocentrism was highly related the evaluation of foreign products, as the results illustrated by a preference for products from culturally similar countries over those from culturally dissimilar countries. For domestic alternatives available product, New Zealand ethnocentric consumers preferred home-made refrigerators to imported ones. As products that had no available domestic alternatives, culturally similar countries like United States and Germany made TVs and Cameras were preferred to culturally dissimilar countries, such as Italy and Singapore.

The significance of this study was to introduce the potential impact of product availability. It was an observation which had not been reflected in the previous studies. Even the well-constructed Shankarmahesh (2006) CE Model did not recognize ‘product availability’ as a factor. It could be a key influence that the previous studies had overlooked. As suggested by Watson and Wright (2000) product availability could play a key part of understanding CE, in which they rightly argued that if there are no domestic alternatives available, the consumers will have no choice but to consider foreign products. However, this does not mean they do not hold CE beliefs. Watson and Wright (2000) made a valuable contribution which
pointed out that the potential impact of ‘availability of domestic alternatives’ cannot be ignored.

2.35 Consumer Ethnocentrism and Product Categories

The moderating effects of product categories have been investigated in a number of studies. Balabanis and Diamantopoulos (2004) conducted a study on the UK consumers about Domestic Consumer Bias (DCB). The study examined the relationship between CE, DCB, and COO in different product categories.

UK was chosen as the home country for this study, six of the most economically developed countries, the United States, France, Germany, Japan and Italy, were selected as the foreign COOs. In terms of product categories, Balabanis and Diamantopoulos (2004) has taken into account of the findings of Watson and Wright (2000), in which they pointed out the availability of domestic product was important to the measurement of CE. There are domestic products available for all the product categories selected for this study. The assessment of consumer preferences for domestic and foreign products was undertaken in the following eight product categories: cars, food products, TV sets, toiletries, fashion wear, toys, do-it-yourself (DIY) equipment, and furniture. It used the widely accepted Shimp and Sharma (1987) CETSCALE measuring scale but reduced from 17 items to 10 items.

Arguably, the most important finding of this study was that, it confirmed that the level of DCB reflected in consumer preference patterns varies from product category to product category. It was clear that home country products were not consistently favoured. Therefore, wholesale generalizations that a company's products will necessarily suffer in a foreign market based on evidence of similar incidents in other product categories cannot automatically be assumed to be true. Researchers should be discouraged about drawing conclusions about general anti-foreign sentiments in a particular country.
Balabanis and Diamantopoulos (2004) established CE was found to be positively related to preferences for domestic products and negatively related with preferences for foreign products. This is consistent with the conclusions of previous studies. However, it further pointed out that, the CE beliefs appears to be more capable of explaining consumers' positive bias toward home products rather than negative bias against foreign products from specific countries. In other words, the effect of CE on UK consumers’ preference for domestic product was more evident than their negativity towards foreign products. The link between CE and consumer preferences was also concluded to vary across product categories. It means that CE impact on one product category is not automatically transferable to other categories.

A comparative study on high CE consumers group and non CE consumers group was conducted by Chryssochoidis et al. (2007) on Greek consumers. It was aimed to evaluate the level of CE in different product categories, its implications on their evaluation of food products, and to examine the relationship between CE and COO. It reached the same conclusions with previous studies that CE impacted on the evaluations of foreign and domestic products. The ethnocentric consumers value Greek products favourably and non-ethnocentric consumers rate foreign products more positively. It also argued the impact of CE was specific to product categories. Chryssochoidis et al. (2007) identified the demographic factors could impact on CE. It concluded age and education levels effected Greek consumers’ CE levels. Older and less educated individuals were more ethnocentric than young and well-educated respondents. A further study by Erdogan and Uzkurt (2010) also confirmed that education level has an impact on CE. High level of CE beliefs Turkish consumers are more likely to be less educated and earn lower income, when compare with low level CE beliefs consumers.

Similar to Balabanis and Diamantopoulos (2004), a further study by Evanschitzky et al. (2008) investigated DCB and CE across 6 countries and 14 product categories. Germany was selected as the home country and United States, France, Great Britain,
Japan, Italy, were used as foreign COOs. The findings of this study were in agreements with Balabanis and Diamantopoulos (2004). It concluded that CE is better suited to explain domestic rather than foreign country bias. It further confirmed the effects of CE are product and country specific, that CE effect for one country and one product category, cannot necessary transfer to other countries and categories.

2.36 Consumer Ethnocentrism and Chinese Consumers

The effects of CE on Chinese consumers were examined by several studies. Wang and Chen (2004) carried out a study in China about the relationships between CE, conspicuous consumption and willingness to buy domestic products. It argued unlike in developed countries, consumers in developing countries might not consider domestic products as higher quality, but has a higher product quality perception for foreign products. Furthermore, consumers in developing countries like China, often associate foreign products with symbolic benefits, regard imported goods as social status symbols. The impact of CE on willingness to buy will be different between developing and developed countries.

In this study, Wang and Chen (2004) referred consumers’ symbolic associations of foreign products and subsequent purchase behaviour as conspicuous consumption. It suggested both higher product quality perceptions of foreign products and conspicuous consumption will have a moderating effect on CE and willingness to buy domestic products. Unlike in developed countries, the impact of CE is not as effective as in developing countries like China. It argued that even ethnocentric Chinese consumers, might not have a preference on domestic products. Foreign products have an advantage over domestic products, in terms of the famous brand name and fashionable image.

Wong et al. (2008) examined the impact of CE and COO on young Chinese consumers’ product quality evaluations and purchase intentions. China was regarded as the home country and Germany was selected as the foreign COO.
Automobile and digital cameras were selected as the test products. It found no evidence of CE impact on consumers’ purchase intentions or product quality perceptions for either product. Wong et al. (2008) concluded that for consumers with high levels of ethnocentrism, they have a more positive assessment of local goods as compare to foreign goods, but the difference is not statistically significant. Even young Chinese consumers with higher levels of CE, there was no evidence of suggesting a positive interaction for either quality evaluation or purchase intentions. Overall, it concluded CE tendencies do not play an important role in high involvement product evaluation and purchase amongst young Chinese consumers.

Wong et al. (2008) further pointed out, the reason for non CE impact, could be the hybrid nature of the products. Young Chinese consumers could come to the conclusion that many of the product components were manufactured in China, therefore, they might not consider many products to be real foreign products.

Some reasonable doubt could be raised with the findings of Wong et al. (2008). The appropriateness of selecting Chinese students to represent the whole young Chinese consumer is questionable. Some of the Chinese students surveyed were overseas students studying in Australia. It only surveyed Chinese students in 1 university in the North East region, which raise further question about representativeness. Nonetheless, a further study by Oh and Zhang (2010) concluded that CE did not negatively affect Chinese consumers’ evaluation of foreign products. A recent study by Parker et al. (2011) produced similar results, it suggested that Chinese consumers have a rather positive view of American products and their CE levels were very low. However, questions could be asked about the validity of these findings. It was conducted amongst ‘economically progressive Chinese college students’, which means the sample could be highly biased.

Studies discussed above, Wang and Chen (2004), Wong et al. (2008), Oh and Zhang (2010) and Parker et al. (2011), all concluded CE did not cause Chinese consumers to evaluate domestic products positively and assess foreign products negatively, and ethnocentric beliefs did not lead to a preference of Chinese products. However,
there are investigations which suggest a different view. Hsu and Nien (2008) examined CE beliefs of Chinese consumers in 2 cities, Shanghai and Taipei. It concluded that CE had a strong influence on preferences of domestic brands. Ethnocentric Shanghai respondents were very loyal to domestic brands and ethnocentric Taipei consumers ranked domestic brands as one of their top choices. It suggested consumers from different regions have different characteristics. It also revealed that ethnocentric consumers in both locations were relatively older, with low education levels, and had less travel experiences. A further study by Wei et al. (2009) supported the findings of Hsu and Nien (2008) that CE affected Chinese consumers’ preferences and geographic variables and demographic variables such as age, income, and education all influenced consumers’ CE levels.

2.36.1 Low to Moderate Level of Ethnocentrism Beliefs

There are disagreements about whether CE affected Chinese consumers’ preferences, Hsu and Nien (2008) and Wei et al. (2009) firmly believe that ethnocentrism beliefs influenced Chinese consumers’ preference of domestic products, but Wang and Chen (2004), Wong et al. (2008), Oh and Zhang (2010) and Parker et al. (2011) all concluded CE did not affect Chinese consumers’ preferences. Nonetheless, despite these disagreements, all above studies revealed there are no particularly strong CE beliefs amongst Chinese consumers. The CETSCALE all scored low to moderate level of CE. Wang and Chen (2004) indicated a moderate level of CE, with an average mean of 4.38. Although Wong et al. (2008) concluded the young Chinese consumers have low level of CE, the CE score was slightly higher than Wang and Chen (2004), with an average mean of 4.79. Wei et al. (2009) indicated moderate levels of CE amongst Chinese consumers which the mean scores range from 3.66 to 4.02. Oh and Zhang (2010) confirmed Chinese consumers have low levels of nationalism with a relative low average mean score of 3.35. Parker et al. (2011) suggested Chinese consumers’ CE levels are low, the mean scores ranges from 2.61 to 3.18. However, it should be noted that this study adopted the 5 point likert scale, instead of standard 7 point scale.
2.4 Consumer Animosity

The bringing together of civilisations has encouraged exchanges of labour, thoughts and trade beyond the traditional boundaries. It has enabled cooperation on an un-precedent level, and created prosperity that has benefited people around the world. Such interactions between cultures also caused struggles, hostilities and conflicts. Tensions between countries sprang from a number of sources, such as territorial disputes, economic arguments, diplomatic disagreements, religious or armed conflicts and war atrocities. Just like the benefits of cooperation, the repercussion and damage created by these tensions and hostilities cannot be ignored. This section reviews the concept of ‘consumer animosity’, its first introduction by Klein et al. (1998) and contributions of various authors over the years. Animosity has been tested in many countries and had proven to significantly affect consumers’ willingness to buy products from a targeted country. It has also further integrated into different aspects of consumer research, such as subject norms and culture.

2.4.1 What’s Consumer Animosity?

Klein et al. (1998) pointed out:

“History is fraught with illustrations of the dramatic and damaging effects of hostility between nations. If international tension can lead to armed conflict and atrocities, it seems plausible that animosity toward a current or former enemy also will affect willingness to buy products produced in or by firms from that country”

(Klein et al., p.90, 1998)

It introduced the concept of ‘Consumer Animosity’ (CA), which argued that the animosity between two countries will affect consumers’ willingness to buy products from the hostile target country. It defined the construct of animosity as “the remnants of antipathy related to previous or ongoing military, political, or economic
events”. (Klein et al., p.90, 1998) This turned a new page in Country of Origin research.

2.41.1 CA, Product Judgments & Willingness to Buy

The animosity model was developed based on two assumptions. First, animosity towards a country can serve as an important and significant predictor of foreign product purchase, that it will affect consumer’s willingness to buy products from a hostile country. Second, animosity’s impact on willingness to buy is un-related to or independent of the product quality judgement, which means consumers are capable of accepting products from such a country as being of good quality but such judgement does not affect their un-willingness to purchase products from that country. The animosity model was presented as follow:

Figure 8 The Original Animosity Model

(Klein et al., 1998)

Klein et al. (1998) identified the research gap on animosity and introduced the concept of CA in the first study in which it sets out to test the animosity model in the People’s Republic of China. China was selected as the ideal test country because of its long term struggle with Japan. This study adopted a street survey approach in
the city of Nanjing where the key event of the ‘Nanjing Massacre’ took place. Apart from testing the participants’ animosity level towards Japan, this study also examined their consumer ethnocentrism beliefs using the CETSCALE. The tests on animosity were separated into two different levels. The overall animosity and then divided into ‘war animosity’ and ‘economic animosity’. A set of statements was developed to test the animosity and the 7 items likert scale was employed as the measurement scale.

**Animosity:**

- I dislike the Japanese.

**War Animosity:**

- I feel angry toward the Japanese.
- I will never forgive Japan for the Nanjing Massacre.
- Japan should pay for what it did to Nanjing during the occupation.

**Economic Animosity:**

- Japan is not a reliable trading partner.
- Japan wants to gain economic power over China.
- Japan is taking advantage of China.
- Japan has too much economic influence in China.
- The Japanese are doing business unfairly with China.

This set of animosity statements were widely adopted by further studies on CA. The results of this study, which applied structure equation modelling, validated the proposed animosity model as an effective model to explain the impact of animosity on willingness to buy.

Klein et al. (1998) established that consumer animosity will impact on the willingness to buy. Chinese consumers harbour animosity towards Japan, due to
historic concerns particularly the Japanese occupation during WW2 and the key event of the ‘Nanjing Massacre’, were unwilling to purchase products from Japan. CA is a significant predictor of foreign product purchase and it negatively related to willingness to buy. The second significant finding was that this impact was unrelated to the product quality judgements. Chinese consumers widely acknowledged Japanese products have good quality, however because of the strong animosity beliefs they were reluctant to buy Japanese products. The above two key findings were established as the foundation of CA theory. Since the concept introduction by Klein et al. (1998), CA has attracted considerable research interest and it has been established as a distinctive field of international marketing research.

2.4.1.2 CA and CE

The subsequent publication of Klein et al. (1998)’s study in the Journal of Marketing, in which it sought to distinguish CA from CE, introduced CA as a new direction of research in international marketing. The lead author, Jill Gabrielle Klein, conducted two further studies to cement CA as an independent subject field. It is important to note both CA and CE are studying the insights of consumer attitudes towards imported goods. Klein and Ettenson (1999) argued that CA and CE are conceptually distinct and presented empirical evidence to support its claims. CE is about consumers’ general beliefs towards foreign products, whereas CA is specific to a particular country and is the result of hostilities stemming from consumers’ perceptions of a target country’s actions. It also pointed out that CA and CE has different consequences. Although both sentiments impact on consumers’ evaluation and perceptions of foreign products, CE affects product judgments and purchase intentions but CA influences purchase intentions that are independent of product quality evaluations. It is the general agreement that consumers hold CE beliefs will view foreign products negatively; in contrast animosity will drive consumers unwilling to purchase products from a target country whilst accepting that their products are good quality. Klein and Ettenson (1999) utilised the data of
US 1992 National Election Study to validate these propositions and concluded that demographic and psychographic variables are significant to US consumers’ animosity towards the Japanese.

Klein (2002) provided further evidence to support that CA and CE are conceptually distinct. In a study focused on US consumers towards Japanese products, in which war and economic animosities caused US consumers to be unwilling to buy Japanese products. It concluded that animosity towards a foreign country is related to choices between foreign goods, while CE impacted on consumer’s preference between domestic and foreign products. This study further suggested CE will affect both product judgment and purchase intention, whereas CA influences purchase intention independent of product judgments. A low level of animosity was found sufficient to affect US consumers’ willingness to buy. Klein et al. (1998), Klein and Ettenson (1999) and Klein (2002) firmly established the foundation of CA and distinguished it from CE to assert it as an independent field of research in international marketing.

### 2.4.1.3 East Asian Countries & Types of Animosity

The original animosity model was tested in China, given that there are tensions between Chinese and Japanese due to historic events, in particular the Japanese invasions and the significant event of the Nanjing Massacre. This is not a China only issue, a number of East Asian countries were victims of Japanese aggression in the WW2.

Shin (2001) moved away from China and tested the animosity model in the Republic of Korea. Similar to China, Korea had a historic struggle with Japan and was the victim of brutal Japanese occupation during WW2. First of all, this study confirmed that the animosity model has a good fit in Korea. Similar to China, Korean consumers’ animosity towards Japanese negatively affected their willingness to purchase Japanese products. And this relationship was independent of product quality judgment of Japanese products, which was consistent with Klein et al.
It was very clear that Korean consumers acknowledged the quality of Japanese goods and at the same time held a certain degree of animosity toward Japan. This consequently affected their purchase intentions towards Japanese products. Shin (2001) successfully validated the animosity model and suggested the approaches of Klein et al. (1998) could be repeated in other countries.

Further investigations were conducted in other East Asian countries. Jung et al. (2002) and Ang et al. (2004) carried out animosity studies in five countries, Indonesia, South Korea, Malaysia, Singapore and Thailand, which were severely damaged by the 1997 Asian economic crisis. U.S. and Japan were considered to be responsible for this crisis and 4 of these countries were invaded by Japan during WW2. These were complex investigations and it concluded that different countries’ attitudes towards the two target countries vary in level and form. In general, four different types of animosity were identified: stable animosity, situational animosity, personal animosity and national animosity. Stable animosity refers to negative sentiments arising from a historical background such as previous economic or military clashes between countries. Over time, individuals who harbour such animosity may not have direct personal experiences in relation to the historical event that initially created such emotions. Situational animosity, however, refers to the negative feelings associated with a specific circumstance. The Asian crisis is an example where situational animosity may occur in Asian countries. Negative sentiments toward a specific country may be generated due to the fallout of the economic crisis. In contrast to stable animosity, situational animosity tends to be short-term and not as deep rooted in societies. Animosity was further classified into national and personal level. “At a national or macro level, animosity towards a country is based on perceptions of how well that foreign country has treated the home country. At a personal or micro level, animosity can be based on negative personal experiences one has with the foreign country or with people from that country.” (Ang et al., p.192, 2004) In the particular case of the Asian economic crisis, national animosity refers to the negative effects on a country’s economic progress and personal animosity is based on hostility arising from personal suffering such as
job loss reductions in one’s standard of living. Leong et al. (2008) conducted a further study on these issues and similar results supported the findings of the previous two investigations.

2.42 Consumer Animosity and Further Developments

2.42.1 Domestic Alternatives

Nijssen and Douglas (2004) added the availability of domestic alternatives into the CA discussion. TV was chosen as the category that has a viable domestic alternative and cars where there were no Dutch brands. Despite close economic ties, Germany was selected as the Dutch continue to harbour hostile sentiments because of the German occupation during WW2. The results of this study suggested animosity was a strong predictor of willingness to buy. This confirms that animosity, and in particular, war animosity is an important variable to consider in relation to attitudes towards foreign products. The availability of domestic alternatives was found to have limited influence on CA, CE, product evaluation and purchase intentions. This is a claim that needs further clarification.

2.42.2 French Nuclear tests

It is clear the sources of animosity of the above studies were centred on war or economic animosity, which was consistent with the original study. Ettenson and Klein (2005) conducted a study on Australian consumers’ reaction to French products in relation to the French nuclear tests in the South Pacific Ocean. That was to test the impact of a sudden event. A longitudinal study approach was adopted in which two tests were conducted, one while France was engaging in nuclear tests and a second test 1 year after the conflict was resolved. As predicted, the immediate test confirmed that Australian consumers’ animosity towards France negatively affected their willingness to buy French products. The second test revealed 1 year after the nuclear test, that although the level of animosity decreased, Australian consumers still held strong negative sentiments towards France, which indicated CA
could have a long lasting effect. This study not only confirmed animosity negatively impacts on willingness to buy but also affected actual purchase behaviour. In this case, because of the nuclear test and subsequent animosity towards France, Australian consumers exercised consumer boycotts of French goods. Ettenson and Klein (2005) re-emphasised the fact that animosity’s impact on purchase intention was independent of product judgments. Australian consumers recognised French products had good quality, nonetheless, it did not affect their purchase intentions and boycott decisions.

2.42.3 Cultural Products

All previous studies were focused on the impact of animosity on tangible products. How does it affect cultural products, such as movies? Russell and Russell (2006) conducted a study on the relationship between COO, animosity and consumers’ movie choices. It was carried out amid waves of anti-Americanism campaigns, which resulted in American cultural exports meeting resistance in some markets due to cultural intrusions. This is particularly evident given the threat of worldwide domination by Hollywood and the presumed cultural homogenization by the U.S. through film and television, common to many movie markets. In this particular case, COO served as a catalyst of animosity. When the origin of the movie was revealed it activated French consumer’s animosity towards US and subsequently shifted their preference towards domestic movies. The results of this study proved that the impact of animosity remains the same on cultural products.

2.42.4 B2B

The research on CA continued to break new ground. Edwards et al. (2007) carried out an examination of the effects of animosity in B2B markets. It focuses on the consequences of French nuclear tests on French firms operating in Australia, one year after the event had occurred. The business performances of French company subsidiaries in the Australian region near the nuclear test sites were investigated. It concluded that the French nuclear test had a significant effect on French firms in
Australia and New Zealand. French firms had experienced considerable deterioration in business since the incident occurred. However, the impact in B2B market was less than B2C market. This could be due to the different efforts firms put in to deal with the responses. Market entry mode was identified to be significant. Local partnerships were found to be effective in reducing the effects of animosity, which was consistent with the findings of Amine et al. (2005).

2.42.5 Time a Factor?

The longitudinal study approach was previously adopted by Ettenson and Klein (2005), where 2 tests were conducted, one during the time of the French nuclear test and one year afterwards. Although animosity faded after one year, Australian consumers still held strong negative sentiments towards France. Edwards et al. (2007) conducted a study 1 year after the French nuclear test in which animosity towards France still existed and significantly affected French firms’ business performances in Australia. It is clear both studies suggest that animosity could have a long lasting effect. Amine (2008) investigated animosity towards US and France, which were labelled as ‘Anti-Americanism and Francophobia’, using several decades of scholarly articles and ethnographic fieldwork in France and the US. It revealed inconsistencies and variability in national expressions of consumer animosity. Although animosity could fall to low levels of intensity, it is clear that animosity existed over the entire time of investigation and was influenced by key events, such as war in Iraq. There is no doubt that animosity is not a onetime phenomenon that fades away swiftly but deeply felt sentiments which are retained against time. Inconsistencies and variability did exist which underlined the necessity for longitudinal studies and investigations in specific and historic contexts.

2.42.6 Product Importance and Necessity

If CA is investigating the impact of tensions and hostilities between nations on consumer behaviour, the US-Iran relationship provides one of the most suitable settings in the current context. The two countries have suffered military clashes,
terrorism and proxy wars in the last 30 years. The current Iranian nuclear issue has the potential for further military interventions. It is reasonable to accept that there is deep mistrust and animosity between these two countries. Bahaee and Pisani (2009b) conducted two studies in Iran to examine the effects of animosity on US products. These two studies were published in quick succession and the impact of animosity in Iran is interesting, because the findings seemed to be contradictory. Bahaee and Pisani (2009a) found that animosity significantly affected Iranian consumers’ purchase intentions of US products. The tensions and hostilities had made Iranians unwilling to purchase American goods. Demographic variables such as age, gender, income and experiences of foreign travel were concluded to be relevant to the levels of animosity. Product importance and necessity were unrelated to animosity’s effect on purchase intention. The second study revealed interesting insights into Iranian consumers and to some degree was inconsistent with the findings of the first study. It suggested that despite the high tensions between governments, the level of animosity had not transferred into Iranian consumers. Education level was found to be significant, as more highly educated consumers seemed to distribute some of the blame to their own government hence held low levels of animosity. This, coupled with the growing sense of openness, had driven some Iranian consumers to consider Americans products favourably, which means the effects of animosity were somewhat limited.

2.4.2.7 Social Pressure

The impact of social pressure on CA was studied by Maher and Mady (2010). It investigated the incident involving the depiction of the Prophet Mohammed in the Danish press, and the impact of such an incident on the perceptions of and preferences for Danish products by Kuwaiti consumers. The findings of this study supported that animosity did not lead to less favourable product judgement but is associated with less willingness to buy products from a target country. Maher and Mady (2010) suggested animosity seemed to overpower the effects of product judgement. The results also indicated that several factors other than animosity
could affect consumer intention to buy products from a target country. In terms of
the overall effects, animosity is the most important factor, followed by social
pressure. It is evident that social pressure was a significant factor and the influence
of reference groups cannot be ignored.

2.42.8 How to Mitigate Negative Effect of Animosity?

Amine et al. (2005) has taken CA to a further step by addressing how to mitigate the
negative effect of animosity in a hostile market. They adopted a case study
approach which studied Taiwan’s image campaign and the Taiwanese company
Acer’s practices in mainland China. There are tensions and hostilities between
Taiwan and Mainland China, ever since the Nationalists lost control of China to the
Communists and fled to the island in 1947. Taiwan claims to be a separate country,
but mainland China still consider it as one of its provinces and has frequently
threatened to use force if Taiwan seeks formal independence. Understandably, a
company like Acer could face considerable challenges in mainland China. This study,
suggested that Taiwan’s ‘country’ image campaign could help Acer’s effort to
mitigate the negative effects of COO and animosity. Further helped by Acer’s
effective marketing and positioning strategy that focused on Acer’s brand name
and portrayed it as a viable price-quality alternative, successfully reduced the
effects of animosity. Working with a local partner has proved to be an effective
strategy to tackle hostility and negative image problems. Edwards et al. (2007)
supported the notion that to build partnership with a local company could reduce
the effects of animosity.

Jimenez and Martin (2010) investigated the role of trust, COO and animosity. This
study indicated that the reputation of firms associated with a COO can safeguard
international transactions and create trust in foreign firms, and may decrease
interrelated emotional consumer reactions such as animosity and ethnocentrism.
Familiarity with a country’s products and brands could override possible effects of
animosity because the consumers already possess more knowledge of the origin
and the firm. To build a good reputation in a foreign market could be very beneficial when tensions rise and subsequent animosity appears. Lwin et al. (2010) proposed the use of symbols to tackle cross cultural miscommunication. Symbols could mitigate negative effects and animosity by reminding people of the multiple social categories to which they belonged. To emphasis the shared meanings and understanding could overcome negative associations.

2.43 Need to Change?

The research on CA was principally inspired by Klein et al. (1998) and subsequent studies largely followed the key arguments and measurements set out by the original study. The key contribution was the introduction of an animosity model to demonstrate that animosity will negatively affect willingness to buy independent of product judgement. The common approach adopted by further studies was to test the effects of animosity in another country and in some cases bring in other moderators such as domestic alternatives and social pressure. As a result of that, the findings of CA research were limited by the reach achieved by the original investigation. However, as the CA arguments continue to push into new territories, some have started to challenge the original thinking.

2.43.1 Animosity Fades Away?

The general understanding was that animosity is not a onetime phenomenon, Ettenson and Klein (2005), Edwards et al. (2007) and Amine (2008) all concluded that animosity has a long lasting effect. Heslop et al. (2008) carried out a longitudinal study of the impact of the French nuclear test on Australian consumers’ attitudes towards French products. It conducted three tests before, during and after the nuclear test in 1992, 1995 and 2005. As expected, the nuclear test caused animosity towards France which affected Australian consumers’ purchase intention of French goods. Australian consumers protested in the streets over the French actions and there were boycotts of French goods. However, nine years after the incident, attitudes showed signs of significant recovery even beyond pre-incident
levels. It seemed the animosity towards France had faded significantly. This is inconsistent with the previous findings and needs to be addressed by further examination.

2.43.2 Sources of Animosity

In the original study, animosity was assessed on two levels – general animosity and war and economic animosity, using a set of attitude statements. This measurement method was principally adopted by subsequent studies in CA. Riefler and Diamantopoulos (2007) pointed out that war and economic based factors were presumed to be the standard sources of animosity widely accepted by fellow researchers. However, there is a concern that many possibly relevant sources of animosity were ignored. Taking this into account, they conducted an investigation of Austrian consumers’ animosity towards foreign countries. US, Germany and Turkey were found to be the three target countries that Austrian consumers held animosity towards. Moving away from the standard war and economic based causes, this study revealed a number of sources of animosity aimed towards different countries.

The outstanding source of animosity towards the US is foreign policy and economic policy, for example, US was perceived as taking advantage of its economic power at the expense of other nations. This factor was followed by current issues and the rejection of the US President George Bush and his policy in Iraq. Other elements contributing towards the animosity were American mentality and way of life and the existence of the death penalty. In terms of animosity towards Germany, as expected, the occupation during WW2 was significant. The German mentality, loss of Austrian identity and economic issues all contributed to the animosity towards Germany. Similarly, Turkish mentality, role of women and religion were the key issues associated with Turkey.

Riefler and Diamantopoulos (2007) underlined the necessity to explore a wider range of sources of animosity and extended these sources into war-related, political,
economic and personal factors. Although economic and war related issues play an important role as drivers of animosity, there are further sources that have considerable impact on consumers’ negative feelings towards foreign countries.

**Figure 9 Riefler and Diamantopoulos (2007) Sources of Animosity**

2.43.3 *Independent of Product Judgement?*

Another core aspect of the animosity concept to be questioned is, whether animosity affects purchase intention independent of product judgement. Klein et al. (1998), Klein and Ettenson (1999) and Klein (2002) established that animosity will affect willingness to buy, independent of product judgement. This means that consumers will be unwilling to buy products from a country that they hold animosity against, while acknowledging their products have good quality. It is one of the key distinctions between CA and CE. This was the generally accepted notion and shown to be true in a number of different countries. However, this key argument has been challenged in some recent studies.

Leong et al. (2008) carried out an animosity study in five countries: Indonesia, South Korea, Malaysia, Singapore and Thailand, where were all severely damaged by the
1997 Asian economic crisis. U.S. and Japan were considered to be responsible for this crisis and four of these countries were invaded by Japan during WW2. The results of this study suggest that animosity negatively affects consumers’ willingness to buy U.S. and Japanese products. However, it also revealed animosity negatively affected the consumers’ evaluation of U.S. and Japanese products. This contradicts the previous findings that animosity affects purchase intention independent of product judgment, which was the foundation of CA theory. Maher and Mady (2010) concluded that animosity does not lead to less favourable product judgment but is associated with less willingness to buy products from a target country. It means that product judgment was not completely un-related to purchase intentions. This was further supported by Huang et al. (2010b), who examined how CA, economic hardship and normative influence affect consumers’ purchase intention. It tested Taiwanese consumers’ attitudes towards Japanese and Chinese products. The results confirmed animosity influenced both Taiwanese consumers’ purchase intention and product evaluation on Japanese and Chinese products. There is no doubt that the notion that animosity affects purchase intention independent of product judgment has been effectively challenged. Further clarifications on this fundamental issue of CA theory are urgently needed to address the contradictions. This indicates CA is a much more complex issue than originally anticipated.

2.44 Refocus?

There is no doubt that CA is an important area of international marketing research. Animosity can serve as a significant predictor of attitudes towards foreign product purchase. In recent years, CA has attracted research interest. Nevertheless, by reviewing the relevant literature above, it is clear that a number of key issues need to be clarified.
2.44.1 Sources of Animosity

The original study Klein et al. (1998) identified war and economic based animosity as the sources of Chinese consumers’ hostility towards the Japanese. Although some other issues had been highlighted, such as the French nuclear test in the South Pacific Ocean Ettenson and Klein (2005), Edwards et al. (2007), Heslop et al. (2008), war and economic based animosity were widely adopted by subsequent studies in CA as the standard sources of animosity. Riefler and Diamantopoulos (2007) argued this limited the reach of CA and there is an urgent need to explore other sources of animosity, which subsequently identified foreign and economic policy, war in Iraq, religion, identity and mentality etc, all contribute to the animosity aimed at three different countries. It is clear that wider range sources of animosity had been ignored by some previous studies. As a fundamental issue of CA, this needs to be addressed. Expanding into new grounds, such as influences of domestic alternatives, are important developments of the CA theory, however, it is equally important to go back to the original animosity model and explore wider range of sources of animosity.

2.44.2 Animosity, Product Judgment & Willingness to Buy

One of the significant findings of Klein et al. (1998) was that animosity will affect consumers’ willingness to buy independent of product judgment. This means consumers could be unwilling to purchase products from a certain country while acknowledging their products have good quality. Product quality assessment will not affect animosity’s affect on purchase intentions. Klein et al. (1998), Klein and Ettenson, (1999) and Klein (2002) established that animosity’s effect on willingness to buy independent of product judgment as one of the key distinctions between CA and CE. CE will affect both purchase intention and product judgment but CA will impact on purchase intention alone. This is one of the fundamental features of the effect of animosity.
Subsequent studies after Klein et al. (1998) largely followed and adopted this notion. However, some recent publications have started to challenge this argument. Leong et al (2008), Maher and Mady (2010) and Huang et al. (2010) all concluded there is an interaction between animosity and product judgement, consumers who harbour animosity towards a certain country will view their products negatively. The relationship between animosity, willingness to buy and product judgement was at the centre of the argument. As illustrated in the following diagram, the core of the argument is whether animosity will impact on product judgment. However, in terms of the impact on willingness to buy, this could be irrelevant. The key argument of animosity should focus on the fact that due to the strong nature of the effect of animosity, it is capable of influencing willingness to buy independently; Just as product judgment could affect willingness to buy on its own. Whether or not animosity will affect product judgment is a mere side argument, the fundamental issue is that animosity can directly and significantly affect consumers’ purchase intentions. To continue to test and validate CA’s direct impact on willingness to buy is a more important issue than its influence on product judgment.

Figure 10 The Animosity Triangle

2.4.4 Need to re-focus?

Studies on animosity have advanced further into new grounds since its first introduction by Klein et al. (1998), it is equally important to clearly define the boundaries and re-focus on the fundamental issues. Although the majority of
research has concentrated on the animosity between two countries, a few studies have extended consumer animosity in the context of civil war or internal ethical conflicts. Hinck (2004) and Hinck et al. (2004) investigated hostility between the former Eastern and Western Germany. Shimp et al. (2004) studied the divide of US South and US North caused by the 1861-1865 civil war. Despite the fall of the Berlin wall in 1990 and the American civil war which occurred in the 19th Century, there is no doubt that both events could create long lasting tensions between the opposing sides. However, doubts could be raised as to whether hostilities between two countries are comparable to the tensions of civil wars or internal differences. Conflicts between two countries and internal struggles often have distinct historic origins, magnitude and subsequent influences. This poses question marks as to whether the same animosity principles, sources and measurement models could apply to internal affairs. Therefore, to expand animosity research into internal matters within one country requires further conceptual refinements.

Two further studies attempted to bring internal ethnic conflicts into the consumer animosity discussion. Cicic et al. (2005) studied the impact of internal ethnic animosity between Bosnian, Serbian and Croatian populations on willingness to buy products. Although it can be debated that internal ethnic conflicts are different to hostilities between nations, the separation of countries provided a good argument that the broad consumer animosity principles could be applied to this particular case. Nevertheless, Shoham et al. (2006)’s examination of the tensions between Jewish and Arab Israelis adopting Klein et al. (1998) original animosity theory is a step too far. Following the 2000 Palestinians’ uprising against Israel’s occupation of the West Bank and Gaza, Shoham et al. (2006) investigated the impact of the conflict between Arab and Jewish Israelis on the latter’s reactions to products and services provided by Arab Israelis. The internal conflicts between Jewish and Arab Israelis have unique political, cultural and religious origins. It is questionable whether such complex internal ethical conflicts may be examined using a theory that was originally designed to test the impact of animosity between countries on consumer purchase intentions. An examination of the impact of animosity between
Israel and Arab states would be more in line with animosity theory and have the potential to make significant contributions.

Looking forward, there are three areas which need further attention. First of all, although other sources of animosity have been investigated, war and economic based factors are still been adopted as the standard causes. More efforts dedicated to looking into reasons and bases of animosity will make a significant contribution. A wider variety of sources will trigger fresh doubts as to the construct of the animosity model, which means more tests and adjustments to the model will be necessary to explain the full impact of consumer animosity. Second, there have been contradictory findings as to whether the effect of animosity on willingness to buy is independent of product judgment. While this study has argued that the crucial aspect is that animosity is capable of influencing willingness to buy on its own, clarifying the relationship between animosity, willingness to buy and product judgement will nonetheless assist in a better understanding of the effects of animosity. Finally, there is a clear case to re-focus on the fundamental issues of animosity but not be blindly driven into toxic issues such as civil wars and internal ethical conflicts which are out of the line of animosity’s intentions on tensions between countries. The original investigation conducted in China examined animosity towards Japanese in one city –Nanjing. More than a decade later, there was only one further study on this issue conducted by Ishii (2009) in Shanghai. Whether consumers from other parts of China harbour animosity towards Japanese is an intriguing prospect.
2.5 Conclusions

There is no dispute about whether COO affects Chinese consumers’ product perception, evaluation, preference and willingness to buy. However, due to positive perception of foreign products, such as higher quality, better design and symbolic benefits, studies that adopt the simplistic approach firmly show that Chinese consumers overwhelmingly favour foreign products. In contrast, investigations following the cautious approach argue that China cannot be considered as a single homogeneous market. The regional differences, changing nature and internal complexity cannot be ignored. Chinese consumers cannot be regarded as completely favouring foreign products. Some Chinese consumers prefer local Chinese products. As established by previous studies, product categories have a moderating effect on COO.

In terms of CE beliefs, all studies conducted in China concluded there are no strong ethnocentrism beliefs amongst Chinese consumers. It has been established that Chinese consumers have a low to moderate level of CE. Geographic and demographic variables such as age and education significantly influence CE beliefs. However, there are disagreements as to whether CE affected Chinese consumers’ preference for domestic products. Some studies have concluded ethnocentric beliefs lead them to prefer Chinese products, other studies suggested CE has no impact on consumer preference.

The original animosity model has been questioned. A wider range of sources of animosity should be further investigated. The relationship between animosity, product judgment and willingness to buy has generated contradictory findings. It seems reasonable to suggest new research on animosity should focus on addressing the above key issues, instead of advancing into new areas. In particular, clear boundaries should be identified that animosity is concentrated on hostilities between countries but not engage in civil wars and internal ethical conflicts. Going back to the drawing board to address the fundamental issues, such as sources of
animosity, will no doubt help to clarify the confusions and address the key concerns, before moving on to the next phase. Since Klein et al (1998) established that Chinese consumers have strong animosity towards the Japanese and it significantly affects their willingness to buy Japanese products, there has been only one further focused study on this issue. To examine whether animosity towards the Japanese has changed and if it exists in other regions of China will make valuable contributions.
Chapter 3 Methodology

3.1 Introduction

This chapter explains the rationale of this study's methodology. It introduces the purpose of the research and establishes the philosophical foundations. Justifications and rationalization of the research design are provided, including the sampling methods, data collection, measurement, analysis methods, validity and reliability considerations. It explains the benefits of the testing and pilot study stage and attempts to overcome the potential bias caused by the language issue. Naturally, as time and resources are restricted, there are limitations in this study which are presented at the end. This chapter aims to portray an overall picture of the methodological considerations and discusses the safeguards in place to avoid bias.

3.2 Philosophical Foundations

The researcher's philosophical position determines the values, views and perceptions of the world. There are different understandings of the relationship between philosophy and knowledge that have been actively debated for centuries. Although some common ground has been reached, deep divisions remain in many respects. The philosophical understandings ultimately influence research methodology, therefore it is important to clarify the researcher’s understanding.

A focal point of philosophical argument is the competing research paradigms. The term ‘paradigm’ is interpreted differently by various contributors. Bryman and Bell (2011) identified Kuhn as the key contributor towards the concept of ‘paradigm’, it states “a paradigm is a cluster of beliefs and dictates which for scientists in particular discipline influence what should be studied, how research should be done and how results should be interpreted” (Bryman and Bell, p.24, 2011) There are several different paradigms followed in social science. The following section will
discuss research paradigms that are relevant to the present study, including ‘positivism’, ‘interpretivism’ and ‘pragmatism’.

3.21 Pragmatism

Similar to the ontological and epistemological debate, philosophers on the opposite sides of the competing paradigms have fought fierce battles. This is the so called ‘paradigm wars’, and to a certain extent the disagreements continued to this present day. However, this current study follows the philosophical thinking of ‘pragmatism’ that ‘positivism’ and ‘interpretivism’ are not completely incompatible, but could co-exist to benefit social research.

3.21.1 Pragmatism and Research Methods

Pragmatism is a relatively modern research paradigm. Its roots can be traced back to predominately American but also European philosophers staring from the 1980s. Tashakkori and Teddlie (1998) is a major advocate of ‘pragmatism’ and the associated ‘mixed methods’ research strategy. Tashakkori and Teddlie (1998) pointed out that Howe (1988) first suggested using ‘pragmatism’ as a separate research paradigm, and maintained that quantitative and qualitative inquires are compatible. Tashakkori and Teddlie (1998) further suggested that the development of pragmatism is based on the argument that ‘positivism’ and ‘interpretivism’ are not incompatible but could co-exist. Tashakkori and Teddlie (1998) cited the contribution of Datta (1994) that provided five persuasive and reasonable explanations for the coexistence of the quantitative and qualitative methodologies and their associated paradigms:

1. Both paradigms have been used for many years
2. Many researchers and contributors have argued passionately for both paradigms
3. Funding agencies have supported both paradigms
4. They both have influenced policies
5. Both paradigms have been taught extensively

Reichardt and Rallis (1994) went a step further to analyze the compatibility of quantitative and qualitative inquiries. It emphasized that there are sufficient similarities in fundamental values between these two methodologies to form a realistic and coherent partnership. Both methodologies held beliefs in the value-based inquiries, agreed that the theory originated from facts and reality is multiple and constructed. Two methods also acknowledge the importance of understanding and improving human conditions, the complexity of the nature of world and social phenomena, and communicating research results to inform decisions. It is argued these shared beliefs build a solid foundation for quantitative and qualitative inquiry to co-exist and benefit the better understanding of complex social phenomena.

In terms of this current study's perspective, it follows the pragmatists’ view that quantitative and qualitative methods are compatible, and the combination of these two methods benefited the researcher to better address the research questions. The purpose of this study is to establish UACC’s preference between foreign and Chinese products, and the rationale behind the decision making. The complexity of the research questions determined the adaptation of both quantitative and qualitative methods. The quantitative investigation could provide an overall picture of UACC’s product preferences and test relevant factors which caused such preferences. It also enables the examination of the levels and extent of CE and CA beliefs amongst UACC. In the meantime, the qualitative study could provide rich information about the background, rationale and potential consequences of CE and CA in particular consumer groups. This will assist to build deeper levels of understanding of these key issues. Furthermore, the mixed methods approach will enable the process of triangulation to cross-validate research results in key areas to contribute a robust understanding on this particular social phenomenon. The approach of this present study demonstrated the benefits of ‘pragmatism’ that quantitative and qualitative methods can co-exist to solve complex problems.
Triangulation

Pragmatists utilize both quantitative and qualitative methods to address research questions. This enables the process of triangulation which Tashakkori and Teddlie (1998) emphasised as a key advantage of mixed methods studies. Triangulation utilises multiple data sources to cross validate research findings to better understand social phenomena. Although many researchers recognise the strengths of both research methods, it is argued that a mixed methods approach is superior to single method research due to the fact that multiple data sources provide grounds for triangulation. More details about triangulation are provided in the section on research design.

3.21.2 Importance of Research Questions

A distinct characteristic of ‘pragmatism’ is that pragmatists consider the research question to be more important than the research method or the philosophical position that underpins such methods. Researchers who follow the beliefs of pragmatism prefer addressing the research questions with all methodological tools available, whatever serves the purpose. Pragmatic researchers are predominately concentrating on the thorough investigation of the research problem, method is secondary to the research question, and their philosophical positions of the world are merely attached in the abstract sense. It is argued that while positivists and constructionists often engage in active debate on their competing paradigms and subsequent resolutions, pragmatists are more focused on the analysis of the results to adequately address the research question.

The researcher of this present study believes the most important issue is to answer the research questions. It is the research question which determines what kind of research methodology should be employed. This study focuses on UACC’s preference between foreign and Chinese products, and how COO, CE and CA influence the consumers’ decision making process. It does not follow positivists’ belief that quantitative methods and deductive reasoning is the best way of
problem solving, or the logics of Interpretivism that inductive reasoning and qualitative methods are best suited to address research questions. The researcher of this study believes the complexity of the research questions requires the combined strengths of quantitative and qualitative methods could address to research questions effectively.

3.22 Epistemological and Ontological Considerations

It is important to acknowledge that there are different approaches towards the understanding of the nature of the world and knowledge creation. This is referred to as ‘ontology’ and ‘epistemology’. The divisions in ontological and epistemological underpinnings often lead to the acceptance of fundamentally different paradigms. Therefore it is necessary to clarify the researcher’s considerations on these matters.

3.22.1 Ontology

The term ‘ontology’ is used in very different ways in different traditions of philosophical thinking. In general, it is concerned with the nature of reality, the assumptions we make about the way in which the world works. There are two main competing theories: ‘objectivism’ and ‘subjectivism’

Objectivism

Bryman and Bell (2011) states that “objectivism is on ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors. It implies that social phenomena and the categories that we use in everyday discourse have an existence that is independent or separate from actors” (Bryman and Bell, p.21, 2011) It is believed that social phenomena are external facts that are beyond our reach or influence. When applied to social science, this means the social phenomena, organisation and culture we study, have an independent existence external to our control. Therefore, social phenomena’s independent existence and meanings is a reality of its own.
Subjectivism

Subjectivism, in contrast, “asserts that social phenomena and their meanings are continually being accomplished by social factors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision”. (Bryman and Bell, p.22, 2011) The central argument is that, social Knowledge is created through social interactions and is subject to constant changes. Therefore, unlike the view of objectivism, knowledge and meanings are not absolute, but less certain and should be adjusted through social interactions.

Pragmatists’ View of Ontology

Pragmatism somewhat accepts both ‘objectivism’ and ‘subjectivism’ views on the nature of reality. Pragmatists acknowledge there is an external world independent of our minds. However, as Tashakkori and Teddlie (1998) pointed out, pragmatists deny knowledge can be determined once and for all. It is subject to change through different social interactions. Therefore, there are difficulties in achieving true knowledge. They are also unsure if one explanation of reality is better than another. From the current study’s perspective, the researcher believes there are certain factors that influence UACC’s product preference, such as consumer animosity. These factors’ existence is independent of our minds. However, these are not absolute explanations. Consumers from various backgrounds could have different reasons for their preferences, and these could change over time. Thus, there are considerable difficulties in establishing all the relevant factors contributing to UACC’s overall product preference. A mixed methods design was considered to be the most effective approach to achieve the best desired outcome.

3.2.2 Epistemology

Epistemology is the technical term refers to the nature of knowledge and how knowledge is generated. These two alternative views have dominated the earlier
stages of this great debate and continue to oppose each other’s persuasions till this present day.

**Positivism**

Broadly speaking, positivism is a philosophy that argues for the application of the methods of natural sciences to social sciences and therefore assumes the unity of the sciences. Fundamentally, positivism is the notion that science is the study of an objectively existing reality that is independent of the discourse of outside influence. Delanty (2005) describes “in the most general terms positivism entails the view that scientific knowledge can be positively verifiable, in contrast to dogmatism, speculation and superstition. Positivistic knowledge is thus knowledge that is based on sure and certain foundations.” (Delanty, p.10, 2005) Therefore, positivism bases knowledge entirely on recognizable facts and rejects all forms of speculation. Tashakkori and Teddlie (1998) emphasised that in terms of ontological considerations, positivists follow the philosophical thinking of objectivism, that there is a single reality. Positivists’ epistemological position leads them into believing that the observer and knowledge are independent. Therefore, positivists believe in deductive reasoning, which focuses on arguing from the general to the particular, often heavily relying on testing of a prior hypothesis or theory. This results in the adoption of predominately quantitative research methods.

**Interpretivism**

Interpretivism is the contrasting philosophy of positivism, it is also known as ‘constructivism’ or ‘naturalism’. Delanty (2005) suggested interpretivism runs through the hermeneutical tradition which cited the key contribution to social science of Max Weber. Weber suggested that positivistic orientation was limited not only in explaining social and cultural problems but also in understanding the social world. Interpretivism is based on the understanding that social reality is considered as a meaningful construction and not as a single objective reality. Interpretivism believes in the power of gaining knowledge in the form of
interpretation of social phenomena. “Hermeneutics, which means interpretation, stand for the subordination of explanation and description to interpretation, which cannot be reduced to mere observation” (Delanty, p.42, 2005) Interpretivism believes that the structure of social reality consists of human meaning that is far too complex for observation to provide a realistic understanding. To gain true knowledge, social scientists must interpret to reach the deeper levels of reality. Interpretivism believes that there is not a single reality, but multiple constructed realities. It understands that the observer and knowledge are inseparable. Interpretivism follows the inductive logic that puts emphasis on arguing from the particular to the general reality.

**Pragmatists’ View of Epistemology**

In terms of the epistemological position, Tashakkori and Teddlie (1998) suggested pragmatists challenged the incompatible insistence of the competing views, either a singularity or dual existence, either an objective or a subjective knowledge. Pragmatists believe knowledge can be both objective and subjective in the investigation of a particular research question. It is perfectly acceptable that during the research process, at some points the researcher could be more subjective and at other times maintain an objective stance. There are occasions, when the knower and the known must interact and at other times are able to detach from the studying object. The embrace of both subjective and objective reality leads pragmatists to adopt both qualitative and quantitative methods.

Tashakkori and Teddlie (1998) further summarized that the key differences between positivists and interpretivists on the nature of reality concentrate on the existence of an objective and external reality. The positivists conclude such a single objective reality exists, however, the interpretivists insist such realities are only multiple and subjective. Nonetheless, the pragmatists held a unique view on the nature of reality. First of all, they agree with positivism that there is external reality and that the external world is independent of our minds. However, pragmatists reject the idea
that the reality can be identified once for all. There could be multiple explanations to a particular research problem.

The researcher of this study follows the philosophical thinking of pragmatism. The focus of this study is to investigate the UACC’s product preference between foreign and Chinese products. The researcher believes there are external factors influencing such decision making that are independent of all minds. However, it is anticipated that there is no single absolute factor dictating such preferences, but a range of factors could influence this particular issue. There could be multiple explanations to consumers’ product preferences, including country of origin, consumer ethnocentrism and consumer animosity. Furthermore, these effects could be moderated by demographic and geographic variables. However, despite these variations, there are consistent and coherent patterns that can be identified by applying both quantitative and qualitative research methods.

3.3 The Research Design

The research design sets out the overall structure of the research project. Bryman and Bell (2011) points out that a research design provides a logical framework for the collection and analysis of data. The choice of research design reflects decisions about the priority given to a range of dimensions in the research process, including expressing causal connections, generalizing to larger groups of individuals, understanding the meanings of behaviour or the appreciation of social phenomena. de Vaus (2001) emphasised that a research design is not just a work plan, the function of a research design is to ensure that the evidence obtained is able to answer the specific research question as unambiguously as possible. It further pointed out that research design addresses a logical problem rather than a logistical problem. Therefore, the research design is to provide a logical framework for the collection and analysis of data that fulfil the research objectives and answer the original research question.
3.31 Comparative Design

There are different types of research designs, Bryman and Bell (2011) classified them into five different categories: experimental design, cross-sectional design, longitudinal design, case study design and comparative design. It should be noted these are not necessarily mutually exclusive. Depending on objectives and research methods employed, a study could have multiple characteristics. To fulfil the research objectives is the primary consideration in the selection of research design, access to data and time and resources availability will affect the viability of the design selection.

The present study adopted the comparative research design. Bryman and Bell (2011) pointed out comparative design “entails the study using more or less identical methods of two or more contrasting cases.” (Bryman and Bell, p.63, 2011) This research design embodies the logic of comparison, that we can better understand social problems when comparing two or more cases or situations. In comparative research design there are at least two cases, quite often many more than two cases and the data are collected separately usually within a cross-sectional design format. This approach does not restrict to data format, it is suitable to collect either quantitative or qualitative data.

Comparative research design is most commonly applied in cross-cultural or cross-national studies. A particular social phenomenon is examined in two or more countries with the intention of comparing the outcomes in different socio-cultural settings such as lifestyles, values and traditions, or to obtain a greater awareness and deeper understanding of social reality in different national contexts. Nonetheless, comparative design is not limited to different cultures or nations, within the same country or culture. This approach could be applied to study the characteristics in different social settings. This present study investigates Urban Adult Chinese consumers’ product preference between foreign and Chinese products and the factors influencing such decision making. It sets out to examine
the regional differences of Northern and Southern China, and the variations between demographic considerations: age groups, education levels and gender. By comparing the different results, it aims to establish meaningful differences between these variables and seeks to understand the factors contributing to such divisions. This requires collecting data from Northern and Southern China using identical methods and obtaining data from a mixture of demographic backgrounds.

3.32 The Purpose of the Study

Business research can be generally categorised into applied research and basic or fundamental research. According to Saunders et al. (2009), applied research refers to studies triggered by current business and management practices and attention was given to resolve these problems, therefore applied research often has practical consequences. Fundamental research, in contrast, is concentrated on expanding knowledge and understanding of general phenomena or problems that are associated with business activities and organisational settings. It adds to the general body of knowledge in a particular area of research, which may or may not have immediate managerial implications. Applied research is often conducted by business organisations and fundamental research is normally carried out in academia or by research institutions.

The present study falls into the category of fundamental research. It investigates a general area of research which focuses on Chinese consumers’ product preference between foreign and Chinese products and expands into the effects of Country of Origin, consumer ethnocentrism and consumer animosity. This aims to add general knowledge and understanding of Chinese consumers. The findings of this study could potentially benefit foreign and Chinese companies that aspire to capitalise on the growing Chinese consumer market. It also provides insights as to how the origin of a product could impact on its perception, acceptance and willingness to buy amongst increasingly sophisticated Chinese consumers. Nonetheless, this study is
not established to solve a particular business or management problem, but to add knowledge and understanding to the Chinese consumer market.

The purpose of this study can be classified as comparative in nature combined with the characteristics of exploratory and explanatory investigation. It aims to explore Chinese consumers’ preference between foreign and Chinese products and provide insights of the factors that influence the decision making.

3.3.2.1 Comparative Nature of the Study

The comparative research design determines the comparative nature of this study. It seeks to establish the differences between demographic variables, to establish whether gender, age groups and education levels will have meaningful differences in a number of different issues. Furthermore, to test the regional divide between Northern and Southern China is a key feature of this study. As suggested by previous studies, particularly by Cui (1999) and Cui and Liu (2001), in a complex market like China it is very important to study its internal differences. Northern and Southern China have different economic conditions, historical associations and social-cultural background. Whether these differences influenced attitudes towards foreign and domestic products is the focus of this investigation. This present study aims to test the regional difference between Northern and Southern China and the variations between demographic considerations, in terms of their preferences between foreign and Chinese products and the impact of COO, CE and CA.

This investigation is primarily to establish whether such meaningful differences between locations and demographic variables exist. If the comparative studies identify such differences, it will further seek to explore and investigate the reasons that caused such divisions. However, it should be noted the reasons and the establishment of causal relationship are of an exploratory and explanatory nature. The combination of these characteristics of this study is to provide a comprehensive and in-depth understanding of the key research questions. Different elements of
this investigation are designed to complement various aspects of the research question and build a robust insight into the key issues.

### 3.32.2 Exploratory Nature of the Study

Robson (2002) classifies exploratory studies as a valuable approach in finding out what is happening, to seek new insights and to assess phenomena in a new light. It could be particularly helpful to clarify understanding of a particular problem. This present study possesses a combination of these characteristics. The Chinese consumer market has attracted considerable research interest. This study is building on the successes of previous studies. The understanding of Chinese consumers’ preference between Chinese and foreign products remains divided. There are two contrary views expressed on this particular issue. Hu and Dickerson (1997), Li et al. (1997), Sin et al. (2000), Zhou and Hui (2003), Frumkin et al. (2006) and Zhuang et al. (2008b), concluded Chinese consumers have a strong preference for foreign products, imported goods enjoy a highly positive perception and they are firmly preferred to Chinese products. On the contrary, Schmitt (1997), Wei (1997), Cui (1999), Cui and Liu (2001), Dickson et al. (2004), Sun and Wu (2004), Delong et al. (2004), Kwok et al. (2006) and Chaney and Gamble (2008), argued that when discussing a complex market like China, the internal differences cannot be ignored. It should be noted that some Chinese consumers prefer local products and this is particularly evident in some product categories, such as grocery. It is clear that the understanding of Chinese consumers’ product preference is divided and this present study aims to clarify the understanding and add knowledge to this particular issue.

The present study further explores the reasons leading to Chinese consumers’ different preferences, with a specific focus on testing the relevance of these factors identified in previous studies. One of the widely believed phenomena is that foreign products are treated as status symbols and that they are associated with superior quality, design and social status. Factors that influence consumers’ decision making
will be tested and elaborated throughout this investigation. Furthermore, variation between different product categories and the impact of availability of domestic alternatives will be studied. This will explore the potential influence of domestic alternatives on product preference amongst Chinese consumers, the effect of which was first investigated by Watson and Wright (2000).

Another exploratory aspect of this study is to assess the level and extent of consumer ethnocentrism and consumer animosity. It seeks to test Chinese consumers’ ethnocentrism beliefs and whether these differ according to different demographic variables. Several studies have concluded that they hold low level of CE beliefs and this investigation will assess this notion in a new light. Since Klein et al. (1998) original study of consumer animosity in China, there is only one further investigation on this issue. More than a decade later, this present study will test the level of animosity towards the Japanese, American and French. Anti-American sentiments are widespread, particularly in South-America and the Middle East. There are also calls for boycott of French goods due to a number of diplomatic incidents. The effects of CE and CA on willingness to buy will be explored and the potential impact of locations is part of the overall discussion.

3.32.3 Explanatory Nature of the Study

Apart from the exploratory nature, this present study also contains the characteristics of an explanatory investigation. Saunders et al. (2009) pointed out that an explanatory investigation is to establish causal relationships. The emphasis is to examine a problem or a situation in order to explain the relationship between different factors. de Vaus (2001) stated that explanatory research is to focus on the ‘why’ questions. That is to investigate reasons and factors contributed to a particular problem or situation. It further pointed out that this type of research is to establish causation, correlation and prediction by examining the relationship between different factors. The explanatory part of this present study is an extension of the exploratory study. It aims to provide explanations to research
problems in the exploratory part of the investigation and build a deeper understanding of the issues being discussed.

The explanatory part of this investigation aims to provide insight and an in-depth understanding of Chinese consumers on the four areas: how consumers determine whether a product is foreign or Chinese, the causes and impacts of consumer animosity, the influence of domestic alternatives and domestic industries and areas for Chinese products to improve. These factors are all tested in the exploratory part of the investigation. Nevertheless, the explanatory study will establish a deeper understanding of these issues by establishing relationships between different variables. How to determine the true origin of a product has particular relevance in China, as a vast number of foreign products are manufactured in China. Klein et al (1998) established war and economic based factors as the causes of animosity, and it was principally followed by further studies in this field. However, Riefler and Diamantopoulos (2007) pointed out the necessity to investigate sources beyond the standard war and economic issues. This present study will provide a detailed account of sources and consequences of animosity, in the Chinese consumers’ context. Watson and Wright (2000) argued that if there are domestic alternatives available, CE will have greater impact on consumers’ willingness to buy domestic products. This study extends Watson and Wright (2000) notion of domestic alternative and domestic industries to Chinese consumers and examines the deeper potential impact on product preference and willingness to buy. Further issues involve the challenges of domestic companies. The areas that Chinese products need to improve to enable them compete with foreign products will be discussed in the explanatory part of this study.

3.33 Research Strategy

Selection of the research strategy has vital importance. It determines how the data collection process will be conducted, what types of data will be collected, how the data can be interpreted and analyzed and eventually shape the research outcome.
In broad terms, the research strategies are divided into quantitative and qualitative. Quantitative research is predominately used for data collection and analysis procedures that generate numerical data. Qualitative research is predominately adopted for data collection techniques and analysis methods to generate non-numerical data. Whilst quantitative research focuses on collecting large sum of data to better represent the sampling population so that the research findings could be generalised, qualitative research concentrates on the depth and details of the data to uncover deeper lines of background and reasoning. Each strategy is designed for different purposes and therefore the ultimate selection of which type of strategy is dependent on the research objectives. The research strategy also reflects the researchers’ philosophical positions, which is discussed in section 4.2. There are continuous debates about which strategy is more scientific and the great divide between these camps remain till this present day. Nonetheless, research methodology continues to evolve. Some argue there are many complex research problems which neither quantitative nor qualitative strategy could resolve. A growing number of studies have adopted a different approach that combined quantitative and qualitative research techniques. This is called the ‘mixed methods’ approach.

3.3.1 The Mixed Methods Approach

Saunders et al. (2009) defined the mixed methods approach as the “general term for when both quantitative and qualitative data collection techniques and analysis procedures are used in a research design” (Saunders et al., p.153, 2009) It further pointed out that, in contrast to ‘multi methods’ approach, although this approach collects both quantitative and qualitative data, the analysis is carried out separately. There are two separate sections of the research, one carried out to collect quantitative data and the other part to obtain qualitative data.

The mixed methods approach has gained considerable popularity, there are a substantial number of research studies published adopting this particular approach.
It is suggested that there are many benefits of the mixed methods approach. Bryman and Bell (2011) argued that the first advantage is triangulation. This means the findings of one research strategy can be cross-checked against the results of the other strategy. It serves as a form of validating research findings. Confidence in the research findings is enhanced by adopting both quantitative and qualitative measurements. It is argued that the findings of mixed methods research are more reliable that those using just one strategy. Another benefit of mixed methods approach is quantitative and qualitative research could be designed to complement each other. This means follow up quantitative research could be used to test the generalisation of qualitative findings, which will solve the issue of representativeness. On the other hand, qualitative research could serve as the platform of discovering research problems that lead to the testing of hypotheses in the quantitative part of the investigation. The mixed methods approach also possesses the qualities of being able to investigate the different aspects of a phenomenon within the same study. The so called ‘macro’ and ‘micro’ argument. Whilst quantitative study provides an overall picture, the qualitative investigation adds value in terms of in-depth analysis of the rationale and explanations. The combined strength of quantitative and qualitative research enables the researcher to establish a thorough and comprehensive understanding which a single strategy could not achieve.

The rationale of this present study adopting a mixed methods approach can be explained by the above argument. This study seeks to understand Chinese consumers’ preference between foreign and Chinese products, and the reasons for such preferences. The mixed methods approach enables the researcher to investigate different aspects of this particular issue. The quantitative part of this study will investigate respondents’ preferences, test their attitudes towards different opinions and examine the level of CE and CA which have important influences over their perceptions. Furthermore, a quantitative study will be able to provide a bigger picture that examines these issues more widely to ensure that this is not an isolated phenomenon, but has wider implications for Chinese society. A
reasonable sample of quantitative investigation could establish an overall picture of Chinese consumers’ product perception and test the relevance of factors that contributed to these perceptions. This will also make possible the comparison between demographic variables and different locations, which is one of the key focuses of this study.

In contrast, the qualitative part of the investigation concentrates on other aspects of this research problem. It focuses on the areas which are difficult for a quantitative investigation to examine. First of all, it will establish causal relationships between different variables. It explores the factors that cause the different preferences between foreign and Chinese products, and the complex issues of how Chinese consumers determine whether a product is Chinese or foreign. The complicated issue of consumer animosity, why Chinese consumers show hostility towards certain countries and what are the potential repercussions of these negative biases? Chinese consumers’ attitude towards domestic products and domestic industries, is this a simply patriotic issue? All these research questions require detailed explanations which are not only problematic to solve in a quantitative research but also potentially politically sensitive in China. This means even if it is possible to quantify these questions, they may raise ethical issues and potential associated risks. The qualitative study will address these concerns and provide an in-depth understanding of these issues.

A mixed methods research strategy also enables the triangulation of research findings between the quantitative and qualitative investigation. This cross checking process could validate the results of quantitative and qualitative research and further enhance understanding of those particular issues. This unique advantage of the mixed methods approach could safeguard the validity and relevance of the findings. All the measures taken in combination of quantitative and qualitative research are to establish a comprehensive and meaningful understanding of Chinese consumers’ product preference and the relevant factors that contributed significantly towards their decision making.
3.33.2 Concurrent Embedded Strategy

There are different implementations of the mixed methods approach. Creswell (2009) divided into two contrasting designs, sequential and concurrent. A sequential mixed methods design means that the data collection was carried out in sequence, one method first and followed by a different data collection approach. The concurrent design collects the set of quantitative and qualitative data simultaneously. Creswell (2009) further divided the concurrent design into three different strategies, concurrent triangulation strategy, concurrent embedded strategy and concurrent transformative strategy. Some authors argue that in a mixed methods approach, both the quantitative and qualitative should be given equal weighting. However, in reality it is not uncommon to have different focuses and emphasis in a mixed methods research.

The concurrent embedded strategy is identified by Creswell (2009) as utilizing one data collection phase, during which both quantitative and qualitative data are collected simultaneously. It pointed out that, unlike the most commonly adopted concurrent triangulation strategy, this approach has a primary method and the secondary data plays a supporting role in the overall investigation. Perhaps lesser priority, the secondary method is embedded, or nested, within the predominant method. This could mean that the secondary method is designed to address a different question than the primary method, or seeks to achieve a different layer of understanding of the same questions. The mixing of the two sets of data often integrates the information or establishes the comparison of two sources. It could also mean the two sets of data are not compared but constructed to provide an overall assessment of the research problem. Sometimes, the concurrent embedded strategy is adopted to serve a variety of purposes, therefore the researcher will be able to build broader perspectives than using the predominant method alone.

This present study adopted the concurrent embedded strategy to establish a comprehensive and in-depth understanding of the issues involved in Chinese
consumers’ product preference between foreign and Chinese products. The quantitative survey is the predominant method, which will collect the larger set of data. This part of the data collection process is to enable the analysis to establish a broader picture of the research question being assessed, the overall product preference, the relevance of generic reasons behind the preferences and the level and extent of CE and CA beliefs. Relatively large sets of quantitative data also enables the cross comparisons between different demographic variables and the exploration of regional differences. Simultaneously, a qualitative investigation is carried out to examine the factors attributed to the questions investigated in the quantitative study. Quantitative study establishes the foundation of the qualitative investigation and the secondary method enhances the understanding of the research questions examined in the predominant method. These concern how Chinese consumers distinguish foreign products from Chinese goods, factors which cause consumer animosity and potential implications and the impact of domestic products and domestic industries. A concurrent combination of quantitative and qualitative investigation enables the researcher to study the different aspects of the research questions and build comprehensive and robust understanding.

3.34 Sampling Strategy

Whatever the research question or objectives, an important consideration of a research project is sampling. It is extremely rare for social research to carry out a census, which is to collect and analyse data from every possible case or group member. In most of the circumstances, it is impracticable to survey the entire population, even if it is possible to do so. Budget and time constraints are the obvious obstacles preventing the survey of an entire population. Therefore, only large organisations or governments that have the financial power, time commitment and labour strength are capable of carrying out a census. Conventional social research needs to consider alternative sampling strategies.
In general, there are two primary sampling techniques: probability sampling and non-probability. Saunders et al., (2009) defines probability sampling as the chance or probability of each case being selected from the population is equal for all cases. Therefore it is possible to answer the research questions and achieve research objectives by analyzing statistically the characteristics of the sample and providing estimations of the population. In contrast, non-probability sampling cannot guarantee the chances of every case being selected in the sample as equal. It means that there are potential problems with the results, the sample selected might not be representative of the entire population. This raises issues with the generalisation of the research findings.

There are many reasons that non-probability sampling is adopted for a research project. Denscombe (2007) stated it could be due to the researcher, concluding that it is not feasible to include a large number of cases, not having sufficient information about the population to carry out probability sampling, or having difficult in contacting a sample selected through probability sampling techniques. Saunders et al. (2009) further emphasised that within business and management related research, probability sampling might not be possible or would be inappropriate to answer research questions. In some circumstances, to answer the research questions, there is a need to conduct an in-depth study that focuses on small cases, or perhaps one, for a particular purpose. This small sample is capable of providing information rich studies that answer the research questions and gain theoretical insights.

This present study adopted a concurrent embedded mixed methods approach, which involved two parts of quantitative and qualitative data collection. Non-probability sampling strategies are utilized in this study, with purposive sampling in the quantitative data collection and snowballing sampling for the qualitative data collection.
3.34.1 Purposive Sampling

Purposive sampling is adopted for the quantitative data collection for the reasons discussed above by Denscombe (2007) and Saunders et al., (2009). This study’s focus is to investigate Urban Adult Chinese Consumers’ preference between foreign and Chinese products, and factors attributed to their decision making. The decision to focus on Urban Adult Chinese Consumers is based on the suggestions following ‘the cautious approach’, which recognise China is a vast market with numerous internal differences. Considering the time and resources available, a concentrated investigation is more likely to achieve successful outcomes. Cui (1999) and Cui and Liu (2001) in particular, had pointed out that there is massive Urban-Rural divide in China. Urban areas are economically more developed therefore urban consumers have higher disposable income. This study also recognises adult consumers have more purchasing power and in most occasions, they are the decision markers. Probability sampling is not possible for this study, due to the fact there is no accurate account of the total number of the population. In recent years, China has undergone a massive wave of urbanisation and the exact number of Urban Adult Chinese Consumers is unknown.

Secondly, even if precise figures can be obtained, it is not feasible for this study to carry out probability sampling. Considering the size of Chinese population and vast land mass, the financial and time restraints determined that it is not possible for the researcher to carry out probability sampling. Very few previous studies on Chinese consumers adopted probability sampling strategies. Nonetheless, reasonable doubts could be raised on the robustness and rigour of some of these investigation’s probability sampling techniques. It could be argued that only research backed by large organisations or governments is capable of generalising findings to the entire Chinese consumer market. For example, as cited in Cui and Liu (2000), the national survey of Chinese consumers conducted by the Gallup Research Co. Ltd in 1997, collected data from 41 cities including all the provinces, municipalities and autonomous regions in China. It surveyed all the major cities in
China and other small cities. Gallup’s staff conducted 3727 hour long interviews with households using seven primary languages and several local dialects of China. Very few studies are capable of applying the same kind of rigorous and robust approach of probability sampling in academic research. Furthermore, for this present study there are real difficulties to establish an appropriate sampling frame.

Finally, as indicated by Saunders et al. (2009), non-probability sampling fits with the research objective, and therefore can answer the research questions of this study. The particular focus on Urban Adult Chinese Consumers dictates purposive sampling as the appropriate strategy for this present investigation. Denscombe (2007) indicated purposive sampling is normally applied in those situations that the researcher already understands some of the characteristics about the specific people or events and deliberately select the particular ones because they are considered as likely to produce the most valuable data. Effectively, they are selected with a particular purpose in mind and this purpose reflects the specific characteristics of the people or events chosen and their relevance to the topic of investigation. Saunders et al. (2009) further emphasised that purposive sampling enables the researcher to use their own judgement to select cases that will most effectively answer the research questions and meet the objectives. The present study focuses on Urban Adult Chinese Consumers’ product preference and the potential impact of COO, CE and CA. This enables the researcher to purposively select cases from consumers of China’s urban cities to answer the research questions. Consumers living in Chinese cities fit with the specific purposes of this investigation. Taking into the comparative research design which is to investigate the regional divide between Northern and Southern China, to select consumers from two of China’s biggest cities in Northern and Southern China will effectively enable the researcher to answer the specific research questions with regard to Urban Adult Chinese Consumers and fulfil the objectives of this study.
3.34.2 Snowball Sampling

Snowball sampling is adopted for the qualitative data collection of the present study. Bryman and Bell (2011) describe snowball sampling as the approach where the researcher makes initial contact with a small group of people who are relevant to the research topic and then uses the initial connections to establish contacts with others. It also stressed that snowball sampling in the large contexts is used not within a quantitative research strategy but in qualitative research. Although snowball sampling has problems with the generalization of research findings, the emphasis of qualitative research is in providing in-depth analysis and understanding of the research questions. Denscombe (2007) suggests snowball sampling is an effective technique for building up a reasonable sized sample in a small scale research. It further points out that the process of reference from one person to the next could serve as a measure of enhancing credibility. The first contact, or so called nominator, could be used as a reference to enhance the researcher’s creditability and build trust. This could be invaluable to gain access to groups of people that are otherwise problematic to approach.

The qualitative part of this present study adopted snowball sampling due to the difficult nature of gaining access to the particular group of consumers this investigation is focusing on. Klein et al. (1998) concluded some Chinese consumers harbour strong animosity towards Japanese. They are highly likely to avoid or boycott Japanese goods. This study seeks to examine the background and rationale for their extreme actions. These consumers are exclusive in nature and their opinions are likely to be politically sensitive. Recently, the ruling Chinese Communist Party has been very anxious about social stability, amid the crisis in Tibet and Xinjiang province, and any sensitive topics being discussed in public carry the risks of being tightly monitored. Although, the issue of animosity towards Japanese is not entirely banned in China, the government has exercised censorship on these topics in the past. Therefore, to gain access and trust of this particular group of consumers becomes a delicate task. Snowball sampling, as suggested by Bryman
and Bell (2011) and Denscombe (2007) is an effective strategy to gain wider access in this scenario. By establishing initial contact, the researcher is able to use the reference to gain greater access to this particular group. The referring process also serves as a trust building mechanism, which gives the researcher credibility within the group of consumers, therefore enabling the researcher to ask delicate questions. Without the trust building process, it is extremely difficult to discuss politically sensitive issues in China with a stranger. This determined the adoption of snowball sampling for the qualitative investigation, although this causes difficulties in terms of generalizing the research findings.

3.35 Access to Data and Research Ethics

The previous section discussed the rationale of adopting snowball sampling to overcome the difficulties of access to the group of consumers with strong opinions towards products from particular countries. There are potential obstacles in carrying out the general quantitative survey of Urban Adult Chinese Consumers, due to the fact that the researcher is based in the United Kingdom, outside China.

3.35.1 Online Survey

Due to financial and time constraints, the researcher initially sought to avoid field trips to China to collect data. Recently, online research has started to gain popularity. Online survey sites such as, survey monkey and esurveyspro, have been adopted by an increasing number of studies.

Although there still are doubts surrounding the use of online survey, particularly on the question of clearly defined sampling frame, Denscombe (2007) argued that internet surveys do not appear to have any significant distorting effects on the nature of the information supplied by the respondents. It further pointed out that when the researcher compared the results of web-based and paper-based internet surveys, there were little or no differences between the two modes of data collection. Bryman and Bell (2011) also noted the rapid development of e-research
where not just internet surveys are being adopted, other forms of online research are taking shape in the forms of email surveys, online focus groups and internet interviews. They suggested that despite the methodological considerations, e-research offers huge opportunities for prospective researchers as both a focus for research and a springboard for conducting research.

Apart from the above considerations, the time and financial resources limitation led the researcher to consider effective ways of collecting data without physically visiting mainland China. Therefore, a three day online trial was carried out in three of China's most popular websites: Netease, Tianya and Sohu. An online questionnaire was drafted and posted on the user’s interaction sections of the above three websites asking readers to answer. However, the response rate was extremely low, with a total of 21 responses in three days. Incentives provided to potential participants to encourage higher completion rates were considered, however this raises further questions on sampling bias and financial costs. Eventually, the online survey approach was deemed inappropriate for this research. This meant that an alternative data collection was needed and field visits to China seemed inevitable.

3.3.5.2 Street Survey

Based on previous studies, a common method known as ‘street survey’ or ‘mall intercept’ was selected to collect the quantitative data for this study. Researchers adopting this technique would approach people in busy shopping districts or engage with shoppers inside a shopping mall. It is suitable for this study because it is aiming at the exact sampling population and it fits with the overall purposive sampling strategy. By approaching potential shoppers in two Chinese cities’ shopping districts, it ensured that data collected was from the targeted ‘Urban Adult Chinese Consumers’ group. This is a proven successful data collection method that had been employed in a number of previous studies. Zhang (1996), Hu and Dickerson (1997), Wu and Delong (2006), Zhou and Hui (2003), Balestrini and
Gamble (2006), Delong et al. (2004), Kwok et al. (2006), Klein et al. (1998) and Chaney and Gamble (2008), all collected their data in China either approaching consumers in shopping districts or shoppers inside shopping malls. These successful previous studies provided additional reassurance to the researcher of the present study that a street survey is an effective method to collect data in China.

Adoption of the street survey dictated the data collection field trips to China, which required additional time commitment and financial resources. Arrangements were sought to keep the costs of the field trips at an acceptable level and safeguard access to data. The university has a joint degree partnership with Liaoning University in Northern China that requires staff visits to China. The researcher incorporated a teaching trip to Northern China into the data collection visit. This arrangement enabled the researcher to collect data in one of the biggest cities in Northern China—Shenyang. The researcher’s extensive associations in Shenzhen provided access to research in Southern China. This arrangement provided the access to Northern and Southern China that enabled the researcher to investigate the regional differences.

3.35.3 Establishing Initial Contacts

The snowball sampling strategy for the qualitative data collection determined the importance of being able to establish initial contacts. Initial contacts enabled the researcher to broaden access to the particular research audience, whereas other methods are difficult to achieve. Through the university arrangement, two initial contacts in Northern China—Shenyang were established to willingly participate in the research. Utilizing the researcher’s associates in Shenzhen-Southern China, initial contacts were also identified. This arrangement with the initial contacts in both Northern and Southern China not only gained access to two parts of China enabling the regional comparison, but also served as a trust building mechanism which gave the researcher a certain degree of credibility to explore some of the sensitive topics.
3.35.4 Research Ethics

There are a set of rules and guidelines every researcher has to follow, these are known as research ethics. Saunders et al. (2009) states “research ethics therefore relates to questions about how we formulate and clarify our research topics, design our research and gain access, collect data, process and store our data and write up our research findings in a moral and responsible way. This means that you will have to ensure that the way you design your research is both methodologically sound and morally defensible to all those who are involved.” (Saunders et al. p.184, 2006)

It is clear that research ethics are an essential and integral part of good research. Bryman and Bell (2011) further pointed out that professional associations in social science research publish a set of codes of conduct governing research behaviours, these include: Academy of Management, British Academy of Management, Market Research Society, Social Research Association, etc. Bryman and Bell (2011) summarised research ethics into the following key areas: harm to participants, lack of informed consent, invasion of privacy, deception, data management, copyright, reciprocity and trust, affiliation and conflicts of interest. De Montfort University established a set of institutional research ethics’ guidelines, which includes codes of conducts when involving vulnerable groups such as children, and research involving a possible danger to the researcher.

A number of research ethics’ related issues have been thoroughly considered in the present study. First of all, because this research involves some politically sensitive issues, these have been withdrawn from the questionnaire distributed in the street but discussed in the face to face interviews in confidence. This is to avoid the researcher being in potential conflict with any of the authorities in China and to protect potential respondents from answering sensitive questions in the public arena such as shopping districts and shopping malls. A letter to confirm the researcher as a legitimate PhD researcher based in the UK was also obtained from the Education Section of the Chinese Embassy in the UK. This study’s decision to focus on adult consumers is not only due to ethical considerations to avoid children
but also responds to the suggestions of previous studies to take into account China’s vast internal differences. Cui (1999) and Cui and Liu (2001) in particular, have called for further studies to recognise China’s differences in terms of urban-rural divide, regional variations and characteristics of different demographic variables. This present study purposely focuses on urban adult Chinese consumers to contribute to further understanding of this particular group of Chinese consumers. Prior to the in-depth interviews the researcher reassured the interviewees that their identities would not be compromised in any shape or form. This will give reassurance to the participants when discussing politically sensitive issues, such as the anti-Japanese campaigns in China, especially when the interviews are being digitally recorded. Further measures were taken to conceal the interviewees’ identity in the transcripts and some interviews are only partially translated to avoid the participants being identified in any shape or form. The researcher also seeks permission to record the discussions. All these measures taken are to comply with university and wider ethical standards, to protect both the participants in this study and the researcher.

3.36 Data Collection Methods

The present study adopted the mixed methods approach, in the form of concurrent embedded strategy. Street survey is selected for the quantitative investigation and in-depth interview is chosen for the qualitative data collection. The street survey is carried out by distributing self-completion questionnaires in the shopping districts of the Northern Chinese city of Shenyang and the Southern city of Shenzhen. Semi-structured interviews are conducted in both locations.

3.36.1 Self-completion Questionnaire

Saunders et al. (2009) suggested questionnaires are the best suited data collection method for descriptive or explanatory research. It could be used to test attitudes and opinions that enable the researcher to identify and describe the variability in different phenomena. Questionnaires also can be utilized to examine and explore
relationships between variables. Respondents’ information could be collected to investigate the differences between cases. Because questionnaires are often collected in large quantity, it also gives the researcher a wider perspective on particular issues. Saunders et al. (2009) further explained that questionnaires are frequently adopted alongside another data collection method to form a mixed methods strategy. Self-completion questionnaires are also referred as self-administered questionnaires, in this format respondents answer the questions by completing the questionnaire themselves. Bryman and Bell (2011) argues there are many advantages of self-completion questionnaires. The key benefit is that the respondents complete the questionnaire without any influence of the interviewer, which sometimes could lead to biased and misleading results. It also enables the researcher to obtain a large quantity of data in a relatively quick fashion.

Self-completion questionnaires are suitable for this present study because of the reasons discussed above. The explanatory nature of this study determined the examination of the relationship between variables, for example, the factors contributing to UACC’s preference for foreign or Chinese products. The questionnaire also enables the researcher to test the respondents’ attitudes and opinions towards a number of issues, such as consumer ethnocentrism tendencies. It also collects each respondent’s information, which enables the investigation of variations between different demographic variables and examination of regional differences. Due to resource constraints, the self-completion questionnaire enables the researcher to gain a substantial amount of data in a limited time. The relatively large quantity of questionnaires also gives the researcher a broader picture of UACC’s overall product preference and related issues.

The questionnaire contains three sections. Section A consists of two screening questions to make sure the respondents are over 18 years old and are resident of the city. Only those meeting those two criteria will be allowed to proceed to complete the questionnaire. This is to ensure all respondents are from our sampling population- Urban Adult Chinese Consumers. Section B contains the main areas of
inquiry, the product preference, reasons for their preference, preferred country of origin in five different product categories. It also has a list of attitude statements to measure consumer ethnocentrism and animosity towards Japanese, French and Americans. These attitude statements are measured by the 7 point likert scale. Section C is to collect respondent’s personal information, including gender, age group, education level, place of growing up and city location. To complete the whole questionnaire takes approximately 10-15 minutes. Considerations were given to the length of the questionnaire to be suitable in a street survey setting.

3.36.2 Measurement

COO Product Preference Chinese vs. Foreign Testing Variables

In the street survey questionnaire there are two specific questions testing the reasons of why some UACC have preference of either Chinese or foreign products. Based on previous studies, six factors were identified that could contribute some UACC’s preference of Chinese products: Chinese products satisfy your needs better, the price is cheaper, better value for money, good quality at a reasonable price, you want to support domestic industry, you think purchase domestic products is patriotic behaviour. Cui and Liu (2001), Dickson et al. (2004) and Delong et al. (2004) all concluded that the lower price of Chinese products as a considerable advantage. The cheaper price of local products has been identified as one of the main reasons to explain why some Chinese consumers favour domestic products. Cui and Liu (2001) further pointed out that some Chinese consumers have become more sophisticated and increasingly seeking for value. They believe some Chinese products are better value for money. Delong et al. (2004) suggested that Chinese products were also credit with better satisfaction of needs. It pointed out that some Chinese consumer believe that local companies understand local customers’ needs better, because they are more familiar with the culture and customs. Chinese apparel brands, for example, were evaluated positively because of achieving better fit. Cui et al. (2004) indicated that local products have been recognised by Chinese
consumers of improved quality. Some Chinese consumers consider Chinese products are good quality at a reasonable price. Kwok et al. (2006) concluded that Chinese consumers generally favour local products and this preference is motivated by the desire to support domestic industry and patriotic beliefs.

Based on existing literature, eight factors were identified as the main reasons explain some UACC’s preference of foreign products. These are: superior quality, better design, superior brands, social status symbols, more expensive, represent modernity, represent innovation and new technology, and better fit with lifestyle. Better quality is one of the product features widely identified as the main reason attracted some Chinese consumers favouring foreign products. Li et al. (1997), Hu and Dickerson (1997), Sin and Ho (2001), Ahmed and d’Astous (2004), Wu and Delong (2006), Zhuang et al. (2008a), Wang and Yang (2008a) and Chaney and Gamble (2008), all concluded that Chinese consumers considered foreign products as possessing superior quality when compared with local products. The second common strong feature associated with foreign products is design. Delong et al. (2004), Ahmed and d’Astous (2004), Wu and Delong (2006), Zhuang et al. (2008) and Chaney and Gamble (2008), all suggested design is one of the main features that contributed to some Chinese consumers’ preference of foreign products. Alongside quality and design, foreign products enjoy a superior brand image has been highlighted by previous studies, particularly by Li et al. (1997), Sin and Ho (2001), and Wong and Yang (2008a). Zhang (1996), Ahmed and d’Astous (2004) and Zhuang et al. (2008a) further pointed out that foreign products were considered as status symbols, and they were associated with modernity, innovation, advanced technology and foreign lifestyle.

All these factors discussed were selected to test the relevance in terms of UACC’s preference between Chinese and foreign products. The respondents could chose multiple factors to explain their preference for either Chinese or foreign products. It did not use the 7 items likert scale or ranking each of the factors. This is due to the consideration of suitable timing in a street survey questionnaire. Questionnaire
consists too many questions would be too time consuming for potential respondents, therefore dissuade them to participate in this street survey. The researcher is aware of the limitation of this type of data which will restrict the statistical analysis available. However, the porosity is given to the method of testing CE and CA which the following sections will explain in detail.

CETSCALE

An important element of the street survey is to measure UACC’s level of consumer ethnocentrism and consumer animosity. Consumer ethnocentrism was first introduced by Shimp and Sharma (1987) to evaluate American consumers’ attitude towards imported products. It used a 17 item statement to test American consumers’ opinions and attitudes on importing foreign goods, buying domestic products and protecting American industries. Each statement is rated by the 7 item likert scale. This measurement scale is known as CETSCALE and it has been principally adopted in subsequent studies in CE. Nonetheless, CETSCALE has been adapted and modified to suit different research settings. Whilst conducting a CE investigation into Turkish consumers, Kaynak and Kara (2002) adopted a 5 point likert scale instead of a 7 point scale. Balabanis and Diamantopoulos (2004) carried out a study of UK consumers’ attitudes towards foreign and domestic products, it adjusted the 17 items CETSCALE into a 10 items scale. Reardon et al. (2005) also used a reduced vision of the CETSCALE in their cross-country investigation. Nijssen and Douglas (2008) used a ‘key five items’ CETSCALE instead of the original 17 items scale. Hsu and Nien (2008) examined CE tendencies amongst Chinese societies by adopting a reduced 10 items CETSCALE.

The self-completion questionnaire used in this study measured CE level as part of the data collection process. Because of the street survey setting, it has to take into account the length of time to complete the questionnaire. Too many questions in the questionnaire will not be suitable in a street survey. Based on previous studies discussed above that adjusted the CETSCALE to suit different research settings, this
The present study reduced the 17 items into a 6 items scale that assessed the key elements of UACC’s CE beliefs. This six items CETSCALE is as follows:

2. Only those products that are unavailable in China should be imported.
3. Buying Chinese products is patriotic behaviour.
5. Curbs should be put on some imports to protect domestic industry.
6. We should purchase products manufactured in China instead of letting other countries get rich off us.

Much consideration has been given to the appropriateness of reducing the CETSCALE from 17 to 6 items. The original 17 items CETSCALE developed by Shimp and Sharma (1987) used multiple statements to test every single factor. For example, instead of using one statement to examine respondents’ view on whether curbs should be imposed to support domestic industry, it used 3 similar statements to test this particular factor. While the researcher of this current study fully acknowledged the benefits of validating opinions using multiple statements, the nature of this study determined that it would be impractical for this investigation. A full 17 items statements will dramatically increase the duration of answering the questionnaire and in a street survey setting it could seriously affect potential respondents’ willingness to participate. Previous studies discussed above, Kaynak and Kara (2002), Balabanis and Diamantopoulos (2004), Reardon et al. (2005) and Nijsse and Douglas (2008), all applied a reduced CETSCALE and this proved to be sufficient to examine their respective research populations’ CE beliefs. Furthermore, a Cronbach’s Alpha test carried out on this adopted 6 items CETSCALE suggested a very good internal consistency which validated the reliability of this reduced scale.
The reliability and validity of this scale is further explained in following section 3.38 of this chapter and section 4.27.1 of next ‘Data Analysis and Findings’ chapter. This reduced CETSCALE was better suited for a street survey questionnaire and was sufficient to provide an effective assessment of respondents’ level of ethnocentrism beliefs.

**ANIMOSITY**

The concept of consumer animosity was first introduced by Klein et al (1998). It used an 8 items statement to assess 3 elements of consumer animosity, overall animosity, war animosity and economic animosity. This measurement method was principally adopted by following studies in consumer animosity. However, Riefler and Diamantopoulos (2007) questioned Klein et al. (1998) original model and pointed out war and economic animosity were constructed as both causes and consequences of consumer animosity. This raised concerns about the consistency of the measurement methods. Taking this into account, this present study did not adopt the 9 items measurement scale. Instead, it developed 3 statements, measured by a 7 point likert scale, to test the overall animosity and its potential impact on willingness to buy.

1, I don’t like the Japanese/French/Americans

2, I never buy Japanese/French/Americans products.

3, I only buy Japanese/French/Americans products if there are no domestic or other alternatives available.

This study only adopted the Klein et al. (1998) original statement of ‘I don’t like the Japanese/French/Americans’ to test the overall animosity. As discussed above, Riefler and Diamantopoulos (2007) reasonably questioned the validity of the original scale, because in the original investigation Klein et al. (1998) considered ‘war’ and ‘economic’ based factors both as ‘causes’ and ‘outcomes’ of animosity. It raised
reasonable doubt of the validity of the original scale. Furthermore, only testing ‘war’ and ‘economic’ factors could produce biased assessment of the level of animosity, as Riefler and Diamantopoulos (2007) had identified a much wider range of sources of animosity, such as foreign policy and personal experience. The other sources of animosity towards the targeted countries are yet to been identified and the researcher dedicated the qualitative part of this study to explore the sources and factors contributed to UACC’s animosity. It means there are no grounds to develop other statements to build a full animosity scale. Therefore, this study adopted the overall animosity testing statement and developed two additional statements, ‘I never buy Japanese/French/Americans products’ and ‘I only buy Japanese/French/Americans products if there are no domestic or other alternatives available’ to test animosity’s impact on willingness to buy and the influence of domestic alternatives.

3.36.3 Semi-structured Interview

Semi-structured interview were selected to collect the qualitative data of this study. Bryman and Bell (2011) pointed out that in a semi-structured interview, the interviewer has a list of questions to ask, but the interviewees also have the freedom to express their opinions on other issues. All the key questions will be asked in a similar wording from interviewee to interviewee, but each interviewee still has to freedom to express their views on other issues. This is an effective way of interviewing when there are specific questions the researcher wants to be answered. For this present study, the interviews are mainly focused on four areas, how the respondent determines whether a product is foreign or Chinese, why they prefer foreign products or boycott goods from certain countries, the influence of domestic products and industries and areas for Chinese products to improve. Because of the interviewee’s relative freedom to speak on other issues, animosity influence on purchase intentions patterns emerge from these interviews. Details of the qualitative research findings are explained in the next chapter section 4.3.
3.36.4 Language

The language issue is a common problem in international social research, as it is quite often the case that research is carried out in a different country using a different language. There are some measures which could be taken to ensure the accuracy of the research findings, which involve safeguarding the language translation without affecting the true meaning in its original language. The most commonly adopted method is back-translation. This means the content is translated into English and then back translated into the original language again. Bryman and Bell (2011) suggested this approach requires two translators, one of a native speaker of the source language and the other a native speaker of the target language. The back-translation process is a method capable of discovering most potential problems.

This present study is carried out in China which requires the questionnaire to be in Mandarin Chinese and the interviews conducted and recorded in Mandarin. The researcher is a native Mandarin Chinese speaker originally from China. He first drafted the questionnaire in English and translated it into Mandarin Chinese. A colleague of the business school who also speaks native Mandarin back translated it into English and cross checked it with the original version. A number of errors were detected and adjustments were made. Finally, an experienced researcher based at the Open University carried out a final check of the questionnaire. The participants of the in-depth interviews speak very little or no English, therefore it is impossible for them to check the English version of the interview transcripts. The researcher has to carry out the checks and a sample of the transcripts was examined by the same person who conducted the final check of the questionnaire.

3.37 Testing and Pilot Study

When the questionnaire has been drafted and interview questions are being finalised, it is beneficial to conduct some preliminary tests. This is known as the testing and pilot study stage. There are many advantages of being able to carry out
these tests. Bryman and Bell (2011) indicates it is very desirable to conduct pilot studies and testing before administering questionnaires or conducting interviews. It not only serves the role to ensure that survey questions operate well, but also ensures that the research instrument as a whole functions according to plan. For example, a pilot study can ensure the instructions provided to the respondents serve the purpose. It gives the interviewers some experience to familiarise with the questions and likely responses. Testing and pilot study also give the researcher the chance to ensure the data collected meets acceptable standards. Therefore, pilot study and testing fulfil an important role, as Saunders et al. (2009) pointed out, to ensure validity and reliability of the research instruments.

The researcher carried out testing of some of the questionnaire and interview questions during a Christmas holiday trip back to China, four months prior to the data collection trip. Some short interviews were conducted on three prospective respondents in the city of Shenzhen which is the Southern China location chosen for the formal data collection process. Two of these prospective interviewees later became the initial contacts for the snowballing of the in-depth interviews. They played an important role in the data collection in Southern China. This testing subsequently has proven to be crucial to the success of the formal data collection trip in many respects. First of all, by asking the interviewee some of the research questions, it helped the researcher with the design of the survey questionnaire. By asking the interviewees’ opinions and judging their responses, it helped the researcher to determine what kind of questions are suitable to feature in the street survey and what to leave out due to sensitivity. Secondly, it is evident to the researcher that the interview location and venue have vital importance in the success of these in-depth interviews. The original plan was to conduct and record these interviews in a quiet café or hotel lobby. However, these three test interviews have proven that a café and hotel lobby are not suitable venues. As the interviews will inevitably discuss some politically sensitive issues, for example Sino-Japanese relations and anti-Japanese campaigns in China, the interviewees are
understandably uncomfortable discussing these issues in public spaces. This has a vital importance in deciding the final interview venues four months later.

A pilot study of the street survey questionnaire was also conducted. The researcher capitalised on his teaching position to enlist 8 postgraduate Chinese students studying at the business school for the pilot study. The translation of the questionnaire into Mandarin Chinese was further checked and proofed by two external translators, but it has only been examined from the researcher’s perspective. The students have the benefits of experiencing it as prospective respondents. It ultimately has proven to be a worthwhile exercise from which a few adjustments of the questionnaire wording had been made based on the feedbacks. The testing and pilot study both provided valuable contributions towards the final draft of the street survey questionnaire and interview questions.

3.38 Reliability and Validity

Validity and reliability of research findings are key safeguards in any research project. These directly determine the credibility of the research findings. Saunders et al. (2009) states reliability refers to the extent to which the data collection techniques and analysis procedures will yield consistent findings. It further suggested that reliability could be reflected in the following three elements:

1. Will the measurements produce the same results on other occasions?
2. Will similar observations be reached by other researchers?
3. Is there transparency in how the raw data was interpreted into findings?

This present study followed robust procedures to ensure the reliability of research findings. First of all, the researcher utilized the principally accepted measurement scale – CETSCALE to test the CE levels. This is the primary measurement of CE developed by Shimp and Sharma (1987), and it has been adopted by every major CE study. The internal consistency of this study’s modified CETSCALE was analyzed by a reliability test, in which Cronbach’s Alpha value of .850 suggests a very good level of
internal consistency. This means the CETSCALE adopted by this study produces consistent results. In addition, clear descriptions are provided to explain how the research findings were generated. The analysis methods used and justification for the adoption of such methods are all provided in the detailed findings chapter. This is to provide transparency about how the research data was analyzed and interpreted into research findings.

Procedures to minimise participant error and bias were adopted. The selection of a self-completion questionnaire, given to respondents to complete on their own, is to avoid researcher influence on the respondents. This is to ensure the respondents are free of undue influences. Clear instructions are provided on the questionnaire to avoid error. The interview venue was adjusted from public café to more private locations to ensure the interviewees felt at ease to discuss sensitive issues.

The technique of triangulation was applied to validate the research findings. The reasons which caused respondents’ product preference, animosity towards Japanese, the influence of domestic products and industries are both reflected in the results of street survey and in-depth interviews. This study’s findings of the effects of COO, CE and CA are largely consistent with the previous findings. This demonstrated the likelihood of similar observations being reached by other researchers in this field, which also reflected the reliability of this present study's results.

Validity refers to whether the findings truly reflected what is being measured. Tashakkori and Teddlie (1998) suggested it is concerned with mainly two issues. First of all, is the study truly measuring what the researcher intended to measure but not anything else? The research design of this study has considered the issues associated with validity. For example, in the street survey questionnaire, it started with two screening questions to ensure the respondents are both local residents and adult consumers. Any prospective respondents approached who did not meet these conditions were turned away. All multiple choice questions in the
questionnaire were provided with an ‘other’ option to ensure respondents’ views were accurately recorded, in case the other clearly stated answers did not reflect the respondents’ opinions. The street surveys were conducted in designated shopping districts to ensure that the respondents are perspective consumers. Snowball sampling also ensured interviews were conducted with specific consumers who harbour a certain level of animosity towards the Japanese. After a pilot study, interviewing venues changed to private venues to enable interviewees to express their opinions openly, without the fear of being overheard in public arenas.

The second question is whether the measurement and recordings were carried out without error. The CETSCALE measuring level of CE belief is the standard scale that has been tested and proven in many countries. It has also been validated by CE studies conducted in China. The Cronbach’s Alpha test suggested a very good internal consistency of the CETSCALE which suggested all the items within the scale provided consistent results. Reasonable doubts have been raised about the measurement of animosity. Consequently, this study did not adopt the original scale. Instead, it adopted the single statement ‘I don’t like the Japanese’ to measure overall animosity. The researcher of this present study is confident that all necessary measures and considerations have been taken to ensure the reliability and validity of the findings.

3.4 Data Collection

The data collection was carried out during May and June of 2010 in the Northern Chinese city of Shenyang, and Shenzhen located in Southern China. The data collection trip was incorporated into a teaching visit to Liaoning University to save costs and gain research access in Northern China. It collected 367 completed and valid questionnaires, 170 in Shenyang-Northern China and 197 in Shenzhen - Southern China. It also conducted 12 in-depth interviews, 6 in each location.
3.41 Selection of Cities – Shenyang and Shenzhen

Taking into account time and resource constraints and the cost implications, the decision was eventually made to select two Chinese cities, one representing Northern China and one for Southern China. This will enable the process of comparing regional differences.

3.41.1 Shenyang

The city selected to represent Northern China is Shenyang, which is the capital city of the Northeast province of Liaoning. Shenyang is a city with a long history. It once was the capital city of the ancient Manchuria Empire, the last of China’s political dynasties. The close proximity to North Korea and Russia determine its geographical significance. It is the political, cultural and economic centre of the Northeast provinces of Liaoning, Jiling and Heilongjiang. (Shenyang government portal, 2011) Shenyang was amongst the first cities which were invaded and occupied by the Japanese forces in 1931, prior the outbreak of WW2, which provides a unique perspective into the research of consumer animosity amongst UACC.

Figure 11 Shenyang Summer Palace
The Faculty of Business and Law, De Montfort University has a long term partnership with the Business School of Liaoning University, which is located in the city of Shenyang. The researcher is part of business school’s China team which offers access to SWIBS’ faculties in Shenyang which is invaluable to the data collection process. Arrangements were made to incorporate the field work into a teaching trip to Shenyang in May 2010. The researcher stayed behind in Shenyang for 10 days to conduct the street survey and face to face interviews. The arrangement with a local institution is crucial as they provided an easy to find and secure location for conducting and recording interviews. They also contributed to the selection of shopping districts for a street survey with their local knowledge. Overall this link with Liaoning University at Shenyang offered an invaluable contribution to the success of the field work in Northern China.

3.41.2 Shenzhen

The city of Shenzhen in Southern China provides an entirely different perspective compared with Shenyang. It was a tiny fishing village before 1978 when China opened its door to international trade. Shenzhen is in the forefront of, and the showcase of China’s ‘Opening Up’ policy that safeguarded the phenomenal economic transformation from a centrally planned sluggish state to the world’s second largest economy. Shenzhen is the manufacturing powerhouse, innovation centre and trading hub of Southern China and it is a metropolitan city with a population of 12 million. (Shenzhen government portal, 2011) The city now has many well developed areas and retail districts and a sophisticated consumer base. It is an ideal location for conducting consumer research.
The researcher has extensive links within Shenzhen. Similar to Shenyang, this has opened up access to facilities which are vital to the success of data collection. An associate kindly offered the use of his company boardroom to conduct and record interviews. He also assisted in the identification of a number of suitable shopping districts that can be used for the street survey. Overall, local associations have contributed enormously to the success of field work. Without the support, the data collection would not be possible.

3.42 Selection of Shopping Districts

3.42.1 Shenyang – Taiyuan Shopping District

The shopping district selected to conduct the street survey in Shenyang is in Taiyuan Street. It is an area located in the centre of the city with a mixture of department stores, shopping malls, branded franchises and small shops selling a mixture of products. Vast numbers of foreign and domestic branded products are sold there on a daily basis. A range of different shoppers go there for a number of reasons, it appeals to various groups due to the extent of its appeal. This means the street survey is not limited to a particular group of shoppers, which avoids bias.
3.42.2 Shenzhen – Coast City

For similar reasons, the Coast City shopping district in Shenzhen was selected. It attracts the same wide range of consumers, but it was built with the concept of a shopping city which means people can live as well as shop there. Apart from the usual set up of shopping malls and stores, it also offers living spaces, cinemas, restaurants and cafés.

With the assistance of local knowledge and associations, the researcher was able to go through a thorough process of selecting the locations and sites to maximize the access to research sources provided. Eventually, the data collection process was designed to obtain data in an extensive and efficient fashion, and in the mean time fulfil the goals and objectives of this study.

3.43 The Data Collection Process

3.43.1 Data Collection in Northern China – Shenyang

Street Survey – Taiyuan Shopping District The Street survey was conducted in Taiyuan Shopping District, which sells a wide range of foreign and Chinese branded goods. The researcher approached shoppers to fill in the questionnaire which takes about 10-15 minutes to complete. Originally 5 days had been planned for the field work in Shenyang. This was delayed by severe rain fall and eventually extended to 10 days. The target was to collect 200 questionnaires, 30 of them are either incomplete or invalid which means 170 valid questionnaire were collected in Northern China.

Face to Face Interviews – Sun Wah International Business School (SWIBS) SWIBS of Liaoning University provided an office for conducting and recording interviews in its main campus at the outskirts of Shenyang. A snowballing sampling approach was adopted in which the researcher relied on the interviewees to
encourage participation from people they associate with. Eventually 6 valid interviews were recorded in Shenyang.

3.43.2 Data Collection in Southern China – Shenzhen

**Street Survey – Costal City** The street survey in Southern China was conducted in a shopping complex in the city of Shenzhen – Coastal City. It offers a wide range of foreign and Chinese branded products selling via a number of shopping malls, department stores and franchises. Coastal City contains living blocks, restaurants, cafés and cinemas. It is located in the centre of Shenzhen. As in the North, the target was to collect 200 questionnaires and 197 valid questionnaires were collected in Shenzhen.

**Face to Face Interviews – Board Room** An associate of the researcher generously made his company’s board room available for conducting and recording interviews. His company sits in the centre of the city where a number of famous local companies’ headquarters are located. It provides a well identified and easy access for the participants. This is significant for a vast city like Shenzhen and its residents typically have a hectic daily routine. In total, 6 valid interviews were conducted and recorded for further analysis.

Although the field work took longer than initially anticipated, it was a successful trip. Overall, a sufficient amount of data which consists of 367 questionnaires and 12 interviews was obtained. The data was gathered in Northern and Southern China and it enables a useful regional comparison process. The data collection has built a solid foundation for the next phase of this study.

3.5 Limitations

Due to the time and resources restraints, this present study has certain limitations. First of all, because of the limited time and resources, this study could not apply a probability sampling strategy. This means the generalisability of the research
findings are limited. Although the purposive sampling obtained a relatively large quantity of data, and multiple research locations gave access to both Northern and Southern China, the findings could only be reasonably generalized to Urban Adult Chinese Consumers, but not wider Chinese consumers.

Secondly, the researcher only had access to two Chinese cities, which means the profiling of Urban Adult Chinese Consumers is limited. Conducting investigations into more cities and regions of China will provide a more comprehensive picture. Finally, if it is allowed, a further quantitative survey could be conducted after the analysis of the in-depth interviews’ findings to further validate the key conclusions. A further stage of data collection and analysis will dramatically improve the robustness of the research results and make further clarifications.

3.6 Conclusions

This present study followed the philosophical understanding of pragmatism that acknowledges there is an external world independent of our minds, but denies that knowledge can be determined once and for all. The researcher of this study believes the research questions are the most important factor in identifying the appropriate research methods, not the philosophical position which underpins these methods. Therefore, the complexity of the research questions determined a combination of quantitative and qualitative methods could work together to achieve the research objectives.

The comparative research design aimed to establish whether there is a North-South regional divide in a number of key issues being investigated in this study. It also possesses the characteristics of exploratory and explanatory study that is designed to both explore factors influenced COO, CE and CA and establish causal relationships. This study adopted a concurrent embedded mixed methods research strategy. There was one data collection phase, during which both quantitative and qualitative data are collected simultaneously. The Quantitative section were designed to establish a general picture about product preference, CE and CA levels,
and the qualitative part builds upon the quantitative investigation to further explore factors influencing those issues being tested. Based on the quantitative investigation, the qualitative section was aimed to build a deeper understanding of the key issues.

Purposive sampling was adopted for the quantitative study. It specifically targeted adult urban consumers at shopping districts in two Chinese cities in Northern and Southern China. It conducted street surveys in Shenyang and Shenzhen, using self-completion questionnaires. Snowball sampling was used for the qualitative study. It established initial contacts in both cities to reach the special groups of consumers that harbour certain levels of animosity towards the Japanese. In-depth interviews were carried out in private venues to ensure the interviewees could speak of their minds freely. Both the questionnaire and interview procedures were tested prior the formal data collection stage. The questionnaire was translated and back translated to overcome the language issue. Two mandarin speaking researchers contributed to the final draft of the questionnaire. Given the politically sensitive nature of the issues being discussed in the in-depth interviews, the researcher has taken measures to conceal the identities of those participating in the interviews. Other measures were also carried out, such as conducting the Cronbach’s Alpha test, to ensure the reliability and validity of the findings. Nonetheless, due to time and resources constraint, there are some limitations. A follow up quantitative study to test the key findings of the interviews will no doubt further enhance the main conclusions of this study.
Chapter 4 Data Analysis and Findings

4.1 Introduction

This chapter presents and explains the processes and results of the data analysis. It contains two separate sections on quantitative and qualitative findings. There are a number of issues which have been investigated in this study. To portray the quantitative findings in a logical structure, they are organised by the specific issues that been examined, and started with the descriptive data and followed by the results of the statistical tests including Chi-Square test of independence, Man-Whitney U Test, Kruskal-Wallis Test and Spearman’s Rank Order Correlation. The qualitative findings are centred on six main issues, how UACC determine whether a product is foreign or Chinese, the sources of animosity, different types of animosity, the impact on willingness to buy, the importance of domestic alternatives and domestic industry and areas for Chinese products to improve. The quantitative data were analyzed by the SPSS software and the qualitative data analysis was carried out using NVivo.

The presentation of these two separate sections is as follow:

Section 4.2 – Quantitative Data Analysis and Findings

- Section 4.21 explains the sample characteristics
- Section 4.22 describes the preference between foreign and Chinese products
  The data in this section and following sections 4.23 and 4.24 are predominantly descriptive data displayed in the form of bar charts
- Section 4.23 provides the reasons of why respondents prefer foreign or Chinese products
- Section 4.24 presents the evidence of respondent’s preferences varying between product categories
Section 4.25 explains the impact of demographic variables by utilizing the results of Chi-square tests of independence

Section 4.26 provides the evidence of the impact of locations by explaining the results of relevant Chi-Square tests of independence

Section 4.27 displays the findings on consumer ethnocentrism and related issues

Section 4.28 presents the findings on consumer animosity and related issues

Section 4.3 – Qualitative Data Analysis and Findings

Section 4.31 explains the selection and characteristics of interviewees

Section 4.32 display the findings of how respondents determine whether a product is foreign or Chinese

Section 4.33 explains the discovery of different sources of animosity

Section 4.34 showcases the importance of domestic alternatives and domestic industry

Section 4.35 points out the areas for Chinese products to improve

There is a separate section 4.4 that demonstrated how quantitative and qualitative data complimented, further strengthened and in some cases contradicted the respective findings. The qualifications for the selection of analysis methods are included and a thorough analysis of the results and its implications will be featured in the next ‘discussions’ chapter.

4.2 Quantitative Data Analysis and Findings

The street survey questionnaires data were coded, inputted and analyzed using the data analysis software – SPSS. A number of analysis methods were applied which includes Chi-Square Test for Independence, Spearman’s Rank Order Correlations, Mann-Whitney U test and Kruskal-Wallis Test. The distribution patterns of the quantitative data determined the adaptation of non-parametric alternatives instead of parametric tests.
4.2.1 Sample Characteristics

In total, 367 completed and valid questionnaires data were inputted into SPSS, 170 were collected in Shenyang-Northern China and 197 were collected in Shenzhen - Southern China.

Table 4 Number of Questionnaires

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Shenyang - Northern China</td>
<td>170</td>
<td>46.3</td>
<td>46.3</td>
<td>46.3</td>
</tr>
<tr>
<td>Shenzhen - Southern China</td>
<td>197</td>
<td>53.7</td>
<td>53.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

This shows that substantial samples were collected in both Northern and Southern China. The researchers collected 200 questionnaires in each city, however, some questionnaires are invalid due to the fact that respondents had not answered the questions completely. Extreme weather, heavy rain in Shenyang – Northern China caused contamination of a small number of questionnaires which were excluded from inputting into SPSS. This is the primary reason that the numbers of questionnaires collected in the South were slightly higher than the North.

The details of the sample are as follow:

Figure 13 Gender
The above graph shows a reasonably equal spread between genders, with 46.90% of respondents male and 53.41% female. This enables the use of the chi-square test for independence to identify whether gender plays a role with regard to a number of different issues.

Figure 14 Age Groups

The age group graph shows the respondents of the questionnaire are predominantly young consumers between 18-35 years old, 66.2% of the overall participants are in this category. This survey covered the adult consumers range, with a further 22.1% 36-50 years old and 11.7% above 50 years.

Figure 15 Education Level
It is clear from the above graph that the participants of the street survey are largely university educated, 66.5% have either HND or a degree. This reflects the fact that a large percentage of China’s youth are attending universities which is a direct result of central government’s educational reform. Reports by Xinhua News Agency predicted the peak of university graduates number will be in 2011, about 7.5 million graduates will be leaving campus (Xinhua, 2008).

Due to the nature of the size of a country like China and resource restraints, realistically, it is impossible for this study to apply random sampling to build a representative sample. Instead, it adopted purposive sampling to focus on shoppers in two of China’s biggest urban cities. The data acquired has a reasonable breadth and reach and therefore avoids bias, such as gender and age groups. This also enables analyses of the significance of demographic variables to a number of issues, which will be presented in the following sections.

4.22 Foreign or Chinese?

One of the fundamental issues this study aims to address is UACC’s preference between foreign and domestic products. The results clearly show that UACC cannot be simply considered as being in favour of foreign products, or prefer Chinese products.

Figure 16 Product Preferences
The number of UACC who favour Chinese or foreign products are almost equal, 28.3% state that they prefer Chinese products and 27.2% considered themselves in favour of foreign products. It is clear that the notion that Chinese consumers overwhelmingly favour foreign products is no longer true. The findings show that 40.1% respondents’ preferences are dependent on other variables. Their decisions could be dependent on a number of other factors, such as product categories, price, quality and availability of domestic alternatives, some of which will be explored in subsequent sections.

4.23 Why Foreign or Chinese?

Table 5 Preference between Chinese and Foreign Products

<table>
<thead>
<tr>
<th>Q1 Preference of Chinese or Foreign Products?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>367</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>16</td>
<td>4.4</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Chinese</td>
<td>104</td>
<td>28.3</td>
<td>28.3</td>
<td>32.7</td>
</tr>
<tr>
<td>Foreign</td>
<td>100</td>
<td>27.2</td>
<td>27.2</td>
<td>59.9</td>
</tr>
<tr>
<td>No particular preference</td>
<td>147</td>
<td>40.1</td>
<td>40.1</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Since UACC cannot be simply regarded as pro foreign or pro Chinese products, what are the reasons behind the decision making? A number of rationales have been tested in each scenario.
Overall, 104 out of 367 respondents are in favour of Chinese products. The results are surprising in some respect, hence the most common explanations provided are not factors like ‘price’, ‘quality’ or ‘value for money’ but linked to ‘nationalism’ and ‘patriotism’. ‘Support domestic industry’ and ‘Patriotic behaviour’ were the most common reasons for those respondents who expressed a preference for Chinese products. This indicates that the influence of ‘domestic alternatives’ and China’s raising nationalism cannot be ignored.

Figure 18 Reasons for favouring foreign products
In terms of favouring foreign products, there are 100 respondents out of the total 367. The top three reasons are superior quality, better design and superior brands. Only 9 people out of 100 actually believe foreign products are status symbols, which confirms the fact the symbolic benefits of foreign products are fading in China. Quality and design are the major features that caused UACC’s preference for foreign products. Brand had a considerable impact on this decision making. It suggests UACC has moved from symbolic benefits such as status meanings and show focus on functional values, such as quality and design.

4.24 Product Categories

As discussed in section 4.22, 40.1% of respondents indicated that their preferences are depending on other factors. The following sections present evidence of the effect of product categories. Five categories were included in this study and considerations were given to the degree of availability of domestic products. Grocery is the category with a large number of local alternatives, mobiles and laptops are the categories with reasonable alternatives, cars with limited Chinese competition and luxury goods with no domestic alternative at all. The selection of these five product categories were also based on previous studies and suggestions from participants of the pilot interviews as explained in section 3.37. Zhou and Hui (2003) indicated Chinese consumers have a strong desire for foreign luxury brands. Wang and Yang (2008) concluded Chinese consumers have a strong positive perception of foreign cars, particularly German cars. Kwok et al. (2006) suggested Chinese consumers have a strong preference for domestic grocery products. Several participants in the pilot study have suggested electronic goods, such as mobile and laptops, as there are a lot of domestic alternatives which affect their purchase decision making.

4.24.1 Grocery - a large number of local alternatives, 53.1% choose Chinese grocery products as their No.1 choice.
4.24.2 Laptops and Mobile Phones - reasonable amount of domestic alternatives

Laptops from US are the most popular.

European mobiles (Nokia) are most preferred, China and Japan almost equal in this category.
Preferences vary between categories, it should be noted the preference for Chinese products dropped from grocery’s 53.1% to 21% and 17.4% respectively.

4.24.3 Cars - limited Chinese competition - Europeans cars are the most preferred.
4.24.5 Luxury Goods - no domestic alternative

European luxury goods are the overwhelming favourite.

Figure 23 Preferences of Luxury Goods

The above results of different preferences clearly demonstrated the impact of product categories on UACC's preference of foreign and Chinese products. UACC's preferences vary between categories, with China, Europe and US leading respective categories, it cannot be regarded simply as pro foreign or pro Chinese. Apart from the variation between categories, there are some underlying consistencies.

1. Japanese products did not achieve the top of preference lists in any of the product categories. In contrast, the US, European and Chinese products were selected to be the most preferred in respective categories. There could be many reasons for this. A number of explanations, such as consumer animosity, will be explored through qualitative data analysis.

2. The results suggest that availability of domestic alternatives is significant in terms of UACC’s preference between foreign and domestic products. As the
level of domestic alternatives dropped between categories, the preference for Chinese products decreased. The graph below clearly shows that the preference for Chinese products reduced from 53.1% to 6.8%. The significance of the implications of domestic alternatives will be investigated extensively in the qualitative data analysis.

Figure 24 Preference for Chinese Products

3. In contrast to Japan, the European and American products are reasonably popular amongst UACC. European and American goods came on top on four out of five selected product categories. Consumer attitudes towards Europeans and Americans will be explored in the qualitative data analysis section.

4.25 Impact of Demographic Variables and Location on COO

A number of statistical analyses of Chi-square Test of Independence were carried out to test the impacts of demographic variables and location on UACC’s attitudes towards COO. The results are somewhat surprising, all the demographic variables tested: gender, age group and education level have no significant impact on COO
related matters. Location has only limited effects on two particular issues. The results of these statistical tests are illustrated in the following table 6:

**Table 6 Impacts of Gender and Location**

<table>
<thead>
<tr>
<th>Testing Attitudes:</th>
<th>Significant Impact of Genders</th>
<th>Significant Impact of Age Group</th>
<th>Significant Impact of Education Level</th>
<th>Significant Impact of Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. UACC’s preference between foreign and Chinese products</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2. UACC who are in favour of Chinese products, because they think the purchase of domestic products is patriotic behaviour.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3. UACC who are in favour of Chinese products, because they believe that Chinese products are of good quality at a reasonable price.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4. UACC who are in favour of Chinese products, because they believe Chinese products are better value for money.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5. UACC who are in favour of Chinese products, because Chinese products’ price is cheaper.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. UACC who are in favour of Chinese products, because they believe Chinese products satisfy their needs better.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. UACC who are in favour of Chinese products, their attitudes towards supporting domestic industry.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td><strong>YES</strong></td>
</tr>
<tr>
<td>8. UACC who are in favour of foreign products, because they believe foreign products have superior quality.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. UACC who are in favour of foreign products, because they believe foreign products have better design.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10. UACC who are in favour of foreign products, because they believe foreign products are social status symbols.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>11. UACC who are in favour of foreign products, because they believe foreign products represent modernity.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>12. UACC who are in favour of foreign products, because they believe foreign products represent innovation and new technology.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>13. UACC who are in favour of foreign products, because they believe foreign products have a better fit with lifestyle.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>14. UACC who are in favour of foreign products, whether they consider foreign products have superior brands.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td><strong>YES</strong></td>
</tr>
</tbody>
</table>
4.26 Location, Domestic industry and Foreign Brands

In contrast to the impact of demographic variables, location had a major impact on two important issues. The following sections only discuss factors proven to have significant effects by statistical analyses.

1) UACC who are in favour of Chinese products, there is a significant difference between locations and their attitude towards domestic industry. Those who live in Shenzhen - Southern China, felt more strongly as to the necessity of supporting Chinese domestic industry than those living in Shenyang - Northern China.

As shown in the below tables, the Pearson Chi-square, Continuity Correction Asymp. Sig value is .037, smaller than .05 which indicates there is a significant difference.

Table 7 Location and Domestic Industry

<table>
<thead>
<tr>
<th>Q2.5 You want to support domestic industry?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>21</td>
</tr>
<tr>
<td>% of Total</td>
<td>19.4%</td>
</tr>
<tr>
<td>Shenyang - Northern China</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>18</td>
</tr>
<tr>
<td>% of Total</td>
<td>16.7%</td>
</tr>
<tr>
<td>Shenzhen - Southern China</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>39</td>
</tr>
<tr>
<td>% of Total</td>
<td>36.1%</td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>18</td>
</tr>
<tr>
<td>% of Total</td>
<td>17.6%</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.266</td>
<td>1</td>
<td>.022</td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>4.330</td>
<td>1</td>
<td>.037</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.176</td>
<td>1</td>
<td>.023</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td>5.217</td>
<td>1</td>
<td>.022</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.17</td>
<td>1</td>
<td>.142</td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.64.
b. Computed only for a 2x2 table
The above test indicates location as a significant factor on UACC’s attitude of the necessity to support domestic industry, 19.4% in the North compared with 48.1% in the South is statistically significant. This means UACC living in the Southern China had a stronger desire to support China’s domestic industry than those consumers in Northern China. It suggests that the desire to protect domestic industries could have a major impact on UACC’s decision making.

2) UACC who are in favour of foreign products. There is a significant difference between locations and whether they consider foreign products have superior brands. Those who live in Shenzhen-Southern China agree more strongly that foreign products have superior brands than those UACC live in Shenyang - Northern China

As displayed in the below tables, the Pearson Chi-square, Continuity Correction Asymp. Sig value is .008, smaller than .05 which indicates there is a significant difference.

<table>
<thead>
<tr>
<th>Table 8 Location and Foreign Brands</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Q3.3 Foreign products have superior brands?</th>
<th>Q27 Location Cross tabulation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shenyang - Northern China</td>
<td>Shenzhen - Southern China</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>15</td>
</tr>
<tr>
<td>% of Total</td>
<td>14.9%</td>
<td>27.7%</td>
</tr>
<tr>
<td>No</td>
<td>Count</td>
<td>37</td>
</tr>
<tr>
<td>% of Total</td>
<td>36.6%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>52</td>
</tr>
<tr>
<td>% of Total</td>
<td>51.5%</td>
<td>48.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Pearson Chi-Square</td>
</tr>
<tr>
<td>Continuity Correctionb</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
</tr>
<tr>
<td>N of Valid Cases</td>
</tr>
</tbody>
</table>

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 20.86.
b. Computed only for a 2x2 table
The Chi-Square Test for Independence confirms location as a significant factor in terms of UACC’s attitude on whether foreign products enjoy a superior brand status. UACC living in Southern China agreed more strongly that foreign products have superior brands than those living in Northern China. This suggests consumers in Southern China are more attracted to foreign products’ brand appeal.

Figure 25 Foreign Products Have Superior Brands

Location has been proven to be a significant factor in both attitudes to protect domestic industry and the superior status of foreign brands which underlines a clear regional divide between Northern and Southern China.

The findings suggested that UACC’s product preference between foreign and Chinese products remain divided, with a group of them favouring domestic products, the other group preferring foreign products and the largest group appearing to have no particular preference. The desire to support domestic industry and patriotic beliefs are the main reasons for those have a preference of Chinese products. Quality and design are the main features which contributed to some UACC’s preference of foreign products. Demographic variables, gender, age group and education level, have no significant impact on UACC’s attitudes towards COO. Location has limited impact and the results suggest it only had significant effect on two accounts. UACCs living in Southern China have a stronger desire to
protect domestic industry, than those living in Northern China. UACCs living in Southern China also agreed more strongly that foreign products have superior brands than those living in Northern China.

4.27 Consumer Ethnocentrism

4.27.1 Measurement

UACC’s CE beliefs were tested in the street survey. The CE measurement scale was originally developed by Shimp and Sharma (1987). The CETSCALE contains 17 statements to test American consumers’ attitudes towards foreign products and willingness to purchase domestic goods which in turn measures their CE beliefs. CETSCALE had been tested and validated across countries and has become the accepted measurement method for CE. The original scale was tested on American consumers. It was later adjusted for use in other countries and in some cases modified to a smaller scale. Klein et al. (1998) reduced it to 6 items to measure Chinese consumers’ CE beliefs. Due to the nature of this study and taking into account the suitability of the length in a street survey setting, the original 17 items CETSCALE was modified into a 6 items scale for this investigation.

The 6 items CETSCALE for measurement of UACC’s CE beliefs are as follow:

1. Chinese people should always buy Chinese made products instead of imports.
2. Only those products that are unavailable in China should be imported.
3. Buying Chinese products is patriotic behaviour.
5. Curbs should be put on some imports to protect domestic industry.
6. We should purchase products manufactured in China instead of letting other countries get rich off us.
A Cronbach’s alpha coefficient reliability test of CETSCALE was conducted to check the 6 items CETSCALE’s internal consistency. **Cronbach’s Alpha value of 0.850 suggests very good internal consistency reliability for the CETSCALE.**

**Table 9 Cronbach’s Alpha**

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>Cronbach’s Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.850</td>
<td>0.850</td>
<td>6</td>
</tr>
</tbody>
</table>

This qualifies the modified 6 items CETSCALE as a valid and consistent measurement scale to test UACC’s level of CE beliefs.

### 4.27.2 Low Level of CE amongst UACC

The results indicated CE beliefs amongst UACC are low, with a total Mean score of \( M=23.57 \) and Stand Deviation SD=6.40. For the 6 items statements that made up the CETSCALE, mean values range from 3.51 to 4.80 and standard deviation range from 1.38 to 1.42. The values are calculated on the 7 items Likert scale (1=very strongly disagree, 2= strongly disagree, 3=disagree, 4=Neutral, 5= agree, 6=strongly agree and 7= very strongly agree). For analysis purposes, the Likert scale data was reversed by the SPSS software, the original likert scale in the questionnaire was constructed in a different order with 1 stands for very strongly agree and 7 equals to very strongly disagree. As displayed in the below table, mean scores range from 3.51 to 4.80 indicates UACC holds low to average level of CE beliefs. This suggests that UACC do not have a strong negative bias towards foreign products. Overall, there is no strong desire to curb foreign imports or solely relying on the purchase of domestic products. CE beliefs do not pose a serious threat to foreign products in China.
Table 10 CE Levels

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Range</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE Q9</td>
<td>367</td>
<td>37</td>
<td>5</td>
<td>42</td>
<td>23.57</td>
<td>6.403</td>
</tr>
<tr>
<td>CE Q10</td>
<td>367</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>3.67</td>
<td>1.419</td>
</tr>
<tr>
<td>CE Q11</td>
<td>367</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>4.05</td>
<td>1.413</td>
</tr>
<tr>
<td>CE Q12</td>
<td>367</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>4.05</td>
<td>1.378</td>
</tr>
<tr>
<td>CE Q13</td>
<td>367</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>4.80</td>
<td>1.431</td>
</tr>
<tr>
<td>CE Q14</td>
<td>367</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>3.99</td>
<td>1.420</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>367</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.27.3 Impact of Locations on CE

*Man-Whitney U Test* was selected to analyze the impact of locations on CE. This non-parametric test is a suitable technique due to the normality of the continuous data. A test of normality shows the CE data is not normally distributed, as shown in the below table:

Table 11 Test of Normality

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnov*</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
</tr>
<tr>
<td>CE</td>
<td>.097</td>
<td>367</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

The Kolmogorov-Smirnov Sig. value of .000, which is less than .05, indicates violation of the assumption of normality. Consequently, only non-parametric tests can be applied to analyze this set of data. The Man-Whitney U test was deemed to be suitable for this analysis because it further satisfies two requirements, as pointed out by Field (2009) and Pallant (2007):
- One categorical variable with two groups – Location (Shenyang-Northern China or Shenzhen–Southern China)
- One continuous variable (The level of CE beliefs measured by the 7 items likert scale)

Results of Man-Whitney U test are as follow:

**Table 12 Mann - Whitney U Test**

<table>
<thead>
<tr>
<th>CE</th>
<th>Q27 Location</th>
<th>N</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shenyang–Northern China</td>
<td>170</td>
<td>23.00</td>
</tr>
<tr>
<td></td>
<td>Shenzhen–Southern China</td>
<td>197</td>
<td>22.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>367</td>
<td>23.00</td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th></th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
<td>14517.500</td>
</tr>
<tr>
<td>Wilcoxon W</td>
<td>34020.500</td>
</tr>
<tr>
<td>Z</td>
<td>-2.202</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.028</td>
</tr>
</tbody>
</table>

*a. Grouping Variable: Q27 Location*

Asymp. Sig. value of .028 is less than .05 which indicates the significance. Combined with the median figures it concludes that UACC living in Shenyang – Northern China have significantly stronger CE beliefs than those living in Shenzhen – Southern China. This interesting finding triggers the question as to why there is such a difference between North and South. Could it be stages of economic integration or historical backgrounds?

### 4.27.4 Impact of Demographic Variables on CE

**Kruskal-Wallis Test** was applied to analyze the impact of demographic variables on CE. The test of normality, as shown in table 4.10, confirmed that the CE data violated the assumption of normality and determined only Non-parametric methods can be used for analysis. The CE and demographic variables data further satisfies two
conditions to meet the requirements of Kruskal-Wallis test, as pointed out by Field (2009) and Pallant (2007):

- One continuous dependent variable (The level of CE beliefs measured by the 7 items likert scale)
- One categorical independent variable with three or more categories (age groups, education levels and places of growing up all have three or more categories)

**Age groups and CE**

Results of the Kruskal-Wallis test suggests there is a significant difference between which age group UACC belongs to and the levels of CE beliefs.

**Table 13 Kruskal-Wallis Test**

<table>
<thead>
<tr>
<th>Age group</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-22 years old</td>
<td>127</td>
<td>171.62</td>
</tr>
<tr>
<td>23-35 years old</td>
<td>116</td>
<td>174.85</td>
</tr>
<tr>
<td>36-50 years old</td>
<td>81</td>
<td>186.81</td>
</tr>
<tr>
<td>Above 50 years old</td>
<td>43</td>
<td>239.94</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th>CE</th>
<th>Chi-square</th>
<th>df</th>
<th>Asymp. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE</td>
<td>14.664</td>
<td>3</td>
<td>.002</td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test  
b. Grouping Variable: Q25 Age group

Test statistics as shown above confirmed there are statistically significant differences between different age groups and the strength of their CE beliefs, the Asymp. Sig. value of .002 which is less than .05 indicates the significance. The results suggest that as UACC’s age increases, their levels of CE beliefs raised as well, which means the senior members of UACC hold a stronger negative bias towards foreign products than the younger generation. Older generations particularly the above 50
years old group are less willing to accept products imported from another country. This provokes the search for the causes of such differences. What could be the reasonable explanation? Are the changes by-products of China’s economic opening up policy or do education levels play a role?

**Figure 26 CE and Age Groups**

<table>
<thead>
<tr>
<th>Education level</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school or lower</td>
<td>80</td>
<td>227.00</td>
</tr>
<tr>
<td>HND or Degree</td>
<td>244</td>
<td>175.78</td>
</tr>
<tr>
<td>Masters or above</td>
<td>38</td>
<td>135.33</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>266.90</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>25.763</td>
</tr>
<tr>
<td>df</td>
<td>3</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test  
b. Grouping Variable: Q26 Education level
Above test statistics suggest that there is a significant difference between the educational level and UACC’s CE beliefs, Asymp. Sig. value of .00 which is less than .05 indicates the significance. The statistics show that the higher education level UACC receive, the lower the CE beliefs they hold. It suggests educational level plays a role in UACC’s CE beliefs, higher educated consumers are more open minded about imports and the use of foreign products.

4.28 Consumer Animosity

UACC’s consumer animosity towards the Japanese, French and Americans are part of the street survey investigation. Consumers approached in the shopping districts of Shenyang and Shenzhen were asked to respond to a set of attitudes statements to test their opinions towards Japanese, French and American goods.

4.28.1 Measurement

The method designed in the original study by Klein et al. (1998) was to measure consumer animosity at two levels. It developed a single statement ‘I dislike the Japanese’ to test the overall animosity and two set of statements to measure both ‘war animosity’ and ‘economic animosity’. Some recent studies, particularly Riefler and Diamantopoulos (2007), have raised questions about the measurement. The key concern is Klein et al. (1998) considered war and economic animosity both as causes and consequences of animosity which triggered the concerns about the consistency of the animosity model. Furthermore, to blindly trust war and economic concerns as the only two sources is jeopardizing the discovery of the full impact of consumer animosity.

Taking into account the above concerns, this study adopted the original study’s single statement approach to measure the overall animosity, however, it did not follow the statements to measure war and economic animosity. Instead, it developed two further statements to measure the impact of animosity on
willingness to buy and the moderating effects of domestic alternatives. The whole set of statements are as follows:

- I don’t like the Japanese/French/Americans
- I never buy Japanese/French/American products
- I only buy Japanese/French/American products if there are no domestic or other alternatives available

4.28.2 CA towards Japanese

The results of this street survey have shown clear evidence of strong consumer animosity towards the Japanese amongst UACC. As displayed in the below figure 27, 53.7% respondents indicated that they don’t like the Japanese, 18.5% agree, 9% strongly agree and 26.2% very strongly agree with the statement.

Figure 27 Animosity towards Japanese

There is no doubt that CA does exist in UACC, over half of the respondents revealed they dislike the Japanese, which also suggest this is a widespread issue that could have deep rooted historical origins and far reaching consequences. To explore the sources of animosity is one of the key focuses of the qualitative part of this study and the findings will be presented in later sections.
4.28.3 CA towards French and Americans

Contrast to the Japanese scenario, there are very low levels of consumer animosity aimed at the French and Americans.

**Figure 28 Animosity towards Americans and French**

The above two tables clearly illustrate that consumer animosity towards French and Americans are both low, with 10.4% of respondents indicating that they dislike the French and 11.7% dislike the Americans. The results seem to suggest animosity towards the Japanese compared with the French and Americans are at very different levels. It is interesting to explore the difference of these two animosities and examine the causes that created such differences. This issue is part of the qualitative investigation.
4.28.4 Impact of Locations on CA

Man-Whitney U test confirmed, in terms of UACC’s consumer animosity towards the Japanese, there is a significant difference between those living in Shenyang – Northern China and Shenzhen - Southern China. Consumers living in Northern China hold significantly stronger animosity beliefs than those who live in the South.

Table 15 Man-Whitney U Test 2

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>N</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenyang - Northern China</td>
<td>170</td>
<td>5.00</td>
</tr>
<tr>
<td>Shenzhen - Southern China</td>
<td>197</td>
<td>4.00</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Test Statistics*

<table>
<thead>
<tr>
<th></th>
<th>Q15 I don't like the Japanese.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
<td>13576.000</td>
</tr>
<tr>
<td>Wilcoxon W</td>
<td>33079.000</td>
</tr>
<tr>
<td>Z</td>
<td>-3.200</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.001</td>
</tr>
</tbody>
</table>

* Grouping Variable: Q27 Location

The differences between locations are similar to the effects of locations on CE, which means location plays a major role in terms of UACC’s attitudes towards foreign goods and Japanese in general. Shenyang and Shenzhen have many differences in terms of economic development and historical backgrounds. One of the issues that could provide a reasonable explanation for the different animosity levels is that Shenyang suffered brutal Japanese occupation during the Second World War where many civilians lost their lives and Shenzhen itself as a newly formed city which has no war memories and damage.
4.28.5 Impact of Demographic variables on CA

Man-Whitney U Test confirmed there are no significant differences between genders in terms of their animosity towards Japanese. Kruskal-Wallis Test discovered that educational levels do not affect respondent’s animosity beliefs but there are significant differences between age groups.

Table 16 Kruskal Wallis Test 3

<table>
<thead>
<tr>
<th>Age group</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-22 years old</td>
<td>127</td>
<td>180.35</td>
</tr>
<tr>
<td>23-35 years old</td>
<td>116</td>
<td>169.79</td>
</tr>
<tr>
<td>36-50 years old</td>
<td>81</td>
<td>183.17</td>
</tr>
<tr>
<td>Above 50 years old</td>
<td>43</td>
<td>234.70</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>Q15 I don't like the Japanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>12.627</td>
</tr>
<tr>
<td>df</td>
<td>3</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.006</td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test  
b. Grouping Variable: Q25 Age group

It appears 36-50 and above 50 years have a stronger animosity towards Japanese than the 18-22 and 23-35 age groups. Older generations hold stronger views than the younger age groups, however, it is not the case that as the age increases the level of animosity towards Japanese rises respectively. As the above table shows, the 18-22 age group holds stronger animosity beliefs than the 23-35 years old.

4.28.6 CA and Willingness to Buy

The relationship between consumer animosity and willingness to buy is one of the key issues this study aimed to address. From the analysis above, it is evident that over half of the respondents harbour animosity towards the Japanese. The developed animosity measurement scale of this study not only assesses the overall level of animosity but is also designed to test its impact on willingness to buy and the moderating effects of domestic alternatives.
Correlation test is the statistical method to describe the strength and direction of the relationship between two continuous variables. Normality tests revealed the three sets of continuous variables are not normally distributed. As displayed in the table below, the Kolmogorov-Smirnov value of .000 which is less than .05, indicates the three sets of continuous variables violated the assumption of normality. Therefore, the non-parametric alternative – Spearman’s Rank Order Correlation applies in this circumstance.

Table 17 Spearman’s Rank Order Correlation

<table>
<thead>
<tr>
<th>Tests of Normality</th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q15 I don’t like the Japanese.</td>
<td>0.168</td>
<td>367</td>
</tr>
<tr>
<td>Q16 I never buy Japanese products.</td>
<td>0.221</td>
<td>367</td>
</tr>
<tr>
<td>Q17 I only buy Japanese products if there are no domestic or other alternatives available.</td>
<td>0.205</td>
<td>367</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

The Spearman’s Rank Order Correlation confirmed there is a strong positive correlation between consumer animosity and willingness to buy Japanese products. As displayed in the tables below, the Correlations Coefficients of .536 and .511 indicate strong positive relationships on both accounts. It means the greater animosity displayed towards the Japanese, the less willing to buy Japanese products. The Spearman’s Rank Order Correlation effectively established that consumer animosity affects willingness to buy. Animosity could have important consequences which are reflected in the consumer’s purchase intentions.
Table 18 Spearman’s Rank Order Correlation 2

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Q15 I don’t like the Japanese.</th>
<th>Correlation Coefficient</th>
<th>Q17 I only buy Japanese products if there are no domestic or other alternatives available.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Correlation Coefficient</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>Q15 I don’t like the Japanese.</td>
<td>1.000</td>
<td>.</td>
<td>367</td>
</tr>
<tr>
<td>Q17 I only buy Japanese products if there are no domestic or other alternatives available.</td>
<td>.511</td>
<td>1.000</td>
<td>367</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

This concludes the quantitative section of the data analysis. The quantitative data analysis utilised the descriptive data and mainly non-parametric analysis methods including Chi-square test of Independence, Man-Whitney U Test, Kurskal –Wallis Test and Spearman’s Rank Order Correlations. In terms of respondents’ product preference, it cannot be simply considered as overwhelmingly favouring foreign or Chinese products. The preference remains divided with some respondents preferring Chinese products and some favouring foreign products, 40.1% of respondents’ preference will depend on other factors. Product category is one of
the factors, as the findings revealed the respondents’ product preferences vary between different categories, in which Europe, US and China have been identified as the most preferred country of origin in respective categories. As the availability of domestic alternatives dropped, the preference for Chinese products decreased accordingly. For those preferring Chinese products, their desire to ‘support domestic industry’ and the consideration of being ‘patriotic behaviour’ were the most common motives. ‘Better design’ and ‘superior quality’ were the principal reasons for those having a preference for foreign products. Only 9 out 100 respondents believe foreign products are status symbols.

Gender had limited impact on respondents’ attitudes towards foreign and Chinese products. In contrast, locations were proved to be statistically significant on two occasions. Respondents living in Shenzhen – Southern China, felt more strongly as to the necessity of supporting Chinese domestic industry than those living in Shenyang – Northern China. Those living in Shenzhen-Southern China agree more strongly that foreign products have superior brands than those living in Shenyang-Northern China.

UACC holds low to average level of CE beliefs. Locations were proved, once again, as a significant factor. Respondents living in Shenyang – Northern China have significantly stronger CE beliefs than those living in Shenzhen – Southern China. Demographic variables including age groups and education levels were statistically significant in this scenario. Older generations hold stronger CE beliefs than younger generations, as respondents’ age group increases their CE beliefs strengthened accordingly. Senior members of UACC hold a stronger negative bias towards foreign products than the younger generation. Similar to the effects of age groups, education level played an important role. The higher the level of education the respondents received, the lower CE beliefs they hold. This suggests that higher educated consumers are more opened minded about imports and the use of foreign products.
The quantitative findings unveiled there is a strong consumer animosity amongst UACC, with over half of the respondents expressed that they dislike the Japanese. Consumer animosities towards the French and Americans were relatively low. Respondents living in Shenyang – Northern China harbour significantly stronger consumer animosity than those living in Shenzhen – Southern China. Age groups were a significant factor, older generations holding stronger animosity than the younger generation. However, in contrast to the effects on CE beliefs, education levels had no significant impact on respondents’ consumer animosity.

4.3 Qualitative Data Analysis and Findings

The qualitative part of this study focuses on exploring the background and rationale of the research questions tested in the qualitative investigation. This has been carried out in the form of face to face interviews. Due to time and resource constraints the qualitative stage was conducted in parallel with the quantitative street survey. The interview method has proven to be extremely powerful to uncover and address a number of key research questions of this study. It used the street survey as a starting point on each interview to generate a basic understanding of the participant’s views about Chinese and foreign products. The qualitative interviews further discussed the key topics on COO, CE and CA, with a focus on the following four areas:

1. How UACC determines whether a product is foreign or Chinese?
2. Sources and backgrounds of Consumer Animosity.
3. The moderating effects of domestic alternatives and protecting domestic industries.
4. Areas for Chinese products to improve.

This section will present the findings on these areas.
4.31 Interviews

Twelve interviews in total were conducted, recorded, translated, transcribed and analyzed by the Nvivo 8 software. Six of the interviews were conducted in Northern China - Shenyang and an equal number of interviews were carried out in Southern China - Shenzhen. The interviewees included a mixture of backgrounds in terms of age groups, education levels, gender, locations and places of growing up that are consistent with the variables within the quantitative data analysis. Each interviewee is assigned with a letter as the case ID to protect their real identities and the presentation of their views are marked with ‘IE’ and a number, for example interviewee 2 will be displayed as ‘IE2’. All these efforts are to maintain the university’s research ethical standards. Furthermore, some of the issues discussed are politically sensitive in China, the researcher has given assurances to participants that their real identity will not be compromised in any shape or form.

4.32 How UACC determine whether a product is foreign or Chinese?

The complexity of identifying the real origin of a product in the current economic climate is highlighted in the literature review. The arguments are centred on ‘made in’, ‘Country of Manufacture’, ‘Country of Assembly’, ‘Country of Design’, ‘Country of Association’ and ‘Country of Destination’. This issue has particular relevance in China and amongst UACC because of the rapid economic development which has transformed China into the world’s manufacturing powerhouse. Many multinational corporations have based their production in China, which adds extra confusion about the products’ real origin.

The findings of interviews have revealed some interesting insights about how UACC determine the origin of a product. This question is complex in nature, although ‘made in’ and ‘country of design’ were mentioned a couple of times initially, when the discussion deepens, it is clear UACC’s identification of a product’s true origin ultimately is dependent on two factors:
Brand Origin

4.32.1 Brand Origin

The first piece of important product information cue is ‘brand origin’. This not only underlined the importance of brand association in product origin but also highlighted the brand consciousness of UACC which was discussed in the quantitative data analysis sections 4.23 and 4.26. The following are examples that demonstrate the importance of brand origin in UACC’s process of identifying product origin:

IE2 >:

“Good question, a lot of things are made in China now. I think it all depends on the brand, where the brand is originated from. I look at the brand, which country’s brand it is and who is managing the company. Where it was manufactured does not really matter to me.”

IE3 >:

“Err.. The design, the brand, if it is Chinese brand then it is Chinese.”

IE9 >:

“China is a manufacturing powerhouse, right now, you only need to look at the made in label.

Q #:

So it depends on the made in label? If it’s manufactured in China, then it’s a Chinese product?

IE9 >:
Yes.

Q #:

What if it’s a foreign brand but made in China, such as the Nokia phones? Are they Chinese products or foreign products?

IE9 >:

In this case, it has to be foreign products! China only did the manufacturing part. Okay, I think it eventually come down to the brand.”

Findings of the face to face interviews underlined the importance of brand origin in determining the real origin of a product, especially in the context of that product being manufactured in China. The deciding factor of whether a product is foreign or Chinese is the brand origin. However, in other circumstances UACC are not satisfied with brand origin alone.

4.32.2 Brand Origin and Country of Manufacture

Some consumers pay close attention to both ‘brand origin’ and ‘country of manufacture’. For them, to be a complete foreign product, it needs to be a foreign brand and manufactured abroad. Any elements of Chinese involvement was deemed to affect the truthfulness of that product, therefore, cannot be regarded as a foreign product. The following are statements from the interviews that support this conclusion:

IE4 >:

“I mean Chinese products, it needs to be a Chinese brand, own design and manufactured in China. The second scenario is that, it is not a Chinese brand but produced in China…. [Foreign products produced in China] are no difference to a Chinese product.”
“If you let me choose, for example, a BMW car that is made in China and one is produced as originally in Germany. I will choose the one produced in Germany! ….Yeah, I don’t like the fact it has been manufactured in China.”

So how do you identify whether a product is foreign or Chinese?

“Those are completely manufactured in foreign land are definitely foreign. In my mind, foreign products are those are completely imported.

Nothing should be made in China?

Em... brand is important as well. Can I use examples?

Yes, go ahead!

Nivea is a German brand, they sometimes have mini visions of their products giving out as gifts. They are not as good as the normal portion products. Even if it’s gifts, they should not have poor quality. I think it might because it is produced in China.”
Brand origin plays a key role in identifying whether a product is foreign or domestic. It is very interesting that in some cases to qualify as a foreign product, it needs to be a foreign brand and completely manufactured abroad. This could have implications for companies planning to move production into China. It suggests the level of foreignness will impact on consumers’ product perceptions. There were controversies when Burberry moved its production from Wales to China due to job losses. This finding suggests Burberry’s products being made in China could have an impact on its brand image. Some consumers will consider it lesser of a British luxury brand but more or less a Chinese product.

**4.33 Sources of Consumer Animosity**

Consumer animosity is the main focus of the qualitative stage of this study. Discovered in the quantitative street survey and the findings presented in section 5.28, there is strong consumer animosity amongst UACC, particularly aimed towards the Japanese. The qualitative part of the investigation concentrates on exploring the sources and backgrounds of such animosity. The results uncovered consumer animosity as a deep-rooted issue within UACC society. It has historical origins, current concerns and strategic implications which are further reinforced by the education system, family influence and society pressure. The findings suggest that the sources of animosity were not merely war and economic related but have deeper social, cultural and historical foundations.

To summarize the findings, there are eight distinct elements that contributed to the UACC’s consumer animosity towards the Japanese.

1. History
2. School education
3. Japanese government attitudes towards the invasion of China during WW2
4. Strategic concerns
5. Consumer discrimination
6. Media influences
7. Family influence and Reference groups
8. Personal Experience

The following section will present findings on sources of animosity one by one.

4.33.1 History

There is no doubt that history, particularly events surrounding the Japanese invasion of China during WW2, are at the centre stage of the tension, mistrust and animosity towards Japanese. As highlighted by Klein et al (1998), the key event was the Nanjing Massacre where 300,000 civilians are reported to have lost their lives. However, historic concerns were not generated by WW2 alone. It is evident the long term strategic rivalry between the two giants of East Asia played a part.

IE2:

“However, fundamentally, I think it’s because of the war, the war between China and Japan. I think the war has casted deep shadow in Chinese people’s heart. And unlike Germans, the Japanese didn’t show remorse on the atrocities they committed and didn’t have the courage to apologise properly.”

IE3:

“It affected me deeply, 35 million Chinese people dead during the invasion. The Japanese brutally suppressed us during this struggle, massacre civilians and steal away our wealth and natural resources back home to support their war effort. The Chinese were living under a brutal regime.”

IE7:

“The Japanese invasion during WW2. It’s not like China see ourselves as the bigger state that have bigger land and more people, it’s not like we cannot be friendly neighbours. We are all Asian countries and have a lot of cultural similarities. It’s not like we hated them deliberately. It’s because their
behaviour. They are not like the Germans, they faced up to their past. I think that’s courageous thing, acknowledged their wrong doings.”

IE6 >:

“I feel horrible after I read some of the stories, couldn’t believe it, yet so true! I visited some of the museums in Changchun. After all of that, you couldn’t feel anything but hatred. They did horrible and in-human things.”

IE1 >:

“I don’t like wars. Japan invaded us, so I have ill feelings towards them….China and Japan have such a long history. The campaign against the Japanese invasion alone was 8 years and much beyond that. From the 8 years alone, what we knew are only a small part of it, there is a large portion of that history we don’t know at all. Nonetheless, from what know, the Japanese committed unspeakable war crimes against Chinese civilians. The suffering and atrocities they caused, our generation, the next generation and generations after that, we shall never forget.”

IE9 >:

“Q #:
Is there any particular event that affected you deeply?

IE9 >:

Yes, without a shadow of doubt, it’s the Nanking Massacre.”

IE8 >:

“The Japanese invasion of China during WW2, to be precise. I read a lot about it and watch a number of documentaries; events like the Nanjing Massacre had a deep impact on me.”
Q #:

“The Nanjing Massacre?”

IE8>:

“Yes, and all the other atrocities like that. The ‘Nanjing Nanjing’ documentary is quite un-forgettable.”

IE11 >:

“I don’t know how should I put it, but I really don’t like the Japanese?”

Q #:

Why?

IE11 >:

“They invaded China during Second World War, and there is Nanjing Massacre. I’m originally from Jiangsu Province. In Nanjing, there is a Nanjing Massacre Museum, and knew a lot of terrible things they did to us. Naturally I have strong view towards this... I think most Chinese people felt very strong toward this. The Japanese didn’t just slaughtered people living in Nanjing or Jiangsu Province. I think the whole China were victims.”

The selection of discussions above portrayed a vivid picture of UACC’s perceptions and high emotions associated with the difficult past existing between Japan and China, with the Japanese invasion of China during WW2 and key event of Nanjing Massacre at the centre stage of discussion. UACC’s consumer animosity towards the Japanese is a direct consequence of the war and associated tensions and grief. It is reasonable to acknowledge that such powerful reactions will inevitably generate negative attitudes towards perception, evaluation and acceptance of
Japanese products, and ultimately affect UACC’s willingness to buy Japanese products.

Figure 29 The Nanjing Massacre Memorial

(Sina, 2011)

4.3.3.2 School Education

It is very clear that the war history between Japan and China is the primary source of animosity. The big question is none of today’s generation had any direct experience with the Japanese invasion during WW2. How is this level of animosity maintained in the society till the present day? According to the findings of the interviews, school education played a major role. China’s education system, with history education in particular, considered the country’s sufferings and struggles with foreign powers since the mid 19th century as an important and essential part of the curriculum. The eight years of struggle against the Japanese invasion during WW2 was a major element of Chinese pupils’ history lessons. The historic accounts of what happened during the war, such as Nanjing Massacre, were passed down to the next generations through school education. This education has had a direct and
considerable effect on UACC’s animosity towards Japanese, at times with a direct reference to a certain history teacher, as showcased in the below discussions:

IE2:

“I think my education played a big role. Ever since primary school until university I received a lot of education centred on the Japanese invasion”

IE1:

“The school education I received. Not just the education, but also my reflections on history. ”

IE7:

“I've came across a lot of material in the school textbooks, and stories in the media about the Japanese troops terrible behaviour, including the Nanking Massacre etc. I don't have any real connections with the war because I didn't experience it myself. But I believe in the history and what's in the textbooks.”

IE3:

“We had a history teacher, who was little during the war, but he witnessed with his own eyes that the Japanese sent dogs that bite people to death and then cut their hearts out. That was despicable and inhumane!

IE8 >:

“Our high school history teacher taught us a lot about the Japanese invasion”

IE9 >:

“The history teacher opened this particular chapter of history for me, after that I read into the topic a lot. I’ll say he is the early key influence. Many of my opinions are shaped by him!”

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4.33.3 Japanese Government Attitudes

The difficult war past has had significant impact on the UACC’s perception towards Japanese. This was further enhanced by some current concerns and one outstanding issue is the Japanese government attitudes towards the invasion of China during WW2. It is the general belief that the Japanese government has not sincerely apologised to the Chinese people on this issue and there is a lack of demonstrating genuine remorse which caused mistrust, alarm and anger amongst UACC. The stance of the Japanese government’s perceived wrongdoing and mishandling on this issue is highlighted by the fact that Japanese cabinet ministers, at some circumstances the prime minister, regularly visit the Yasukuni Shrine which honours class A war criminals of WW2. The interviewees often draw the example of Germany as a comparison of consistent Japanese government misbehaviour towards their war past.

IE2 >:

“In fact, I don’t even have a very clear understanding in my head. I can’t even tell you exactly why I don’t like them and I think it’s hard to explain. However, fundamentally, I think it’s because of the war, the war between China and Japan. I think the war has casted deep shadow in Chinese people’s hearts. And unlike Germans, the Japanese didn’t show remorse on the atrocities they committed and didn’t have the courage to apologise properly. This has created a massive problem.”

IE4:

“Even if they made great mistakes, if they acknowledge their crimes, show remorse and sincerely apologised, I think Chinese people will forgive them. The problem is they never did such things and they are trying to cover up their wrong past. This deeply hurts Chinese people.”
**IE3:**

“They have no remorse in the war crimes they committed in WW2 and no intentions of giving out any compensation. If they cannot properly acknowledge their war past, their next generation won’t as well. Because we are getting further and further away from WW2, the truth will fade. They can do whatever they want in what appears in the textbooks. A lot of the current generation thinks the Japanese invasion is a fabrication. I don't think this is good for China-Japan relations. As thing happens, I think there is a real possibility of further military conflicts.”

**IE7:**

“I actually think they do know about their mistakes but their political and military ambitions are still there! Why do you think they still worship the Yasukuni Shrine? Some argue, there is a difference between remembering their ancestors and worships the war criminals and mass murders. For me, I think in a place like the Yasukuni Shrine, they are in-separable. If a government cabinet or a prime minister is worships war criminals and mass murders, what kind of message do you think they are giving out?”

*Figure 30 Japanese WW2 Veterans Visits Yasukuni War Shrine*

(Xinhua, 2011)
4.33.4 Strategic Concerns

What happened to the millions of innocent Chinese civilians during WW2 and the dark memories passed down through school education are the main driving force behind UACC’s animosity towards Japanese. However, the complications surrounding this issue do not stop here. The animosity to the Japanese is further enhanced by renewed mistrust, alarm and anger. According to the interview findings, one of the key areas of this fresh sense of tension does not originated from historic backgrounds but current thinking and strategic concerns. These concerns are centred on four separate fronts:

1. Unease concerning Japan’s economic influence
2. Political rivalry
3. Territorial disputes
4. Potential for further military clashes

It should be noted that the strategic concerns are raised by a small number of interviewees and they appeared to share certain characteristics that unified their thinking. They all hold Masters or above degrees. The combined awareness of Japan’s economic influences on China, the political rivalry between two leading East Asian countries and ongoing territorial disputes in the Eastern China Sea, lead them to the conclusion that there is a genuine possibility of further military clashes. This potential threat ultimately caused renewed alarm, which in term further strengthened their animosity towards Japan.

The following are a list of the discussions which support this notion:

Unease of Japan’s economic influence

IE2 >:

“I think the war concerns are closely linked with political and economic issues. If they do not acknowledge the war past and the damage they had
done, it will reflect on political and economic policies. And all of the horrors in WW2 will happen again. Chinese, no, I think whole of Asia have a genuine concern. We don’t want Japan has such a strong economic and military power, so that we don’t want to buy their products. I think it’s a natural thing.”

Q #:

“So the key event of Nanking Massacre had a determinate effect on you? So we are talking about the effect of Japanese invasion of China?”

IE8 >:

“Put it this way, before I was 20, that was the main and only reason! It’s just a pure nationalist belief. In recent years, I’m more concerned about the strategic considerations.”

Q #:

“Can you expand a little on the strategic considerations please? I don't think many people will think in the level of strategic concerns, what are you considerations?”

IE8>:

“Speaking of my personal experience, our company are totally restricted by the Japanese. Our raw material and our clients are completely control by the Japanese company. Relatively speaking, we are producing a high-tech product, our raw materials are completely controlled by the Japanese. We don't have any negotiation power. What we producing are half-complete products, we have no choices but to sell to the Japanese, they will do the final modifications. We don't have any says of the prices in both ends. Eventually the Japanese sell them to the Apple inc. for a much higher price.
For us, we are completely controlled by the Japanese in ends, raw materials and market... Many of all industries will be controlled by foreign powers, especially the high-tech industries. The Japanese are very clever, if they deliberately want to do something, the consequence will be severe. I don’t think our industries controlled by the Japanese are a good thing... The situation right now, a full scale third world war is not possible. But Japan can do a lot of damages in terms of strategic resources and economic key arenas.”

Q #:

“What do you mean by strategic resources?”

IE8 >:

“Key natural resources, Japan has stockpiled massive amount of China’s resources. They bought a lot of China’s coal for a very low price over the years and right now are stocking in the seabed surrounding the Japan islands. They are not using it and holding it for strategic uses. Same for the rare earth materials, all the other major countries are rely on China’s current export, but Japan has build a massive reserve of rare earth materials over the years. Once again, they bought it for a very very low price.

Just like our company’s case, they controlled the both ends: raw materials and market. What we do is something they don’t want do domestically. China might look booming right now, but they can easily do huge damages simply stop dealing with us.”
**Political rivalry**

**IE3 >:**

“Because I believe a lot of their policies have not changed. They are close to U.S. and they listens to the Americans. China is still a communist country, the western world are still trying to isolate us. Japan, as a matter of fact, is the key component of U.S.’s first island chain defence strategy. I felt even if internally Japan doesn’t want a confrontation with China, but the U.S. will use them to further control China’s influences. China is doing tremendously well at the moment, if this continues, in 50 years time the gap between China and U.S. will be very small. If U.S. wants to maintain their global dominance, they need to utilise Japan’s function to curtail China's increasing influences.”

**Figure 31 Island Chains**

![Island Chains](source)

*(BBC, 2011)*
“In terms of Japan’s development, they are a very small island country. When it reaches certain stages, it will need more resources and they need overseas expansion. If one day, Taiwan unites with the mainland, they will become a serious problem to the Japanese. Their shipping line will need to change, they can no longer go through the Taiwan Strait as they wish. They will need to go much further for their imports and exports, which will increase the costs significantly! For a country like Japan, it becomes a major problem.

Q #:

They rely on energy imports and exports heavily?

IE9 >:

That’s right.

Q #:

In terms of national development paths, China and Japan has conflict of national interest!”

Territorial disputes and Potential for further military clashes

IE3 >:

“Yes, Diaoyu Islands and the gas fields in the Eastern China Sea. The Japanese are smart. Because of global warming in order to keep the small island above sea level they have taken a lot of measures. They value the resources surrounding the island and its strategic importance. So China and Japan interest conflicts will only increase…… Japan invaded China because of the policies of the then Japanese Meiji Emperor. Conquering the world in
5 stages, one of the vital stages is occupying China. I believe some of it is still in their national agenda and their right wing forces are still very strong in Japanese politics. A lot of Japanese business tsars still supporting the right wing movement. Some of the major Japanese brands are behind this kind of movement.”

“That’s a lot to talk about as well. For example we have territorial disputes and gas fields in the Eastern China Sea. As someone spent some time abroad, I believe our government need to fight for our interests more actively”

Figure 32 Islands Dispute in Eastern China Sea

“I think so. For example, reports about the Diaoyu islands. There are campaigns calling for the protection of the islands. Stories like that bound to affect you! Its Chinese territory, why they [Japanese government] keep
claiming it's theirs...There are a lot of potential interest clashes, such as territorial disputes and gas fields in the Eastern China Sea etc...Every country’s government needs to answer to its people and fight for what’s good for their country. We need to do what’s good for China’s and they will do the same....... I think there will be a lot of un-certainties with Japan in the coming years! We are so close, geographically. Both of the countries are in need of energy resources. There will be interest conflicts, right now there are a lot of arguments in the Eastern China Sea, and it’s not going away anytime soon! And how both of our countries’ leaderships will be facing tough decisions, I think it’s a good thing we are strengthening and investing in our Navy right now. At least we’ll be equipped to defend ourselves!”

IE8 >:

“Yes, that’s a problem as well. We have torrential disputes in the Eastern China Sea, the Diaoyu islands and the oil gas fields. We have several platforms in the Eastern China Sea, which the Japanese also claims ownership.

Q #:

These issues worry you?

IE8 >:

Of course, there are potential for naval clashes.”

IE2 >:

“Japan right now is still a strong nation in terms of military power and their right wing voices are very strong. The question of whether one day they will again invade their neighbouring country remains unanswered.”
Another source of animosity comes from a consumer perception that Japanese companies discriminate against Chinese customers. It is believed that leading Japanese companies sell sub-standard products in China. They somehow treat their Chinese customers as second class consumers. This was highlighted by the recent Toyota recall incidents, in which many believed they deliberately provided swift recall solutions to the North American and European consumers but ignored reasonable equivalent demands by Chinese consumers. It appears this kind of mishandling had caused a lot of anger amongst UACC, and they believe that is a form of consumer discrimination. Understandably, this situation did not help to relieve existing tension but further angered some Chinese consumers.

IE2 >:

“In my opinion, the Japanese companies treat their customers from USA, Europe and Asia quite differently. It might be a company strategy, but as a customer I’m not comfortable towards this. … like the recent Toyota car recalls, I believe had an impact amongst Chinese people. Not only because their product had a quality problem. I think in a way the re-call is a good thing, it shows they take responsibilities of their failures. The problem is they didn’t do it right, they treat Chinese customers differently. They treated Chinese customers as second class citizens compare to their western customers.”

IE9 >:

“There is a saying that, they [Japanese companies] sell the best to themselves, second rate products to Europe and America and third rate to developing countries like China!
“Like the one they are promoting right now, so called 8th generation of Honda Accord car. It is almost out of date in Japan many years. What they do instead of scrap the production line, they sell to us for a high price! It’s the exact kind of behaviour that angers me!”

“Their [Japanese] best products, they’ll never produce them in China. First of all, it’s the control of technology; second thing is they are protecting themselves. They don’t want China have their best products.”

**4.33.6 Media Influences**

A number of media platforms contributed to tension between UACC and Japanese. It seems there are a vast number of anti-Japanese materials featuring in TV programmes, documentaries and movies. Internet plays an active role in passing anti-Japanese messages, there are a number of websites dedicated to this role. These phenomena are a testament that animosity towards the Japanese has become a widespread, deep rooted and long-lasting social and cultural issue. In a sense, it has been embedded in many aspects of society, it has transformed into a form of social, cultural and national identity that has profound consequences.

“There are certain influences I think. No, I think it affected me a great deal. Some of the films, after you watched them, you blood boils. Some of crappy ones are useless, but some of the good ones really captured the spirit of the time, I never forget them... it [the internet] has definitely been a factor. It’s alright this year. For the last couple of years, if I received 10 social network updates or emails, probably 3 or 4 of them are about anti-Japanese. Many people follow that kind of stuff closely.”
Qing Shan Ding
COO, CE & CA

“War movies about the eight year campaign against the Japanese invasion. Some of them I saw at least, 6 or 7 times. It’s deeply rooted in my memory.”

“Internet has been a key source. There are quite a lot of anti-Japanese movements. If someone dares to say they are pro-Japan, immediately they’ll be attacked by the fellow users. The anti-Japanese sentiments are very strong online!”

Figure 33 Boycott Japanese Goods Online Poster

(ChinaNewsweek, 2012)
4.33.7 Family Influence and Reference Groups

Naturally, consumer's attitudes and opinions are influenced by family members and reference groups. There is no exception in UACC, their animosity is inevitably shaped by those closely associated with them. Grandparents who experienced the war first hand passed down some of the dark memories to the next generations. There are peer groups influences such as friends and colleagues.

IE3 >:

“Yes, lots of people's grandparents had a firsthand experience of that. They have passed down some of the experiences to the younger generation, when they tell them a story or something like that. They handed over a very bad image of the Japanese. My grandpa certainly told me terrible things the Japanese did during the war.”

“It was in a sea port. At that time, everyone needs a ‘good citizen certificate’. If you don’t have one, the Japanese believe you are a member of the rebel forces led by the communist. At that time in the Northeast provinces, there are only communist led rebel forces. There was one guy who didn’t have the ‘good citizen certificate’. It’s like an ID card at that time. And then he was thrown amongst a group of trained German Sheppard dogs by the Japanese soldiers. My grandpa told me he saw that poor man’s heart been ripped out by the dogs.”

IE2 >:

“I think our influences are neutral. For example, every time we passed by the Japanese sportswear store - Mizuno, we walk in and then we will say to each other ‘Japs’, then walk out. Every time we walk past the Mizuno store, it is always empty, I mean empty! At least the Shenyang store has got literally nobody inside.”
IE6 >:

“Yes, I have read books about the war, my friends asked me to read them. I was horrified! ... I’m learning Japanese right now, so when sometimes I use Japanese phrases, my friends will ask me not to do it. She said people don’t know you will think you are an idiot. I felt in the Northeast provinces and the North generally sparking, people have strong emotions towards this kind of thing. I have a roommate who is really anti-Japanese. She has very strong feelings towards this.”

IE1 >:

“Yes, people share information together. For example, the media released a story that is anti-Japanese and I did not receive it initially, but my friends came across it, they will forward it to me. There is a process.”

4.33.8 Personal Experience

For those who had direct dealings with Japanese friends or Japanese companies, negative experiences and perceptions will have an effect in the form of reinforcing their animosity beliefs that were originally generated through a variety of sources.

IE7 >:

“That’s right. They always think they are superior to us. In fact, our modernisation is very good and our international standing is not lower than them. Our influence and importance is still growing.”

Q #:

So your first hand experience strengthened your bad image of the Japanese?

IE7 >: 

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“Yes, I know you might find it strange but that’s the case to me.”

IEq >:

“When I first graduated, I entered a stationary company. They are quite a big player at that time, they bought an entire production line from Germany. They produced a lot of good products at that time, but after this many years, they are still the same and slowly edged out market by their competitors. My current employer, it’s a high-tech company, but all R&D, production, marketing and raw materials are all controlled by a foreign company. We only get a tiny profit on the assembly, all the major benefits are ripped off by the foreign company.

The findings of the face to face interviews have unveiled a clear picture of the issue of UACC’s consumer animosity towards Japanese. There is no doubt the Japanese invasion of China during WW2 and the Nanjing Massacre were the driving force behind tension and animosity beliefs. However, there are a number of other sources which contributed to UACC’s animosity lasting to this present day. It suggests the school education, Japanese government attitudes towards the invasion, media influences, perceived consumer discrimination against Chinese consumers, family influences and reference group and strategic concerns all contributed to UACC’s animosity towards the Japanese. The combined effects of these factors effectively explain how UACC’s animosity towards Japanese was originated, maintained, strengthened and eventually passed down to the next generation. This issue is not a simple war or economic related issue, but a complex social, cultural and national phenomenon that is deeply embedded in many aspects of Chinese society.
4.34 Different Types of Animosity

As discussed in section 4.28, the quantitative findings revealed that there are differences between animosities towards Japanese and aimed at French and Americans. There is strong animosity towards Japanese but relatively low levels of hostility towards French and Americans. The qualitative findings from the interviews also supported this revelation. It seems there are a number of differences between animosities towards Japanese and animosities aimed at French or Americans.

Q #:

“A while ago, there is a wide-spread anti-French campaign. You did not participate?”

IE2 >:

“Emm.. May be for the moment when emotions run high, it’s just an emotional thing. Perhaps I don’t go to the French supermarket – Carrefour for a while, after a while it disappeared. Not just me, lots of people don’t have animosity towards France like Japan. May be because of a single incident that we felt it is necessary to put pressure on them. When the impact of the incident pasted, people will forget about it as well... I think the fundamental difference is Japan’s Invasion of China during WW2. Of course, France did thing that damaged China and not in the interests of Chinese people, but nothing like this war that inflicted so much of wounds.”

IE3 >:

“Both France and Japan invaded China in the past. However, the European countries were not as horrible as the Japanese. There were killings as well but not like the Japanese carrying out massacres.”
Qing Shan Ding

IE7 >:

“Anti-Japanese is complicated and deep-rooted, there are national, historic and concerns surrounding the domestic industries. However, anti-French sentiment is one-off hit, because of certain events. Maybe because of the current Sarkozy government’s policies and behaviours it upset a lot of people... I think the contradictions and differences with the French are solvable, but the problems with the Japanese cannot be easily resolved! It’s deeply rooted in people’s hearts and emotions.”

Q #:

Why, do you think anti-French and anti-Japanese are different?

IE9 >:

Yes, I do think they are fundamentally different!

Q #:

Why?

IE9 >:

“It’s just like someone entered your house, he robbed you and killed everyone inside. The other guy is just bad mouthing about your family. That’s not the same!”

IE12 >:

“The brutality of the Japanese invasion forces, that’s the key difference for me.”

The qualitative findings reflected the quantitative finding that there are differences between animosity towards Japanese, French and American. Whilst there are
strong animosity towards Japanese, hostility aimed at French and Americans are relatively low. Furthermore, the findings suggest the reasons which caused this difference is due to the Japanese invasion forces’ brutality during WW2. It has been acknowledged that France and America had a difficult past with China as well, however, nothing compared with the Japanese forces’ brutal treatments of Chinese civilians. The Nanjing Massacre, for example, has been highlighted as the key event. Hostility towards France was triggered by sudden events, however, the animosity towards Japanese appeared to be stable and deep rooted.

4.35 Impact on Willingness to Buy

It is clear that consumer animosity does exist amongst Chinese consumers and the hostilities towards Japanese were particularly strong. The findings further suggested consumer animosity affected UACC’s willingness to buy. Animosity’s impact on willingness to buy appears to have 3 different patterns: boycott Japanese products, try best to avoid Japanese products, only avoid Japanese products if there are better alternatives.

4.35.1 Boycott Japanese Products

This group of consumers exercise a complete boycott of Japanese products, they choose not to purchase any Japanese products. This particular group of Chinese consumers are likely to harbour high level of animosity towards the Japanese. The high levels of animosity caused them to completely boycott at any costs. Consumer animosity in this case triggered extreme emotions and actions.

IE8 >:

“I complete boycott Japanese products!”

Q #:

“You don’t buy any Japanese products at all?”
“Up to this point, I never bought a single item of Japanese goods.”

“Some people said they’ll avoid Japanese products. They believe some products right now is very difficult to find a non-Japanese alternative, for example cameras.”

“I have considered it before, but I never bought any Japanese products.”

“I never bought any Japanese products and I never will, simple as that!”

4.35.2 Avoid Japanese Products

This group of Chinese consumers have strong level of animosity towards the Japanese. However, they do not completely boycott Japanese products; instead they choose to avoid them when they can. They recognised in some product categories, for example camera and camcorders, it is extremely difficult to avoid Japanese products. In these circumstances, they have no choice but to purchase Japanese products. This is due to the fact that there are no better alternatives, but because they are in favour of Japanese products.

“Yes, generally speaking, Japanese products are very good in terms of price and quality. If there are no other choices, I got to buy them. When I buy home electronics, I normally buy domestic brands, Chinese brands. Only
Qing Shan Ding

products like computers, cameras, that we haven’t got any good quality domestic makes, then I will buy foreign products.”

IE3 >:

“Things like camcorders. Some product there is no viable Chinese alternatives. I have to buy Japanese.”

IE9 >:

“I’m trying my best not to buy [Japanese Products]. First of all, some products we cannot make domestically or that cannot be replaced by a domestic product. When I buy a Japanese product, it’s the very last result, if I have no other choices.”

4.35.3 Only Avoid if Better Alternatives Available

For this group of consumers, animosity had minimal or no direct impact on their purchase intentions. They have relatively low or no animosity towards the Japanese. Animosity does not decide the product choice and it becomes a conventional purchase decision making process. Typically, factors like quality and price became the key influences on product choices.

IE1 >:

“Like I said earlier when purchase a product I first look at the quality and price, not matter where the products are coming from. Because Japanese produces high quality grocery products so I buy it from them.”

IE5 >:

“I buy Japanese product because they have good quality and are reasonably priced. I’ll buy Chinese products if they have better quality”
4.36 Domestic Alternatives and Domestic Industry

Watson and Wright (2000) was the first study which concluded that availability of domestic alternatives plays a key role in CE’s impact on consumers’ product preference between foreign and domestic products. The influence of domestic alternatives has been further examined in a number of different countries. According to the findings in the interviews, it is evident that the availability of domestic alternatives had a key influence on UACC’s product preference and willingness to buy between foreign and domestic products. There is a strong desire to protect and promote domestic industries. UACC tend to purchase Chinese when there are viable domestic products available. However, they also acknowledge in many circumstances it is very difficult to do so, due to the fact there are no available domestic alternatives.

IE2 >:

“Domestic products? The daily use home electrical, like TV, after improvements of all these years, I think their qualities are as good as foreign imported ones. When I buy home electronics, I normally buy domestic brands, Chinese brands. Only products like computers, cameras, that we haven’t got any good quality domestic makes, then I will buy foreign products.”

IE3 >:

“If it’s in the same quality level, there is no doubt I will consider domestic products more. I might not 100% purchase Chinese products but I’ll definitely give preference to domestic ones. But I need to be sure they are really in the same quality terms as foreign products!”

It is very clear that if there are reasonable domestic alternatives available, it will have a major impact on UACC’s decision making. A majority of them have expressed
their preference towards domestic products, if the quality is on the same level as foreign ones. The decision to buy domestic products when possible is driven by the strong desire to protect and support domestic industries. One of the most striking impressions of the interviews is the awareness and desire to protect and support Chinese domestic industries. Every single interviewee expressed the necessity and willingness to do so.

IE2 >:

“That’s right. When the quality and price are equally good, certainly I’ll support domestic industry. Actually there are many product categories I already do not buy foreign products, such as air conditioners, TVs, electronics. Things like these, if it meets the quality requirements, surely I’ll first consider domestic products. Normally the price is cheaper as well. Some people, for example when purchasing a TV, they want to buy the imported, the most expensive ones. But when you balance it off, if the quality is not that different, surely we should buy Chinese makes. So this is in a way to support China’s domestic industries.”

IE3 >:

“He [a colleague] mentioned about lots of Japanese companies has capital injections and expansions in China, it is very dangerous for our domestic industries. Our domestic industries never really developed, I think his view on this is very relevant.”

IE9 >:

“The main reason is to support China’s domestic industry, I know some people believe it’s kind of patriotic behaviour. I don’t feel very strongly of being a patriot, but more to support the domestic industries. I guess it’s inter-related. A nation a lot of income it’s from the domestic companies, if
we don’t have a viable domestic industry, how do we build welfare system and return some of the benefits to its citizens? I believe domestic industries are vital....if it’s a domestic company, it creates a production chain, including manufacturing, design and innovation, marketing, service, etc. if it’s a foreign firm, I think it’s only going to generate manufacturing jobs. China is in the very bottom of the value chain, everything else benefits other countries.”

IE7 >:

“Of course! Well, why so many countries have import tariffs and restrictions on certain industries? They are doing it for the same reason. Protection of the domestic industries is vital for China. We have so many people, we need more jobs. I know we’ve been promoting foreign investment for a long time, but China’s development cannot be solely relying on foreign investment.”

UACC are very aware of the necessity of protecting domestic industries. There are strong desires to protect and support domestic industries. That is a key factor for them to consider when making purchase decisions. There are signs suggesting this has already had an impact on certain industries. For example, electronics like TV, refrigerators and microwaves, have been highlighted as one of the areas where there are viable domestic alternatives, which made buying Chinese products possible. Cars, laptops and sports-wear are other categories that have been mentioned.

IE8>:

“There are certain improvements. Compare to the past, it’s much better! For domestic products, I think if they reach respectable standards, most people will buy. I don’t think there is any doubt in that ....... takes the colour TV industry as an example. I believe the domestic brands are dominating the market right now, there are not many differences to the foreign ones. TVs and refrigerators, domestic products are doing extremely well. I think it’s the
same case for other products. If domestic products reach the same standard as the foreign ones, we will certainly buy domestic products. I’m sure of it! Candidly speaking, we have to acknowledge they do produce some good stuff. They are good, but not in-replaceable! They have SONY TV, we have TCL, Changhong, Chuangwei and Haier. It’s not like without them, my quality of life will suffer.”

IE6 >:

“Not necessarily. There are some Chinese products are good that have good quality. For example, my laptop is Lenovo. It’s a really good one, I’m very happy about it.”

IE11 >:

“Just like the BYD F6, it’s better than the Cherry [another Chinese brand] cars and they are slowly picking up sales. I think it’s the same principle for the other products!”

IE1 >:

“How should I put this, there are some Chinese brands are very good, for example the kitchen appliance maker-Fotile. Media’s [a Chinese brand] Microwaves and air conditioner and TVs. People buy a lot of Chinese makes in stuff like this, because they are reasonably good quality and a lot cheaper!”

IE3 >:

“There are some good Chinese products. Sportswear brands like Li Ning, 361, and car companies like BYD.”

The availability of domestic alternatives and a strong desire to protect and support Chinese domestic industries could have a serious impact on foreign companies operating in China. This suggests that if competent alternatives emerge, it will pose
a significant threat to foreign companies. Some of the interviewees pointed out that this is already happening in some of the product categories, such as TV and cars. As China’s economy continues to grow, it is possible that more Chinese companies will become more competitive and produce better quality products. This, combined with the strong desire to protect and promote China’s domestic industries, could pose a serious threat to foreign companies operating in China.

4.37 Areas for Chinese Products to Improve

There is compelling evidence to suggest Chinese consumers have a strong desire to protect domestic industry and are committed to buy domestic products. The question could be asked is why this is not yet entirely reflected in purchase behaviour and product ownership. The short answer is current Chinese products are not good enough, many products are not on the same level as foreign products, which means some products are not capable of competing with foreign products. Without viable domestic alternatives, UACC have no choice but to seek foreign products which meet their expectations and standards. This demonstrates the significance of the availability of domestic alternatives. Without a good domestic solution, there is no actual product to purchase and to fulfil their desire to protect and promote domestic industries.

To improve this situation, the only resolution is for domestic Chinese companies to provide better products and services to meet UACC’s demand and consumer expectation. Once Chinese products are capable of competing with foreign products on equal terms, the effect of UACC’s strong desire to protect and promote domestic industries could be reflected more visibly in their actual purchase decisions.

The following are areas have been highlighted in the interviews that Chinese products need to improve:

1. Technology and Innovation
2. Workmanship
3. Safety concerns
4. Brand building
5. Quality
6. Design

These are also reflected in the quantitative survey reasons for consumers favouring foreign products featured in section 4.23. It is clear Chinese products have a long way to catch up. Based on the interview findings, the major concerns are centred on two issues: quality and safety concerns.

4.37.1 Quality

UACC acknowledged there are some Chinese companies who are offering good quality products. However, Chinese products do have a widespread quality problem. In this perspective, many domestic products failed to meet consumers’ expected standards. For them, it is disappointing to experience this kind of quality issue and the leading Chinese companies need to invest more in R&D to improve product quality.

IE1 >:

“I think it is part of the quality problem, the whole package. Some brands are famous and have a good reputation around the whole country, like Fotile Kitchen Appliances, when you buy them you feel reassured. There are not a lot of brands like that at the moment.”

IE10 >:

“Mainly it’s because of quality. A lot of Chinese products have not reached the same standard as the European products, in terms of quality. Product quality is very important to me. It is very simple, Chinese products might only last for 3-5 years, but foreign products will last 8-10 years.”
“First of all, quality. I bought a Shenzhou laptop, I had a lot of problems.”

“Just like the Sony Eriksson mobile phone. A friend of mine bought one in Hong Kong, it is not even produced in Japan but some East Asian countries. I have the same model that is made in China, and I only had it for about 1 year and it is experiencing some problems. My friend’s is fine. It is exactly the same model.”

“That’s certainly true in some cases. For example, a domestic product might have caused a vast fanfare when it first launched. It will slowly fade away and eventually die out, because they don’t have a consistency in terms of quality. I’m not saying every Chinese product will fail. Many of them need to improve, if they want to achieve an internationally acceptable standard, certainly they need to improve and invest a lot more.”

4.37.2 Safety Concerns

Another area of key concern is product safety. The interviews were conducted against the backdrop of a series of poor product safety stories reported in the media. It seems this issue worries the UACC deeply. Some of them speak of personal experience. There is a degree of mistrust and they feel unsafe when using some of the domestic products.

“Even the food, a lot of the food product cannot even pass the basic safety standard, you just cannot trust them.”
IE5 >:

“If I see a brand that everything is made in China, I feel unsafe about it.”

IE6 >:

“A lot of Chinese products are not safe. We living in the city’s surrounding areas, we can see some of the vegetables are growing in terrible conditions, you won’t feel comfortable to eat them if they ended up in your dinner table. I felt they are not doing it deliberately, in most cases, they just couldn’t realise the problem. I don’t think it’s just the case that Chinese products are no good. However, the western countries have a system for quality control, they take it very seriously. For them, it’s a natural thing. Taking this into consideration, I feel more comfortable and safer when I buy foreign products! In this respect, I consider foreign products are better than domestic ones. Speaking of the bigger environment, domestic products are not subject to the same level of security checks and quality control. There have been many well reported incidents!”

IE12 >:

“It’s certainly one area of concerns. For example, skin care products, for us girls, we felt safer with foreign products, in terms of the use of raw materials and production process.”

Although it has been acknowledged that some Chinese companies are producing good products, there are widespread concerns about Chinese products, especially relating to quality and safety. Quality and safety concerns are the main problems associated with Chinese products.
4.4 Mixed Methods Investigation

This study adopted a concurrent embedded mixed method research strategy, with quantitative street survey and face to face interviews which took place in Parallel. The quantitative questionnaire was designed to test respondents’ general attitudes towards foreign and Chinese products and to measure the levels of CE and CA beliefs. This part of the investigation enabled the researcher to build an overall picture of the effects of COO, CE and CA. The qualitative face to face interview was aimed to investigate the rationale and background behind these attitudes and to explore the sources and factors contributed to their attitudes and beliefs toward foreign and Chinese products. This also enables the process of triangulation to cross validate the research findings. Results have shown that the face to face interviews complimented and further strengthened the findings of the street survey on a number of key issues. The following figure will illustrate the integration between the two sets of findings.

Table 19 Triangulation of Quantitative and Qualitative Findings

<table>
<thead>
<tr>
<th>Quantitative Findings</th>
<th>Qualitative Findings</th>
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<tbody>
<tr>
<td><strong>UACC’s product preference remains divided</strong>, 28.3% favour Chinese products, 27.2% prefer foreign products and 40.1% depends on other factors.</td>
<td>How UACC determine whether a product is foreign or Chinese? It ultimately depends on the ‘brand origin’ and some cases both ‘brand origin and ‘Place of Manufacture’.</td>
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<tr>
<td><strong>For those prefer Chinese products, the most common reason is to ‘support domestic industry’, 73 out 100 respondents expressed this particular desire.</strong></td>
<td>There is a strong desire to support and protect China’s domestic industry. They want to buy Chinese products when possible. Availability of domestic alternative could have a significant impact on decision making. Examples were given in cars, electronics, groceries, sportswear kitchen appliances that interviewee tends to purchase Chinese products instead of imports.</td>
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‘Superior quality’ and ‘better design’ were the principal reasons of those have a preference for foreign products.

Foreign products have better quality was repeatedly emphasised during the interviews. It is the main strength of foreign products. This is also reflected in the areas Chinese products need to improve, ‘quality’ and ‘safety concerns’ were cited as the key considerations.

There is strong consumer animosity toward the Japanese, 53.7 % of the respondents expressed they dislike the Japanese. Animosity towards the French and Americans are low.

Interviewees emphasised their sentiments towards French & Americans and Japanese were fundamental different. A wide range of sources of animosity were identified including war history, school education, government attitude, strategic concerns, personal experience, media influence, perceived consumer discrimination and family influence and peer pressure.

4.5 Conclusion

This chapter presented the findings of quantitative and qualitative data analysis. The results revealed a number of significant discoveries. First of all, Chinese consumers cannot simply be considered as overwhelmingly pro-foreign or have a preference for Chinese products. This issue remains divisive, with consumers preferring domestic products citing ‘desire to protect domestic industry’ and ‘patriotic behaviour’ as the principal reasons. Quality and design are the main features which attracted UACC to favour foreign products. Their preference varies between product categories. European and American products are popular in respective groupings. The impacts of demographic variables are limited, with the majority of the tests suggesting the differences were statistically insignificant. Locations, by contrast, had a significant impact on two accounts, attitudes towards supporting domestic industry and foreign brands. The overall CE amongst UACC is low. However, consumers from Northern China hold significantly stronger CE beliefs than Southern China. There is strong consumer animosity towards the Japanese. Similar to the effects on CE, consumers living in Northern China have significantly stronger animosity than those living in Southern China. Animosity towards the Americans and French is low.
Findings of the interviews suggested that brand origin and country of manufacture are the key information cues in terms of how UACC determine a product’s real origin. One of the major revelations of the qualitative study is that war and economic based animosities are not the only sources. There is no doubt that the war history is the driving force, and the Nanking Massacre has been flagged up as the key event. However, there are a much wider sources of animosity including school education, Japanese government attitudes towards the invasion, media influences, perceived consumer discrimination against Chinese consumers, family influences and reference groups, strategic concerns and personal experience. The findings also suggest there is a distinctive difference between animosity towards the Japanese and animosity aimed at the American and French. Animosity towards the Japanese are stable and deep rooted, however the animosity towards the Americans and French appeared to be situational and triggered by sudden events. There are three different patterns of animosity’s impact on willingness to buy Japanese products: boycott Japanese products, avoid Japanese products and only avoid if better alternatives available.

It is evident that UACC has a strong desire to protect and promote domestic Chinese industries. Therefore, the availability of domestic alternatives becomes a key factor in deciding their willingness to buy foreign or domestic products. Although they acknowledge there are some good quality Chinese products, quality and product safety related issues have caused many domestic products to be deemed un-reliable and not able to compete with foreign rivals. The impact of the strong desire to protect and promote domestic industries could become more visible when Chinese companies take action to address these concerns and start to compete with foreign products on equal terms.
Chapter 5 Discussion

5.1 Introduction

This chapter discusses the significance and implication of the research findings. The discussions will be carried out in the form of reflecting the findings on the literature and analyze its respective relevance and contribution to the subject fields. A number of key issues have been investigated in this study and the discussions are organized and centred on the following areas:

1. Country of Origin (section 5.2)
2. Consumer Ethnocentrism (section 5.3)
3. Consumer Animosity (section 5.4)

The above three topic areas cover all the issues that have been examined in this study. This format enables the systematic discussion of the main research questions and its relevance and implication to the literature. The aim, therefore, is to build a logical and coherent argument.

5.2 Country of Origin

5.2.1 The Product Origin

The discussions of the effects of Country of Origin (COO) are centred on the proposition that a product's origin is an important information cue which will affect its acceptance, perception, evaluation, preference and willingness to buy in another country. However, to identify the origin of a product is not a simple task. In the era of globalisation and economic integration, we have witnessed the emergence of hybrid products. That is a product could be considered to have mixed origins. It is not untypical to have products that are designed, manufactured and sold in different countries. The complexity of product origin is particularly relevant to China. As the world’s manufacturing powerhouse, many products are produced in China.
Take the extremely popular apple iPhone as an example. It is an American brand, designed predominately in the US, manufactured in the factories of Mainland China owned by a Taiwanese company. Arguably, there are at least three regions that could claim ownership of the product. What is the true origin of this product? It could be argued that this is not a complicated question, it is an American brand therefore it is an American product. However, what are the thoughts of the consumers?

5.21.1 Brand Origin

There is an active debate in regards to product origin. The findings of this current investigation confirmed that in the UACC context, ‘brand origin’ is the most important factor in identifying whether a product is foreign or local. The importance of ‘brand origin’ has been increasingly underlined by recent studies. Batra et al. (2000) revealed consumers in the developing countries, brands perceived as having a nonlocal country of origin, especially from the West, are preferred to brands seen as local. Foreign brands are perceived to have better quality and are considered as social status symbols. The benefits of being perceived as having a non-local brand origin were further supported by Zhou et al. (2010), that amongst consumers in the emerging economies non-local brands are preferred than those brands with local origins. Usunier (2011) argued there is shift from COM to brand origin. It argued brand origin therefore ‘Country of Brand’ (COB), has became an issue that is worth investigating instead of ‘COM’ or ‘COD’ based origins. ‘Brand origin’ seems to have been established as the dominant information cue to determine the product origin. Magnusson et al. (2011a) appeared to be in agreement with Usunier (2011) that brand origin is more important than ‘made in’ labels.

Samiee et al. (2005) argued the difficulties in brand origin recognition accuracy. It suggested consumers only have modest knowledge of the national origins of brands. Therefore, there are considerable complications for the consumers to identify the accurate brand origin. Zhuang et al. (2008a) supported the findings of
Samiee et al. (2005) that there is brand origin confusion amongst Chinese consumers and it could impact on the preference between foreign and local products. Chlivickas and Smaliukiene (2009) pointed out the advantages of adopting international regions, for example the Baltic Sea region, as brand origins. Balabanis and Diamantopoulos (2008) concluded that consumers’ ability to classify brands correctly as to their true origins is limited. Balabanis and Diamantopoulos (2011) further discussed the importance of ensuring the consumers’ awareness of a brand’s true origin. It pointed out that there are difficulties for consumers to associate a brand with its true origin. Brand misclassification and non-classification have adverse consequences on brand evaluation and purchase intention. Despite the difficulties in identifying the true brand origin and possibilities of misclassification, Magnusson et al. (2011b) provide strong evidence that brand origin affected consumer attitude, therefore there are benefits in educating consumers as to a brand’s true origin.

The findings of this current study further supported the importance of brand origin. UACC are aware that many foreign products are made in China and where the brand originates from ultimately determines the COO of the product. This is in agreement with the argument suggested by Batra et al (2000) and Zhou et al (2010) that in emerging economies like China, ‘brand origin’ has become the important information cue as to a product’s COO. Non-local brands seemed to be associated with a superior quality perception than local brands. As suggested by Zhou et al (2010), this could explain why so many leading brands from the emerging economies resemble a foreign name, for example China’s Lenovo and Haier, Japan’s Sony and Panasonic. However, there is no evidence from this current study to support Batra et al (2000)’s finding that foreign brands are both superior quality and social status symbols. On the contrary, the symbolic benefits of foreign brands are fading in China. The reasons why some UACC prefer foreign brands will be discussed in the following section 5.23.
Although some UACC initially referred to the ‘made in’ label, which (Bilkey and Nes, 1982) considered the product origin as ‘Country of Manufacture’ (COM) or ‘Country of Assembly’ (COA) and further supported by Nagashima (1970), Nagashima (1977), Bannister and Saunders (1978), Chasin and E.Jaffe (1979), Han and Terpstra (1988), Papadopoulos and Heslop (1993), Lee and Brinberg (1995) and Ahmed and d' Astous (2004), that the manufacturing country should be considered as the origin of a product. Therefore, the “made in” or “manufactured in” label should be used to define the origin of the product. However, when pointed out if it is a foreign brand manufactured in China, they immediately switched to the ‘brand origin’ to settle the product origin. This means there is a shift from ‘COM’, ‘COD’ or ‘made in’ based origins to brand origin, as indicated by Usunier (2011) and Magnusson et al (2011a) that brand origin has developed into the dominant information cue which overpower the ‘COM’, ‘COD, and ‘made in’ labels. Brand origin determines a product’s COO. It should be noted that UACC appear to be brand conscious. Especially those living in Shenzhen-Southern China, a statistically greater number of consumers in Shenzhen believe foreign products have superior brands.

UACC are aware of the increasingly product origin complexity. Despite not designed to be the focus of this study, no significant amount of brand origin confusions were detected amongst UACC in this study. Considering the growing trend of hybrid products it is entirely reasonable to accept the arguments of Samiee et al (2005), Zhuang et al (2008), Balabanis and Diamantopoulos (2008 and 2011), that there are considerable difficulties for consumers to accurately identify the true origin of a product/brand and there could be brand misclassifications. However, this study is in agreement with Magnusson et al (2011b) that there is no doubt brand origin affected product perception therefore despite the challenges, it is worthwhile to educate consumers as to the true origin of a product/brand.
5.21.2 Brand Origin and Country of Manufacture

The findings of this present study suggested that brand origin has replaced COM as the ultimate information cue to identify a product’s COO. However, it does not mean COM is completely irrelevant amongst UACC. In some extreme circumstances, to fully satisfy with the criteria of a foreign product, both ‘brand origin’ and ‘COM’ information is required. For some UACC, to be considered as a foreign product it needs to have a foreign brand origin and to be manufactured abroad. It suggests there is an interaction between ‘brand origin’ and ‘COM’. This is primary because of the concerns of the product quality, if it has been manufactured in a developing country. It is believed brand origin alone cannot safeguard the product quality. The belief being that products manufactured in a developing country like China could have quality problems.

This is consistent with the findings of Hui and Zhou (2003) that COD could have an impact on product evaluation and brand equity, if there is a difference between brand origin and country of manufacture. When country of manufacture information indicates that a branded product is made in a country with a less reputable image than the brand origin, the COM information produces a negative effect on the product evaluation. It means if a Nikon camera is not manufactured in Japan but instead in Vietnam, it will affect the consumer evaluation of the camera and damage to the Nikon brand. Fetscherin and Toncar (2010) confirmed both brand origin and COM impacted on consumers’ brand perception, stating that American consumers’ evaluation of a product varied according to the brand origin and the COM. The COM of a car influenced the brand perception more than the COB. In some respects the Chinese car made in the US was considered to have a more positive perception than the US car made in China. This means that where the product was produced could have a strong influence on consumers’ product perception.
As suggested by Hui and Zhou (2003) and Fetscherin and Toncar (2010), the finding of this present study confirmed that for some UACC, if a product has not been manufactured in the same country as the brand origin, it affected their product quality evaluation. They believed if a foreign branded product is made in China, it becomes more or less a Chinese product. Therefore, it should not be considered as a completely foreign product. There could be profound consequences for companies planning to shift their production to China or other developing countries. This is particularly relevant to those companies relying on their products to have superior quality and as social status symbols. Products being manufactured in a less developed country could potentially damage their product quality perception and brand equity. Burberry caused a public outcry in 2007 when it shifted the production from Wales to China, because of local job losses. It seems this move could potentially damage its luxury brand image of ‘a distinctive British sensibility’. Whilst companies reflect the benefits of cost saving in shifting production to another country, especially luxury products, considerations should be given to the potential damage to their brand image.

5.22 Foreign or Chinese?

5.22.1 Simplistic vs. Cautious

Chinese consumers’ preference as between foreign and local Chinese products is a subject of continuous debate. Past studies on this specific issue could be clustered into two separate approaches, the simplistic approach and the cautious approach, and they led into two contrasting conclusions. The simplistic approach represents studies that treat Chinese consumers as a single homogeneous market, which overwhelmingly concluded that Chinese consumers perceive foreign products positively. The cautious approach recognised the vast differences, changing nature, and increasing sophistication of the Chinese consumer market, therefore considering China as a complex heterogeneous Market.
Hu and Dickerson (1997) suggested Chinese consumers' attitudes toward foreign branded apparel were more favourable than Chinese branded apparel. Li et al. (1997) concluded in their study that foreign brands are traditionally perceived in China as having higher quality. Chinese consumers have unfavourable perceptions towards Chinese products, foreign products are highly preferred. This was further supported by Sin et al. (2000) which implied that mainland Chinese consumers have a strong preference for foreign brands. Zhou and Hui (2003) confirmed Chinese consumers still had a tendency to purchase foreign products, which was not driven by the products' functional benefits but by its symbolic values. Chinese consumers commonly associate foreign products with modernity, novelty and prestige, which caused them to favour purchasing foreign products. Possession of a foreign product is a display of social status. When compared with local products, Frumkin et al. (2006) emphasised that Chinese consumers have a highly positive perception of western brands. Zhuang et al. (2008b) concluded “the more that a local brand is perceived to be a foreign brand, the greater the consumer preference for that brand, whereas the more a foreign brand is perceived to be a local brand, the less preferred it is.” (Zhuang et al., p.453, 2008b) It highlighted that Chinese consumers have a greater preference for foreign brands than local offerings.

The opponents of this argument are more cautious and less absolute. Schmitt (1997) and Wei (1997) suggested it is important to recognise the differences within China. Cui (1999) pointed out like any other countries, the characteristics of Chinese consumers should be studied using multiple segmentation methods: geographic, demographic, psychographics and lifestyles. Cui (1999) emphasised the regional differences in terms of economic development, infrastructure, consumer purchasing power and distribution. The population have diverse cultural patterns and vary in dialects, taste, temperament and lifestyles. Cui and Liu (2001) argued there are vast differences between urban and rural Chinese consumers and examined the characteristics of urban consumers. It concluded that the preferences of urban Chinese consumers vary between segments. As foreign products’ novelty effect start to wear off, Chinese consumers have become more sophisticated and
value conscious. Taking into account the suggestions of Cui (1999), Dickson et al. (2004) identified in their study that some groups of Chinese consumers strongly favoured US branded products but other groups preferred Chinese brands. Sun and Wu (2004) confirmed the findings of Cui and Liu (2001) that urban and rural consumers have two levels of living standards, are different in terms of their attitudes toward the whole marketing mix and the two areas are completely different market segments. Dickson et al. (2004) identified varying attitudes towards foreign products and brands in six different segments of Chinese consumers and noted there are major limitations in past studies that considered Chinese consumers as one homogeneous group. Delong et al. (2004) acknowledged some Chinese consumers evaluated Chinese brand apparel brands more positively on fit and price satisfaction. Kwok et al. (2006) revealed that Chinese consumers sometimes prefer local Chinese products. The results also emphasised that consumers recognise the importance of buying Chinese brands across product categories. On average, more than 50 per cent of respondents considered purchasing local Chinese brands as highly or relatively important. Chaney and Gamble (2008) reinforced the understanding of consumer diversity in China. Those consumers from Chengdu, a less developed city, rated local stores as superior to foreign stores. Chinese consumers from Shanghai, a more economically developed city, favoured foreign owned stores. Demographics, and in particular income and age, were established to be important in their preference as between foreign and local stores.

5.22.2 COO Alone Not Conclusive

This current study provided further evidence to conclusively support the ‘cautious approach’ of understanding of the Chinese consumers. First of all, Chinese consumers cannot be simply described as favouring foreign products or preferring local Chinese products. There are different opinions with regard to this particular issue. This investigation examined merely UACC and within this relatively equal amount of consumers expressed that they have a preference for foreign or local
Chinese products. It demonstrated that COO does affect Chinese consumers’ attitude towards foreign products, as suggested by Zhang (1996), Ahmed and d'Astous (2004), Balestrini and Gamble (2006), Zhuang et al. (2008a), Wang and Yang (2008b), Lee et al. (2009) and Sharma (2011). However, their preferences are divided. For various reasons, which are discussed separately in sections 5.23 and 5.24, some UACC prefer foreign products and some favour local products. Furthermore, a greater number of UACC indicated COO alone could not dictate the preference. Their decision making is not solely based on COO information but other factors, such as quality, design, price etc. The moderating effects of product categories and availabilities of domestic alternatives cannot be ignored. The impacts of these factors will be discussed in following sections. Secondly, as suggested by Schmitt (1997), Wei (1997), Cui (1999), Cui and Liu (2001), confirmed by Dickson et al. (2004), Sun and Wu (2004), Dickson et al. (2004), Kwok et al. (2006) and Chaney and Gamble (2008), the differences between Chinese consumer segments cannot be overlooked.

Finally, the moderating effect of product categories is evident amongst UACC. Dickson et al. (2004), Sun and Wu (2004), Dickson et al. (2004), Kwok et al. (2006) and Chaney and Gamble (2008) all commented on Chinese consumers’ varying preferences between different product categories. It is certain that in some categories, especially luxury products, foreign products still enjoy a highly positive perception. However, in some categories Chinese products are favoured over foreign products. As indicated by Kwok et al. (2006), the current study found Chinese products were the most preferred in the grocery category. European or American products were rated the most favoured in the laptop, mobile phone, car and luxury goods categories. The positions of Chinese products, American products, European products and Japanese products changed in each of the five products. It is clear UACC’s preference varies between different product categories. This is consistent with the findings of the above studies conducted in China and the general understanding of the moderating effects of product categories in COO research.
Strong evidence from previous studies noted above and this current investigation conclusively reached the agreement that Chinese consumers cannot be simply regarded as preferring foreign products or favouring Chinese products. Further studies on Chinese consumers should be cautious in reaching such subjective judgements without robust evidence. China is a complex heterogeneous market with vast internal differences and not a single homogeneous group. The moderating effect of product categories on consumer preference is evident amongst UACC. Chinese consumers are unlikely to buy foreign products in some categories. There are studies that revealed the potential impact of CE and CA, which could drive consumers to avoid or even boycott products from certain countries that should not be ignored amongst Chinese consumers. These are the focuses of sections 5.3 and 5.4 in this chapter.

5.23 Why Foreign?

UACC has no overwhelming preference for foreign products. Nonetheless, for some, foreign products still enjoy a highly positive perception. For a number of reasons, foreign products remain the first choice for some Chinese consumers. Previous studies have provided some insights as to why foreign products have been evaluated so favourably in the past. Zhang (1996) revealed Chinese consumers associated foreign products with reliability, exclusivity, workmanship and advanced technology. Li et al. (1997) concluded in their study that foreign brands are traditionally perceived in China as having higher quality. Hu and Dickerson (1997) concluded that Chinese consumers perceived foreign products as higher quality than similar local offerings and were worthy of being higher priced items. Sin and Ho (2001) indicated past research has concluded foreign products were regarded as having superior quality than products made in China. Zhou and Hui (2003) confirmed Chinese consumers still attributed foreign products with symbolic benefits, such as novelty, modernity, prestige and association of foreign lifestyles. Therefore ownerships of foreign products are social status symbols. Ahmed and d'Astous (2004) suggested Chinese consumers perceive products from highly
industrialised countries as possessing higher quality than products made in less developed countries. Delong et al. (2004) discovered U.S. products were rated higher than local brands in terms of design innovation, workmanship, brand image, service, and display of products. Wu and Delong (2006) noted western brands were favoured because of quality, design and fashion features. Frumkin et al. (2006) commented that foreign products were highly valued in many aspects and were considered as social status symbols in China. Zhuang et al. (2008a) observed that foreign products were evaluated to have better quality, advanced technology and more fashionable by Chinese consumers. Wang and Yang (2008a) concurred with previous findings that foreign products were preferred primarily due to better quality perceptions.

Based on previous studies noted above, the current study clustered factors contributing to the favourable perceptions of foreign products into 8 separate reasons: superior quality, better design, superior brands, status symbols, more expensive, represent modernity, innovation and technology and fit lifestyle. The result that only three respondents opted for non-featured other reasons validated that the selected eight factors constitute the rationale of foreign products’ received preference. This study tested these factors’ current relevance, the results are, however, somewhat surprising.

5.23.1 Fading Symbolic Value

Foreign products have long been established as social status symbols in developing countries. In the Chinese consumers’ context, it has one of the implied benefits of foreign products. Zhou and Hui (2003) specially studied the symbolic value of foreign products in China and concluded Chinese consumers still considered possession of foreign products as social status symbols. Ownership of foreign products was the display of wealth, distinction and better living. Therefore it is not the product attributes that led to the preference and purchase of foreign products,
but the symbolic associations. Frumkin et al. (2006) further confirmed that Chinese consumers regarded foreign products as social status symbols.

However, this current study revealed strong evidence to suggest the symbolic benefits of foreign products have faded amongst UACC. As commented by Zhou and Hui (2003) that although Chinese consumers still associated foreign products with symbolic benefits at the time, there were signs it has started to fade. The current investigation conclusively demonstrated that symbolic benefits of foreign products have faded. Merely nine respondents actually believed foreign products are still status symbols. They specially expressed that this is no longer true. As China further integrated with the world’s economy, there are a vast amount of foreign products available to Chinese consumers. Therefore the novelty value and exclusivity appeal had reduced, in contrast to the findings of Zhang (1996) and Zhou and Hui (2003). Possession of foreign products had become a common occurrence. The purchase of foreign products alone has lost its capability of displaying social status. It should be noted that although luxury goods were included as one of the tested product categories, luxury products consumption is not the focus of this study. Therefore, the fading symbolic value of foreign products should be excluded from applying to the luxury goods. China is reported to have surpassed America as the second largest luxury market, therefore Chinese consumers’ luxury consumption should be further studied.

The second factor that could have contributed to the fading of foreign products’ symbolic value is the improvement in Chinese living standards. Zhang (1996), Cui and Liu (2001), Sun and Wu (2004) and Dickson et al. (2004), specially argued that the living standards should be part of the discussion. The current study has uncovered evidence to support this proposition. It has been emphasised by UACC that their living standards have improved dramatically over the years. Although in most circumstances, foreign products are more expensive than local offerings, because they have more disposable income, price has become a less important issue. This means the purchase of foreign products is becoming more affordable to
many consumers in China. It is no longer the exclusivity of the rich but more of a common occurrence.

It seems that the symbolic values of foreign products have faded in China. This means foreign products can no longer rely on their products’ benefit of being social status symbols to attract Chinese consumers. The focus should be on other winning functional attributes identified in this investigation, such as quality and design.

5.23.2 Quality

Previous studies widely established that foreign products were perceived as having higher quality than Chinese products. Li et al. (1997), Hu and Dickerson (1997), Sin and Ho (2001), Ahmed and d’Astous (2004), Wu and Delong (2006), Zhuang et al. (2008a), Wang and Yang (2008a) and Chaney and Gamble (2008), all implied that Chinese consumers considered foreign products as possessing superior quality when compared with local products. The current study provides further evidence that quality is still one of the primary product attributes that attracted Chinese consumers to foreign products.

Alongside ‘design’, ‘quality’ of foreign products was suggested as the principal reasons as to why some UACC have a preference for foreign products. As highlighted by past studies, they still attribute foreign products with better quality than Chinese products. Compared to Chinese products, specific quality characteristics such as ‘workmanship’, ‘reliability’ and ‘durability’ have been underlined as the stand out features of foreign products. This is consistent with some of the findings identified by Zhang (1996), Hu and Dickerson (1997), Zhou and Hui (2003), Delong et al. (2004) and Chaney and Gamble (2008). Product safety and better standards have been referred to as part of the consideration. It could be due to recent scandals concerning the appalling safety records of some of the Chinese products. This will be explored in the next section.
Previous studies and findings of this study provided robust evidence to support the motion that quality is still one of the primary product attribute which determines some Chinese consumers’ preference for foreign goods. Companies aiming to preserve and expand their market share in the Chinese consumer market should continue to focus on providing superior product quality which could firmly maintain their advantageous position.

5.23.3 Design

Apart from quality, design is another leading feature that attracted some Chinese consumers to foreign products. It is perceived that foreign products have superior design to Chinese products. Foreign products were accredited with more fashionable, innovative and functional design features that are more appealing to Chinese consumers. Some UACC provided vivid accounts of how the design of foreign cars, clothing, handbags, and even Japanese rice barrels triumphed over some of the local offerings. Consistent with previous findings by Delong et al. (2004), Ahmed and d'Astous (2004), Wu and Delong (2006), Zhuang et al. (2008) and Chaney and Gamble (2008), design is considered as being one of the main features that contributed to some Chinese consumers’ preference for foreign products. It should be noted it has been suggested by UACC that some Chinese products are starting to improve their product design. However, foreign products remain in an advantageous position in this respect.

5.23.4 The Brand Factor

The brand is a significant factor in some UACC preferences for foreign products. Some Chinese consumers still perceive foreign products to have a superior brand. The brand associations still affected some UACC’s evaluation of foreign products. As established by past studies by Li et al. (1997), Hu and Dickerson (1997), Sin and Ho (2001), Ahmed and d'Astous (2004), Wu and Delong (2006), Zhuang et al. (2008a) and Wang and Yang (2008a), foreign brands are primarily associated with superior quality by Chinese consumers.
This coincides with the identification of brand origin as the key information cue for UACC to determine whether a product is foreign or a local Chinese product, as discussed in section 5.21. It demonstrates the importance of brand in today's Chinese consumers’ mindset. Although foreign brands might still have a competitive advantage in China, it is noted that some UACC emphasised that there are Chinese brands emerging. The white goods manufacturer Haier, laptop producer Lenovo, car maker Zhonghua & BYD, kitchen appliance maker Fotile and sportswear company Lining and 361. These were highlighted by some consumers as examples of Chinese companies’ building reputable brand names. In the BrandZ 2011 world’s top 100 most valuable global brands report, published by the world’s leading advertising agency WPP, 11 Chinese brands featured in the list. The highest ranked Chinese brand, China Mobile rated as the world’s ninth most valuable brand (WPP, 2011). This is another indication that Chinese companies are starting to build strong brands. Whilst foreign companies should focus on maintaining their superior brand status, the threat of emerging Chinese brands cannot be ignored.

5.23.5 Modernity, Innovation and Lifestyle

The other factors identified in this study that still have considerable effects on UACC’s perceived preference for foreign products, are the association of modernity, innovation & technology and lifestyle. Although, as discussed in section 5.23.1, UACC no longer consider foreign products as status symbols, it seems that some UACC still associate them with modernity, innovation & technology and a certain lifestyle. As noted specifically by Zhang (1996), Ahmed and d’Astous (2004) and Zhuang et al. (2008a), Chinese consumers considered that foreign products represent modernity, advanced technology and foreign lifestyles. The evidence suggests these beliefs are not as widespread as previously identified. Nonetheless, it is still relevant for some Chinese consumers.

The decline of foreign products being considered to contain advanced technology could be due to the increase in the investment in research and development in
China. The Chinese government has acknowledged China is lacking behind in terms of technology, and the importance of research and development has been recognised at a national level. In recent years, China has invested heavily in technology and innovation, which is reflected in the technology patent filings. It is reported that in the ‘National Patent Development Strategy (2011-2020), China aims to rank among the top two in the world in terms of the annual number of patent filings. The numbers of overseas patent applications from China are expected to double in the next few years (CNN, 2011). China has undertaken considerable measures to catch up in terms of technology advancement.

In conclusion, as widely established in previous studies, product quality remains the dominating feature that determined some Chinese consumers’ preference for foreign products. Arguably, other factors discussed in this section: design, brand, innovation and technology are part of the greater quality debate. The symbolic benefits have faded, and Chinese consumers no longer consider foreign products as status symbols. Foreign firms should concentrate on providing better quality products to maintain their competitive advantages over local rivals. Brand is still a significant factor in which foreign products still enjoy a superior brand image amongst some UACC. To maintain their superior brand image has a vital importance for foreign companies’ continuous success in China.

5.24 Why Chinese?

The section discussed the reasons behind some UACC’s preference for foreign products. There are UACC on the opposite side. They are firmly in favour of Chinese products. Furthermore, the results show there is a slightly higher number of UACC who expressed a preference for Chinese products. Nevertheless, as discussed in section 5.22, the biggest group of UACC, COO alone is not conclusive in determining their product preference. Therefore, this study is refraining from suggesting that there are more UACC who prefer Chinese products than favour foreign products.
Some previous studies have detected this trend of some Chinese consumers favouring local products and provided explanations for their preferences. Cui and Liu (2001) suggested some Chinese consumers were becoming more sophisticated, less inclined to purchase foreign products to display social status, but more interested in seeking value. The majority of urban Chinese consumers, labelled as the ‘working poor’, were more likely to purchase local products due to their lower income level and lower prices of Chinese products. Cui et al. (2004) pointed out there was an emergence of competitive local brands attributed to improved product quality, more sophisticated promotion and government protection. Dickson et al. (2004) argued that price and quality were the two essential attributes influencing Chinese consumers’ purchasing behaviour. Some Chinese consumers prefer to buy local products because of lower price, reasonable quality, style, colour or brand. Delong et al. (2004) suggested that when compared with US brands, some Chinese apparel brands were evaluated positively due to fit and price satisfaction. Kwok et al. (2006) uncovered that Chinese consumers generally have favourable attitudes towards Chinese grocery brands and they recognise it is important to buy Chinese brands when possible.

5.24.1 Price, Improved Quality, Value and Needs Satisfaction

This current study further validated findings of previous studies that specific features of lower price, improved quality, better value and better needs satisfaction attributed to some UACC’s preference for Chinese products. As Cui and Liu (2001), Dickson et al. (2004) and Delong et al. (2004) suggested, the lower price of Chinese products is a considerable advantage. The cheaper price of local products has been highlighted as one of the main reasons to explain some UACC’s preference for Chinese products. Consistent with Cui and Liu (2001), it is clear some UACC are less inclined to purchase foreign products but became more sophisticated and seek for value, rather than symbolic benefits. Some UACC consider local products are better value for money. Chinese products were also credited with gaining better satisfaction of needs. This indicates that some Chinese consumers believe local
products could understand local customers’ needs better, since they are more familiar with the society’s culture and custom. This seems to concur with the findings of Delong et al. (2004) that Chinese apparel brands were evaluated positively being assessed as achieving better fit.

The current study unveiled evidence to support Cui et al. (2004), that there are emerging local brands with improved quality and more sophisticated marketing. It is perceived by some UACC that Chinese products are good quality at a reasonable price. This suggests that for some UACC, Chinese products’ quality have reached an acceptable standard, which is a considerable achievement. Lower price is not the sole reason why some Chinese consumers purchase local products. The product quality has started to gain recognition. As discussed in section 5.23.4, some local Chinese brands have been acknowledged to produce and offer good quality products. The car brands - Zhonghua and BYD, computer brand – Lenovo, Kitchen appliances brand - Fotile, sports brands – Lining and 361, electronics brand – Haier, all enjoy a positive brand perception. The TV industry has been underlined by some UACC as an example of local companies starting to capture a large percentage of market share. There are a host of successful local companies in the TV industry, such as Changhong, TCL, Haier, Konka and Hisense. A recent report jointly published by China’s leading electronics retailer – Suning and a local market research company – China Market Monitor, revealed that in the colour TV market, local brands captured 67.3% of urban Chinese market and 86.1% of the rural market (China Market Monitor, 2011).

5.24.2 Support Domestic Industry and Patriotism

As suggested by previous studies, lower price, improved quality, better value and better needs satisfaction contributed to some UACC’s preference for Chinese products. However, this current study discovered the primary factor determine their preferences for local products is their desire to support domestic industry and patriotic beliefs.
Kwok et al. (2006) concluded Chinese consumers’ generally favourable attitude towards local products was driven by their recognition of the importance of purchasing local brands when possible. The current investigation supports the findings of Kwok et al. (2006), and further provided an explanation for their decision to favour local products, ultimately, is to support China’s domestic industry. They recognised the importance of supporting and protecting domestic industries, and that key and strategic industry cannot be controlled by foreign companies. It is the national interest to maintain a strong and independent domestic industry. Patriotism appears to play a significant role, some UACC believed favouring and purchasing domestic products over imported goods is patriotic behaviour. Their devotions and allegiance to their home country has become a major motivation for their preference for Chinese products. Instead of product features such as price and quality, strong emotions of protecting domestic industry and patriotic beliefs have become the main inspiration for favouring Chinese products.

It suggested that although lower price, improved quality, better value and better needs satisfaction contributed to the preference for Chinese products, the desire to support domestic industry and patriotic beliefs played an even more important role in determining some UACC’s preference for local products. These signs of patriotism and nationalism indicated the existence of Consumer ethnocentrism and consumer animosity in China, its implications will be discussed in the following section 5.3 and 5.4.

5.3 Consumer Ethnocentrism

5.3.1 Low to Moderate Level of CE

This current study unveiled low to average levels of CE, mean scores ranging from 3.51 to 4.80, measured by the 7 point likert scale, which suggests UACC holds moderate levels of ethnocentrism beliefs. The results are largely consistent with previous studies. The levels of CE beliefs vary between different examinations. It should be noted there is inconsistency with the interpretations of CE levels and Hsu
and Nien (2008) appeared to omit CETSCALE mean figures from its study, which is standard practice in the original Shimp and Sharma (1987) study and principally followed in CE research. Wang and Chen (2004) indicated a moderate level of CE, with an average mean of 4.38. Although Wong et al. (2008) concluded that young Chinese consumers have a low level of CE, the CE score was slightly higher than Wang and Chen (2004), with an average mean of 4.79. Wei et al. (2009) indicated moderate levels of CE amongst Chinese consumers in which the mean scores range from 3.66 to 4.02. Oh and Zhang (2010) confirmed Chinese consumers have low levels of nationalism with a relative low average mean score of 3.35. Parker et al. (2011) suggested Chinese consumers’ CE levels are low, the mean scores range from 2.61 to 3.18. However, it should be noted that this study adopted the 5 point likert scale, instead of standard adopted 7 point scale.

It is clear that ethnocentrism beliefs are not particularly strong amongst UACC which means there is no strong negative bias towards foreign products. This means it is unlikely for UACC to consider the purchase of foreign products as completely inappropriate or immoral behaviour, which are typical beliefs held by high ethnocentrism consumers, suggested by Shimp and Sharma (1987) in the original CE study. For low or moderate ethnocentrism consumers, their evaluations of foreign products are more likely to be based on merits rather than driven by ethnocentrism beliefs. Generally speaking, strident protectionism or calls for blanket bans or boycott of foreign goods are unlikely to occur in UACC. CE does not pose a serious threat to foreign products.

5.32 Worldminded Consumers

The relative moderate level of ethnocentrism belief indicates a level of openness of Chinese consumers. UACC do not consider it is acceptable to solely rely on the purchase of domestic products or completely reject all foreign goods. These Chinese consumers’ openness towards foreign products seem to reflect Rawwas et al. (1996) view of consumer worldmindedness, instead of highly ethnocentric
consumers, worldminded consumers favour a world view of the problems of humanity and their primary reference group is humankind, rather than different nationalities. These consumers are less sensitive to COO, but more likely to evaluate products based on quality and other product features. This point of view is consistent with Shimp and Sharma (1987) that low CE consumers will judge products based on merits. Nijssen and Douglas (2008) and Nijssen and Douglas (2011) supported Rawwas et al. (1996)’s understanding of worldminded consumers that these consumers have the adaptability and openness to accept ideas, norms and values from other cultures. Therefore, these consumers are capable of accepting foreign products without bias or prejudice.

A similar term, ‘consumer cosmopolitanism’, was developed recently in international marketing research. Summarized by Cleveland et al. (2009), consumer cosmopolitanism refers to the set of beliefs and attitudes that has a consciousness and openness to the world and to cultural differences, a willingness to engage with other cultures, and the capability to accept other values without bias. Whether ‘cosmopolitanism’ or ‘worldmindedness’, they both refer to consumers’ willingness and openness to accept cultures and values from other cultures, which is reflected in their ability to evaluate foreign products without ethnocentric or nationalist bias.

The current investigation indicated that there is a level of openness amongst Chinese consumers. They are not a group of highly ethnocentric consumers that reject everything foreign, frantically seeking to purchase domestic products. In this sense, they don’t appear to be very radical. Instead, they are capable of forming rational decisions in terms of evaluating foreign products, based on merit rather than nationalist or ethnocentric beliefs. In a sense, modern China and modern Chinese consumers are embodiments of openness, both economically and culturally. Since opening its doors to the world in 1978, China has gradually shifted away from isolation and separation. The world has witnessed China’s progress in economic integration and cooperation. In recent years there is a shift towards domestic consumption which dramatically increased China imports. In a recent report, the
Boston Consulting Group (BCG) has forecast China to become the world’s second largest consumer market. (BCG, 2011) The 2011 UK Christmas sales period has been boosted by the influx of high spending Chinese consumers who snatched luxury brands such as Burberry. These are evidence of China’s worldminded consumers actively engaging with foreign product purchase. It suggests that the findings of this study and previous research that Chinese consumers hold low to moderate levels of ethnocentrism beliefs, are fair reflections of the reality.

5.33 Product Preference, Product Evaluation & Willingness to Buy

It is the generally accepted understanding that CE affects product evaluation, preference and willingness to buy, as originally suggested by Shimp and Sharma (1987). This notion has been principally supported by subsequent studies confirmed in the reviews of Hamin and Elliott (2006), Shankarmahesh (2006), Evanschitzky et al. (2008) and Nijssen and Douglas (2011). High ethnocentrism consumers will evaluate foreign products negatively, domestic products more positively and drive them to purchase domestic products in favour of foreign products.

Unsurprisingly, the current study provided further evidence to support this notion. CE significantly affected UACC’s product preference between foreign and Chinese consumers. Those who prefer Chinese products have significantly higher ethnocentrism beliefs than those in favour of foreign products. It is clear that CE affected UACC’s product preference. This is consistent with the majority of previous findings and the results of two studies conducted in China. Hsu and Nien (2008) concluded higher ethnocentrism Chinese consumers have higher preference for domestic products, ethnocentric consumers in Shanghai, for example believe domestic brands of mobile phones are the best choices. Wu et al. (2010) confirmed that there is a significant correlation between CE and Chinese consumers’ preference for domestic products. Therefore, both studies also suggested CE significantly affected Chinese consumers’ willingness to buy.
However, some CE studies in China reached different conclusions to the majority studies of CE, the findings of this current study and Hsu and Nien (2008) and Wu et al. (2010) noted above. Wong et al. (2008), Wei et al. (2009) and Parker et al. (2011) all concluded CE had no, or a limited, effect on Chinese consumers’ willingness to buy. These studies could have potentially overlooked three key factors. First of all, unlike the current study, Hsu and Nien (2008) and Wu et al. (2010) that tested moderate level of CE amongst its samplings, Wong et al. (2008), Wei et al. (2009) and Parker et al. (2011) unveiled relatively low level of ethnocentric beliefs in their examinations. Therefore, it is not entirely surprising that they found limited effect of CE. Arguably, CE did not exist amongst its sampling of Chinese consumers.

Secondly, the key factor driving the above studies’ conclusion that CE had no effect on the willingness to buy appear to be because they did not find evidence to suggest CE affected product evaluation. The groups of Chinese consumers examined did not perceive foreign products negatively and domestic products positively. As suggested by an earlier study by Wang and Chen (2004) that in a developing country CE does not necessarily cause consumers to perceive domestic products more positively than foreign products. This current investigation uncovered evidence to support this notion. UACC have acknowledged that many foreign products have superior quality than domestic products. As suggested by Wang and Chen (2004) they did not automatically consider that domestic products are better than foreign products. Nonetheless, this does not mean CE will have no effect on Chinese consumers’ willingness to buy. These studies overlooked a crucial aspect of CE, the desire to protect domestic industry. In the original CE study by Shimp and Sharma (1987), it pointed out “from the perspective of ethnocentric consumers, purchasing imported products is wrong because, in their minds, it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic.” (Shimp and Sharma, p.280, 1987) Han (1988) indicated that ethnocentric consumers are willing to make sacrifices to purchase a domestic brand because they believe that imported goods may damage their country’s economy. Balabanis et al. (2001) and Vida and Reardon (2008) further suggested ethnocentric consumers’ willingness to buy
domestic products are likely to be motivated by patriotic beliefs, rather than product quality perceptions. Although Wong et al. (2008), Wei et al. (2009) and Parker et al. (2011) did not find evidence that Chinese consumers evaluated domestic products more positively, it does not qualify the conclusions that CE has no effect on willingness to buy. Chinese consumers could prefer to buy domestic products due to patriotic beliefs, more specifically, the desire to protect China’s domestic industries.

Finally, reasonable questions could be raised about the sampling and data collection measures. Wong et al. (2008) conducted its study on a sample of 272 Chinese students. Parker et al. (2011) was carried out amongst a group of “economically progressive Chinese college students in a coastal port city in northern China.” (Parker et al., p.4, 2011) Their results are likely to be biased. Therefore the generalisation to all Chinese consumers seems inappropriate.

CE significantly affected UACC’s product preference. Those consumers who have a preference for domestic products have a significantly higher level of ethnocentrism beliefs than those who favour foreign products. CE does not necessarily lead to positive product evaluation of domestic products over foreign products. However, this does not necessarily mean CE has no effect on willingness to buy. High ethnocentrism consumers’ willingness to buy domestic products could be driven by patriotic beliefs, but not product quality perceptions.

5.34 CE and Domestic Industry

The current study found no evidence to suggest CE affected UACC’s product evaluation. Ethnocentrism beliefs did not cause the positive perception of domestic products over foreign products. UACC acknowledged that foreign products have good quality features. This is consistent with Wang and Chen (2004)’s suggestion that the effects of CE in developing countries are different to developed countries. Ethnocentric consumers in developing countries do not necessarily perceive domestic products more positively than foreign products. Quite the contrary,
foreign products are often associated with superior quality in a developing country like China. Therefore, it is not the product quality evaluation which leads to ethnocentric consumers choosing to purchase domestic products.

In the original study Shimp and Sharma (1987) suggested that for ethnocentric consumers, the purchase of foreign products is a moral decision. For them, purchase of foreign products could cause job losses, hurt the domestic economy and is unpatriotic behaviour. Apart from American consumers’ more positive perception of domestic products, patriotism and the desire to protect domestic economy were established as the driving force of domestic product purchasing. Subsequent studies largely followed this notion. Rawwas et al. (1996) believed nationalism determined consumers’ domestic products purchase behaviour. Although Balabanis et al. (2001) did not establish a consistent relationship with CE across different countries and it stressed patriotism and nationalism did not automatically translate into bias for foreign products in all countries, patriotism and nationalism had a strong influence on ethnocentric tendencies. Vida and Reardon (2008) conclusively established patriotism and consumer ethnocentrism are stronger determinants of domestic consumption than rational consideration such as product quality evaluation.

The current investigation found strong evidence to support the above discussion that patriotism, more specifically the desire to protect domestic industries, is the driving force behind ethnocentric consumers’ willingness to buy domestic products. It is not due to the more positive product quality evaluation of domestic products. Foreign products are perceived highly in terms of quality and other related product features. UACC demonstrated strong awareness and desire to protect China’s domestic industries. Ethnocentric Chinese consumers consider buying Chinese products as patriotic behaviour and they believe curbs should be put on some imports to protect domestic industry. These two items, measuring patriotism and protecting domestic industry, had the highest mean scores in the modified 6 items CETSCALE adopted for this study. It is quite clear that UACC believe that purchasing
domestic products is important to support Chinese domestic industry and protect strategic economic resources.

This study also found further evidence to support Watson and Wright (2000) that the availability of domestic alternatives has a key effect of CE on product evaluation and willingness to buy. In product categories where domestic alternatives are available, there is a greater degree of competition. This, combines with the impact of CE, will benefit domestic products more significantly and pose a greater threat to foreign products. The findings of this study concur with Watson and Wright (2000) that availability of domestic alternatives plays an important role in the effects of CE. The five product categories included in this study, grocery, laptops, mobile phones, cars, luxury goods, seem to show that as the degree of availability of domestic alternatives drops, the preference for domestic products decreased accordingly. The grocery category has the greatest amount of domestic products available and Chinese products were placed as the most preferred. In contrast, in the luxury goods category in which China has very few products, Chinese products have the lowest level of preference. This demonstrates that the availability of domestic products played an important moderating role on the effects of CE. Whilst there is a greater level of availability of domestic alternatives, ethnocentric consumers have greater preference for domestic products. If the availability of domestic products is limited or no domestic products are available at all, CE has less effect.

Foreign products enjoy a positive perception amongst UACC. However, it is not because they have a higher product quality perception of domestic products than imported goods. Instead, patriotism and the desire to protect China’s domestic industry have a significant moderating effect on the impact of CE. Their loyalty to their home country and the awareness and desire to protect domestic industries are the main driving forces of ethnocentric consumers’ willingness to buy and support domestic products. The impact of patriotism, a desire to protect domestic industry and CE play a greater role in product categories that have a higher degree of
availability of domestic alternatives. This results in a higher degree of domestic product preference.

5.35 Impact of Demographic Variables and Locations

This study discovered that both age groups and educational levels play a significant role in the level of UACC’s ethnocentrism beliefs. There are significant differences between different age groups and CE levels, older age groups’ ethnocentrism beliefs are significantly higher than younger generations. This means younger consumers are more open minded about foreign products and have less desire to purchase domestic products. Older generations are more aware of the need to protect China’s domestic industry. There are also significant CE differences between education levels. The higher the level of education they received the lower the level of their ethnocentrism beliefs. It suggests education played a key role in consumers’ openness towards foreign products. This is consistent with Wei et al. (2009) which concluded that age, income and education all influence consumers’ level of CE. It agrees with the findings of Wong et al. (2008) and Parker et al. (2011) that young Chinese consumers have low levels of ethnocentrism beliefs. There is also a clear regional divide in terms of levels of CE. Consumers from Shenyang-Northern China have significantly higher levels of ethnocentrism than those from Shenzhen-Southern China.

5.4 Consumer Animosity

5.41 Does Consumer Animosity Exist?

The level and extent of consumer animosity amongst UACC is one of the key focuses of this study. Japanese, French and Americans were selected as the target groups for testing. As displayed in section 4.28 of the ‘data analysis’ chapter, there is a strong consumer animosity aimed at the Japanese, with 53.7% respondents indicating that they don’t like the Japanese. However, consumer animosity towards French and Americans are relatively low with 10.4% and 11.7% expressing their
displeasure respectively. This study validated the existence of consumer animosity in Chinese consumers, particularly targeted towards the Japanese. Klein et al. (1998) conducted their original study in China and concluded that Chinese consumers harboured strong consumer animosity towards the Japanese. However, there are two further studies that contradicted the original finding.

Ahmed and d'Astous (2004) carried out a study in China to examine the perceptions of countries as producers of consumer goods. There were 13 countries selected as the producers of T-shirts within this study which included Japan. Although this is not a designated study on CA amongst Chinese consumers, it featured animosity in the discussions. Noting the findings of Klein et al. (1998), it expects to find animosity towards Japanese products amongst Chinese consumers in this research. However, it concluded animosity “does not seem to manifest itself in our results” (Ahmed and d'Astous, p191. 2004), which suggest they did not detect any aspects of animosity towards Japanese or Japanese products. There could be many explanations. A possibility is that, as it suggested, Chinese consumers did not show any signs of animosity towards Japanese in this investigation. The more possible explanation is, as CA is not the main focus of this study, it simply failed to incorporate valid measurement mechanisms to examine the levels of animosity in Chinese consumers. Nevertheless, Ahmed and d'Astous (2004) did not agree with Klein et al. (1998) and this current investigation which both found concrete evidence that Chinese consumers have strong consumer animosity towards the Japanese.

Similar to this current investigation, Ishii (2009) conducted a focused study of Chinese consumers to examine the effects and determinants of animosity and consumer ethnocentrism. There is a separate section on ‘consumer ethnocentrism’ in this chapter; this section will not discuss this issue. It cited the Anti-Japan demonstrations in China, particularly the April 2005 Anti-Japan rampage in Shanghai where the Japanese consulate, shops and cars were smashed, as the background of its research. The nationalism and patriotism in Chinese consumers, as it pointed out were very active on Chinese websites, and were part of the investigation. Aspects
of patriotism and the influence of the internet were part of the findings of this current study which will be discussed in following separate sections. Ishii (2009) confirmed the existence of consumer animosity in Chinese consumers and concluded that both animosity and consumer ethnocentrism significantly affected the willingness to buy US and Japanese products. This is consistent with the findings of Klein et al. (1998) and the current study which unveiled over half of the respondents expressed their dislike of the Japanese. However, Ishii (2009) discovered no significant differences between all demographic and socio-psychological variables which the current study disagrees with and there are significant differences between different age groups. Furthermore, unlike the current study, it failed to address the suggestions by Klein et al. (1998) to examine whether there are variations between different locations. It only collected data from one city – Shanghai, which is next to Nanjing where the original investigation took place. Although it aimed to study the determinants of animosity and mentioned the impacts of ‘education’ and ‘government propaganda’, it failed to address deeper social cultural factors that contribute to the generation of consumer animosity. It neglected to discuss the impact of the ‘Nanjing Massacre’ and other associated issues, which was suggested by Klein et al. (1998) as the key influence on Chinese consumers’ animosity towards Japan. All above factors are included in this current study and detailed discussions will be featured in following sections.

According to the above discussions, despite the apparent lack of signs of animosity in Ahmed and d’Astous (2004) study, the findings of Klein et al. (1998), Ishii (2009) and this investigation conclude there is a consumer animosity targeted at the Japanese amongst Chinese consumers. There are not many recent studies on this issue. This could be due to the politically sensitive nature of animosity within mainland China that drives researchers away. As this is apparent to the researcher of this study, respondents and interviewees on occasion were uneasy about discussing this topic. Two participants of the interview refused to allow the researcher to record the conversations, despite repeated assurances that their
identities will not be compromised in any shape or form. This could be explained by lack of trust but also highlighted sensitiveness and the difficult nature of this topic.

**5.4.2 Sources of Animosity**

This study concurs with Klein et al. (1998) and Ishii (2009) that there is animosity targeted towards Japanese amongst Chinese consumers. What has caused such tensions? The findings of this present study uncovered a wide range of sources of animosity. Klein et al. (1998) concluded two ‘war’ and ‘economic’ based animosities that originated from the Japanese invasion and occupation of China during WW2 as the main reasons. It suggested the brutality of this invasion, highlighted by the key event ‘Nanjing Massacre’ is the cause of animosity in Chinese consumers. War and economic based animosity were constructed in the animosity model as the sources of animosity, which were widely adopted as the standard causes by following studies. Inspired by Klein et al. (1998), Klein and Ettenson (1999), Witkowski (2000), Shin (2001), Klein (2002), Nijssen and Douglas (2004), Jung et al. (2002), Shimp et al. (2004), Hinck (2004), Cicic et al. (2005), Shoham et al. (2006), Leong et al. (2008), Bahaee and Pisani (2009b), Bahaee and Pisani (2009a) and Ishii (2009), all principally followed the animosity model and adopted ‘war’ and ‘economic’ based factors as the standard sources. Several studies investigated animosity caused by other factors. Ettenson and Klein (2005), Edwards et al. (2007) and Heslop et al. (2008) established a single key event – the French nuclear test in the South Pacific which caused long lasting animosity towards the French amongst Australian and New Zealand consumers. Russell and Russell (2006) concluded the cultural intrusion by the American film industry had generated animosity towards the Americans in French consumers which have consequently driven them to support domestic movies.

Nevertheless, Riefler and Diamantopoulos (2007) was the only study that questioned whether there could be potential flaws in the original animosity model. It pointed out that merely accepting ‘war’ and ‘economic’ based factors as the
standard sources of animosity are limiting the full discovery of the causes and consequences of animosity. There is a need to break away from the accepted notion of ‘war’ and ‘economic’ factors and explore further potential sources. Riefler and Diamantopoulos (2007) investigated Austrian consumers’ animosity towards 3 different countries – Germany, US and Turkey. It revealed that there were different sources of animosity from different countries. Austrian consumers’ animosity towards the United States was caused by foreign policy in general, economic policy, George Bush, Iraq policy, the American mentality and the existence of the death penalty. The German mentality, loss of identify, economic issues and WW2 caused the animosity targeted at Germany. For animosity towards Turkey, mentality, role of women and religion were the primary sources.

5.42.1 War History

The current investigation discovered that there is strong animosity towards Japanese amongst UACC and animosity targeted at French and Americans are relatively low. Similar to Riefler and Diamantopoulos (2007), a wide range of sources have been identified. It is not caused simply by ‘war’ and ‘economic’ related issues as suggested by Klein et al. (1998) and subsequent studies. It is evident the war history between Japan and China, particularly WW2, is the main driving force behind the animosity targeted at the Japanese. Although the war ended in 1945, UACC is still very aware of the suffering and damage caused 65 years ago. As suggested by Klein et al. (1998), the key event of ‘Nanjing Massacre’ is still very alive in people’s memories and it has been emphasised repeatedly. It suggests the brutality of the invasion, severity of the damage and massive human losses have a deep influence on today’s generation.

School Education

It is intriguing that very few people had a firsthand experience and direct knowledge of the Japanese invasion. The majority of UACC surveyed and interviewed were not even born in the 1930-40s. School education played a major
role in maintaining this level of animosity, which is consistent with the findings of Ishii (2009) that education had a key influence. The Japanese invasion in WW2 and the damage it caused are a significant part of Chinese school children's history education. It features in the school textbooks, every child going through the education system will be taught this particular issue. As suggested by the interviewees, the influence of a certain history teacher was evident, which highlighted the effects of school education in maintaining the animosity against the Japanese. They have access to this issue at a young age and it appears the impact is long lasting.

**Media Influence**

The war time experience was also portrayed by the media in much more vivid and arguably memorable ways. UACC were inevitably affected by war related TV dramas, movies and documentaries as they were widely available on different channels. To simply dismiss this as ‘government propaganda’ by Ishii (2009) was inaccurate, acknowledged as such, it “should be understood as people’s spontaneous feelings rather than the consequences of government propaganda”. (Ishii, p.307, 2009) There is no doubt government controlled media played a role. However, a lot of these materials were outside government control. Some films and war related TV dramas were not sponsored by the government, but produced by independent companies and directors. The online anti-Japanese campaign in particular has a grassroots following and it is not controlled or organised by government but by individuals or groups of individuals. The popularity and availability of war related content in a wide range of media is a reflection of the deep-rooted and widespread nature of animosity, rather than products of government backed propaganda. The failure in discussing the impact of the Japanese invasion and Nanjing Massacre but instead focusing on Chinese communist party’s influences on ‘education’ and ‘government propaganda’ is a major shortcoming of Ishii (2009)’s study.
**Family Influence**

Apart from ‘school education’ and ‘media’, the war history was further enhanced by family influence. In some circumstances, the war time experience was passed down from one generation to another. There are accounts of grandparents telling firsthand experience of brutal treatment of the civilians by Japanese soldiers. Unlike ‘school education’, in which every child goes through the process, and ‘media’ that has a mass reach, not every interviewee received firsthand accounts of the war via the older generation. Nonetheless, there is an area of influences that cannot be ignored.

There is no surprise to discover war and related historic issues, Japanese invasion in WW2 and Nanjing Massacre in particular, as the dominant source of UACC’s animosity towards the Japanese. Since first established by Klein et al. (1998), war and related issues have been supported by the majority of subsequent studies as a major source of consumer animosity. Tension and hostilities generated by the Japanese invasion is not a ‘China only’ phenomenon, while studies by Ang et al. (2004), Jung et al. (2002) and Leong et al. (2008) concluded that many consumers in South East Asian countries including Indonesia, Malaysia, Singapore, South Korea and Thailand, all share similar animosity towards the Japanese. It is no doubt the war is a major source of animosity that has long lasting consequences.

**5.42.2 Japanese Government Attitude towards the War**

Consistent with major studies in this field, war and related issues are main sources of animosity. However, there is one area has not been investigated by previous studies, that is government attitude towards the war history. It is the general belief of UACC that the Japanese government did not properly acknowledge the invasion and the damage it had caused. It is believed that they have never properly apologised for their war crimes and there is a lack of showing genuine remorse. This claim is supported by regular visits to the Yasukuni Shrine which honours war criminals. It is perceived as proof of the Japanese government’s mishandling of this
sensitive issue. They are still worshipping war criminals and in the mean time showing no signs of regret over the damage and grief they have caused to the Chinese people.

This is different to the war itself, because the government attitude is largely a current issue. It is perceived that past and current Japanese governments have repeatedly mishandled this issue in which they have not properly apologised for their war crimes. This has generated anger and alert that further enhanced UACC’s animosity towards the Japanese. Germany has been mentioned as the opposite example. It is believed they had shown genuine remorse and properly apologised for its wrongdoing. Riefler and Diamantopoulos (2007) and Nijssen and Douglas (2004) investigated Austrian and Dutch consumers’ animosity towards Germany. Germany’s role in WW2 was cited as one of the main causes. There is no mention of current government attitude or other related problems which suggests there is no viable concern on this issue. However, it is very clear, Japanese government attitudes towards the war was a source of frustration and anger which in term further strengthened their animosity.

5.42.3 Economic Related Concerns

Apart from war, economic factors were established by Klein et al. (1998) as one of the two major causes. A number of studies which followed this original approach revealed a number of economic based sources in different countries. Klein and Ettenson (1999), Witkowski (2000), Shin (2001) and Klein (2002) all concluded that perceived unfair trading practices caused consumer animosity. Klein and Ettenson (1999) and Klein (2002) both discovered that American consumers believe Japanese companies were competing unfairly and taking advantage of American companies. Witkowski (2000) also found American consumers considered China is taking advantage of US and were trying to gain economic influence.

Similar to the above findings, the current study discovered unfair trading practices have caused great anger and concern towards the Japanese. The main worries are
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centred on two issues, the exploitation of China’s natural resources and the overall economic influence on China, particularly control of the high-tech industries. It is believed that Japanese companies are taking advantage of the low price of China’s natural resources and acquiring them to generate massive wealth with no benefits to China. In some cases they are stockpiling strategic resources, such as rare earth materials for further use. It caused great unease amongst UACC, in terms of Japan’s overall economic influences on China. Japanese companies have invested heavily in China over the past 20 years, which led them to believe they have control in many of the key industries. Speaking of personal experience, two interviewees described how the companies they work for, high-tech firms, were controlled by a Japanese company at both ends. The Japanese supply the raw materials and buy the half finished products, it is believed, at a very low price. It merely played the role of a processing factory and earned a very low margin in return. The Japanese companies earned the lion share of the profits and have a very tight control of this Chinese company. It is believed this kind of experience is common for Chinese companies, and many other industries are experiencing the same problem. This kind of trading practice has created a lot of anger and nervousness about Japan’s economic influence over China. This level of nervousness and anxiety amongst UACC is similar to the experience amongst Korean consumers. Klein (2002) unveiled the similar kind of concerns towards Japan in Korean consumers. They believe the Japanese are doing business unfairly with Korea and Japan has too much economic influence in Korea.

It seems in terms of UACC’s economic related concerns there are no major new revelations compared with previous studies. They all relate to unfair trading practices and economic influences and the level of anxiety contributed to their overall animosity towards Japanese. Studies conducted in other Asian countries by Jung et al. (2002), Ang et al. (2004), and Leong et al. (2008) concluded the single event – the 1997 Asia Economic Crisis as a key source of animosity towards Japan. It is clear in this study, the economic based animosity is caused by general trade policies and overall economic influence rather than a single significant event. This
suggests UACC’s animosity towards Japan is ‘stable animosity’ rather than ‘situation animosity’. Jung et al. (2002) proposed a typology of animosity, which was supported by Ang et al. (2004) and Leong et al. (2008), that draws a distinction between ‘stable animosity’ and ‘situational animosity’, ‘national animosity’ and ‘personal animosity’. ‘Situational animosity’ refers to strong emotions of enmity associated with a specific circumstance at hand. Negative sentiment towards a specific country may be formed because of actual or perceived provocations leading to and/or inflicted during a crisis... In contrast, stable animosity refers to general antagonistic emotions accumulated over the years because of historical events such as previous economic or military hostilities between countries.” (Jung et al., p.527, 2002) It is very clear in this study that UACC’s sentiment towards Japanese is not situational but stable animosity.

5.42.4 Political and Militarily Concerns

Klein et al. (1998) defined animosity “as the remnants of antipathy related to previous or ongoing military, political, or economic events”. (Klein et al., p.90, 1998) Previous and ongoing issues such as WW2 and economic related factors have been established as the causes of animosity. However, despite being included in the definition, Klein et al. (1998) and subsequent studies rarely discussed political events as the source of animosity. The standard sources of animosity were ‘war’ and ‘economic’ based animosity. Riefler and Diamantopoulos (2007) argued the necessity to explore wider ranges of sources and discovered in their study that political factors like foreign policy (Invasion of Iraq) was a source of animosity, the same as WW2 and economic factors.

This current investigation concurs with the findings of Riefler and Diamantopoulos (2007) that political considerations could be the cause of animosity. Furthermore, not only previous or ongoing military, political or economic events, as suggested by Klein et al. (1998), but also potential further strategic consideration and conflicts of national interests could contribute to overall animosity. These strategic
considerations are centred on three main issues: political rivalry, territorial disputes and potential for further military clashes.

**Political Rivalry**

In terms of political considerations, the concerns raised were concentrated on the nature of two countries’ relationship with regard to political rivalries. China is still seen as a Communist regime that the western countries, lead by US, opposes. China and Japan being close geographic neighbours are competing for resources, as both countries continue to seek for economic expansion. It is believed that Japan as the key strategic partner of the US in Asia, is playing an active role alongside the US to curtail the influence of China in Asia and beyond. Japan is the crucial partner in the US island chain defence strategy which is to control China’s naval activities. On another potential controversial but important issue, the overall impression is, just like the US, Japan will be an obstacle to mainland China’s unification with Taiwan. Japan does not want to see a strong China that unifies with Taiwan eventually. It could have profound consequences for Japan, which means the Taiwan Strait will no longer be international waters and the international shipping lanes will need to be altered. This has strategic importance for Japan, due to the fact that any changes in trade routes dramatically increase the costs of Japanese imports and exports. It is evident that Japan has been perceived by UACC to have conflicts of national interests with China on many fronts.

**Territorial Disputes and Potential for Further Military Clashes**

Apart from political conflict of interests, Japan has territorial disputes with China which appeared to be an area of genuine concern. Both countries claim sovereignty of Diaoyu islands in the Eastern China Sea which has rich oil and natural gas reserves. There are a few further oil and gas fields in the Eastern China Sea that both countries claim. There have been a few very unpleasant diplomatic clashes on these issues. This combined with the concerns that Japan has not genuinely acknowledged and apologized for its war crimes and their politicians regularly visit
the Yasukuni Shrine that honour war criminals, worries UACC deeply. The strong presence of Japanese Naval Forces, despite the sanctions under the peace treaties after WW2 stating Japan should only have a self defence capability, raised further suspicions. All factors combined, it is believed that there is a realistic possibility there could be further military clashes in the Eastern China Sea.

From UACC’s perspective, it is clear that political and military considerations contributed to the overall animosity towards the Japanese. These strategic concerns are not only restricted to ‘previous or ‘ongoing’ military, political, or economic events, but also could have potential for further conflict of interests. This means the original definition of animosity by Klein et al. (1998) is not entirely accurate in that the potential impacts of further strategic concerns cannot be ignored.

5.42.5 Japanese Companies’ Discrimination against Chinese Consumers

One surprising source of UACC’s animosity is the perceived consumer discrimination towards Chinese consumers by Japanese companies. It is believed that Chinese consumers were treated as second, and indeed third class consumers, by Japanese companies. There is a popular belief that ‘Japanese companies preserve the best products to themselves, second class products to western countries and third class products to countries like China’. This is highlighted by the particular practice of reintroducing outdated products and technologies in Japan and presenting them as the latest models in China. The Honda Accord series were pointed out as example of an outdated car model revamped as new in the Chinese market. The enormous safety problems suffered from cars produced by a joint venture with Honda provided further support to this claim.

The Toyota faulty car recall incident was seen as an example of Japanese companies discriminating against Chinese consumers. Toyota swiftly recalled faulty cars in the US and Europe but repeatedly ignored Chinese consumers’ similar demands. This form of consumer discrimination has caused a great amount of anger amongst
UACC. They believed they were deliberately mistreated by the Japanese companies and this unsurprisingly contributed to their overall animosity towards the Japanese.

### 5.42.6 Personal Experience

Some of the major sources of animosity have been discussed above, like economic and political and military concerns, are strategic considerations at the national level that have wide reaching consequences. The reflections are based on the benefits and well-being of the whole nation. At times, consumers are difficult to find a direct connection to this level of thinking. Furthermore, the dominating source of animosity – the war itself, very few of today’s generation has any kind of direct reference. This type of animosity is defined by Jung et al. (2002) as ‘national animosity’, which refers to an individual’s anger at how his or her country has suffered because of the actions of another country.

In many ways, national animosity could be strong and embedded in many aspects of society. However, equally it can be felt as less involved and almost detached from consumers’ day to day reality. Despite the awareness of the significance of national animosity, sometimes it could be hard to realize any personal attachments. “Personal animosity is an individual’s resentment toward another country because of negative personal experience he or she has with the foreign country or with people from that country” (Jung et al., p.528, 2002) When national animosity transformed into personal animosity, the experience becomes authentic and genuine.

In UACC’s case, some personal experiences played a role in further strengthening the national and overall animosity. Their personal experiences are obtained from two directions, personal dealing with Japanese associates or working experience in a Japanese firm. With their personal dealings with Japanese associates, they have experienced un-friendliness and arrogance. This impression does not help to overcome their existing national animosity, but further strengthens the level of disliking. For those who have worked for a Japanese company, they witness how
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the Japanese company takes advantage of China’s cheap resource and labour costs and in the mean time maintain a tight control on supply and technology. They have firsthand experience of how the Japanese exploit Chinese operations and the workforce. It inevitably further enhanced their animosity towards the Japanese. It is clear that UACC’s personal experience transformed ‘national animosity’ into ‘personal animosity’ and turned national suffering into individual knowledge. This has further strengthened their overall animosity.

5.42.7 Peer Pressure

Peer pressure or the influence of reference groups has been long established to be effective in affecting consumer decision making. In terms of UACC’s animosity towards Japanese, peer pressure certainly played a role. There are examples of friends warning particular individuals not to show any level of tendency towards the Japanese. It could be perceived as unacceptable behaviour amongst friends and associates. This individual was further instructed to read books about the Japanese invasion and led to a visit to the war museum in Chuangchun. Another example is when a group of friends walk past a Japanese sportswear store, they spontaneously encouraged each other not to enter such a store. This is consistent with the findings of Maher and Mady (2010) that social pressure was found to be a very important factor to influence Kuwaitis willingness to buy Danish products. Peer pressure is also reflected in how some of the anti-Japanese messages were communicated, as many confessed that they regularly receive and sometimes pass on such materials online.

This is different to other sources of animosity. Due to the fact that peer pressure does not necessary generate animosity itself. In other words, someone could have no particular animosity towards Japan, but he or she was pressured by reference groups to dislike or at least not to show any sign of a tendency towards Japanese products. Otherwise, he or she will be perceived to act in an unacceptable manner in the social group. There is no surprise to discover peer pressure played a role in
animosity. Consumers are human beings, inevitably they are subject to the influence of people’s values, beliefs and social norms from those with whom they associate.

5.42.8 Summary of Sources

‘War’ and ‘Economic’ based factors were established by Klein et al. (1998) as the sources of animosity in the original study. This approach has been principally followed by subsequent studies. Riefler and Diamantopoulos (2007) started to challenge this standard approach and argued that limited sources of animosity to ‘war’ and ‘economic’ based factors is not sufficient. Apart from WW2 and economic related issues, it discovered foreign policy, mentality, the death penalty, loss of identities and religion all could cause animosity. They summarized all the factors which contributed to animosity into four categories of sources, war-related, political reasons, economic reasons and personal reasons. It is illustrated in the following figure:

Figure 34 Riefler and Diamantopoulos (2007) Sources of Animosity

The above discussions have demonstrated that there are a wider range of sources of animosity towards Japanese than previously identified by Klein et al. (1998) & subsequent studies and Riefler and Diamantopoulos (2007). Apart from war history, economic related concerns, political and military concerns and personal experience,
Japanese government attitudes towards the war, consumer discrimination and peer pressure all contributed to UACC’s overall animosity towards the Japanese. None of today’s generation will have a direct and personal experience of the Japanese invasion during WW2. School education plays a crucial role in maintaining this strong sentiment and passes it down through generations. This is further enhanced by the influences of media, including internet, TV, documentaries and films, and family education. It is perceived that the Japanese government has not properly acknowledged and apologized for their war crime which is highlighted by regular visits to Yasukuni Shrine by the Japanese politicians. This caused a great amount of anger and anxiety that further strengthened the overall animosity. Economic related factors are another key area of concern. It is connected with unfair trading practices that the Japanese are taking advantage of resources and labour. UACC are genuinely worried about Japan’s economic influence on China, by which it is believed that Japan has the control of many of China’s key industries. There is a form of consumer discrimination against Chinese consumers that it is perceived as being treated as third class customers by Japanese companies. They believe that Japan ‘preserve the best for themselves, second class to western countries and third class to countries like China’. This claim was supported by the fact Japan shifted outdated domestic production lines to China such as the advanced technologies and the recent Toyota car recall incident. Personal experiences of persons who either had direct dealings with Japanese associates or worked for Japanese companies added to their overall dissatisfaction and tension. In the meantime, peer pressure played a role that even UACC without material animosity towards the Japanese felt obliged to act according to social norms. There is no doubt, the real picture is much more complicated than ‘war’ and ‘economic’ based factors.

Nonetheless, animosity is not only caused by merely ‘previous’ or ‘ongoing’ events as defined originally by Klein et al. (1998), further political, military and economic strategic considerations could have an impact. In terms of UACC, political rivalry between Japan and China, the role Japan plays to curtail China’s influence and
perceived as being a potential obstacle to the mainland’s eventual unification with
Taiwan, all caused alarm and concern. The territorial disputes in the Eastern China
sea posed realistic concerns for further military clashes. These long-term strategic
concerns all strengthened the animosity towards the Japanese. It also contributes
to the general understanding of animosity which indicates that further strategic
considerations should be included in the definition. Based on all the above causes, a
new Source of Animosity Model is constructed:
Figure 35 Sources of Animosity

- War History
- Economic Related Concerns
- Political and Military Concerns
- Japanese Government attitude towards War
- Japanese companies' consumer discrimination
- Personal Experience
- Peer Pressure
- School Education
- Media Influence
- Family Influence
- Unfair Trading Practices
- Exploitation of resources
- Economic Influence
- Control of Key Industries
- Curtail of China’s influence
- Strategic Partner of US
- Obstacle to Unification
- Territorial Disputes
- Further Military Clashes
- No Proper Apology
- Visits to Yasukuni Shrine
- Outdated Technologies
- As 3rd class consumers
- Japanese Associates
- Work Experiences
- Friends
- Colleagues
The above sources of animosity model clearly demonstrates the six different categories of sources of consumer animosity, war history, economic related concerns, political and military concerns, Japanese government’s attitude towards war, Japanese companies’ consumer discrimination, personal experience and peer pressure, all these factors contributed to the different sources of animosity. It contributes to the better understating of consumer animosity in the form of how animosity towards Japanese was generated amongst UACC. The identification of not just ‘previous’ and ‘ongoing’ but also ‘further’ considerations supplied an additional dimension of sources in the original definition of animosity.

5.43 Animosity, Product Judgment and Willingness to Buy

5.43.1 Independent of Product Judgment?

The relationship between animosity, product judgment and willingness to buy is one of the key arguments of consumer animosity. In the original study conducted in China, Klein et al. (1998) established that animosity affects willingness to buy independent of product judgment. It means that it is Chinese consumers’ animosity which caused reluctance to purchase goods from Japan, but not product quality perception. Chinese consumers expressed unwillingness to buy Japanese products, regardless of their judgments of product quality. In fact, Japanese products were reviewed quite positively by Chinese consumers. This notion of animosity affecting willingness to buy independent of product judgment was further validated by Klein and Ettenson (1999) and Klein (2002). It has been established as the foundation of animosity and one of the key distinctions between consumer ethnocentrism and consumer animosity.

However, there is a divide in understanding on this particular issue. The majority of subsequent studies, Witkowski (2000), Shin (2001), Klein (2002), Nijssen and Douglas (2004), Jung et al. (2002), Shimp et al. (2004), Hinck (2004), Cicic et al. (2005), Shoham et al. (2006), Bahaee and Pisani (2009b), Bahaee and Pisani (2009a), Ishii (2009) and Maher and Mady (2010), largely supported the idea that
animosity affects willingness to buy regardless of product quality judgment. On the contrary, Ettenson and Klein (2005), Leong et al. (2008), and Huang et al. (2010a) all concluded there is an interaction between animosity and product judgment, consumers harbouring animosity towards a certain country will view their products negatively. Ettenson and Klein (2005) found animosity toward France was linked to the judgments of French product quality. Leong et al. (2008) concluded that animosity of five East Asian countries affected both their willingness to buy and product judgment. Animosity somewhat caused these consumers to view US and Japanese products negatively. Huang et al. (2010) concluded that consumer animosity is independent of judgment of product quality. Taiwan consumers’ animosity had a significant and negative impact on their product quality judgment of mainland Chinese and Japanese products. The findings of Leong et al. (2008) and Huang et al. (2010) contradicted the original study and the majority of studies in this field.

This current investigation does not support the findings of Leong et al. (2008) and Huang et al. (2010). Instead, it uncovered strong evidence to conclude that UACC’s animosity towards the Japanese affected their willingness to buy independent of their product quality judgment of Japanese goods. Japanese products were considered rather positively by UACC. They generally evaluated Japanese products to have good quality. In some circumstances, acknowledged by UACC, it is extremely difficult to avoid Japanese goods. Because their quality is so good that it is hard to find any viable alternative. For instance, cameras have been highlighted as a product category that UACC have no choice but to purchase Japanese made goods. The superior quality and dominance of Nikon and Cannon determined that there were very limited choices other than to purchase Japanese.

The findings of this study support Klein et al. (1998) and the majority studies in this field that animosity does not affect product quality judgment. Animosity independently affected willingness to buy, regardless of product quality judgment. It is the animosity towards the Japanese which caused UACC’s unwillingness to
purchase Japanese products, not because they regard Japanese products to have poor quality. This further supported Klein et al. (1998), Klein and Ettenson (1999) and Klein (2002) that unlike consumer ethnocentrism which affected both product judgment and willingness to buy, animosity only impacted on willingness to buy. This is one of the key distinctions between CE and CA. The evidence of this study and the findings of the majority studies in this field overwhelmingly conclude that animosity affects willingness to buy independent of product quality judgment.

5.43.2 Purchase Intention Patterns

Furthermore, this study discovered additional purchase intention patterns that could assist in a better understanding of the impact of animosity. Consumer animosity’s effect on willingness to buy is reflected in three different patterns:

- Boycott Japanese products
- Try best to avoid Japanese products
- Only avoid Japanese products if there are better alternatives

It is illustrated in the following figure:

**Figure 36 Purchase Intention Patterns**
Boycott Japanese products

This pattern of purchase intention explains that those who hold a high level of animosity exercise a complete boycott of Japanese products. It should be noted that this is an extreme pattern of behaviour. It has been acknowledged amongst UACC that in some circumstances it is difficult not to buy Japanese products, due to the good quality of their products and the market dominance in some categories. This demonstrates the existence of the very strong nature of animosity amongst UACC that they do not own or are willing to purchase any Japanese products. It appears to be rare for UACC to completely boycott Japanese, nevertheless, it does exist in a small number of consumers who harbour a very high level of animosity.

Try best to avoid Japanese products

Consumers belonging to this pattern of purchase intention try their very best to avoid Japanese products. This group of consumers is likely to hold a moderate level of animosity. They recognize that in some circumstances, it is difficult to avoid Japanese products, for example, when trying to purchase a camera. However, they actively seek for alternatives that could replace that Japanese product. When they discover a viable alternative that matches their expectations, domestic products or products from other countries, they will avoid the purchase of such Japanese products. For them, the buying of a Japanese product is not because they wanted to, but were faced with no other choices.

Only avoid Japanese products if there are better alternatives

This group of consumers will have a low level or no animosity towards Japanese at all, but bowed to peer pressure and felt obliged to show elements of discontent. For them, they do not agree that it is essential to avoid Japanese products. Instead, they consider Japanese products to have good quality and are untroubled in purchasing Japanese products when they need to. Thus, animosity has minimal impact on their willingness to buy. They will only avoid Japanese products, if there
are better alternatives available to them. Animosity becomes less relevant when compared with other established factors that could affect purchase intention, such as price, quality, design etc.

5.44 Types of Animosity

Jung et al. (2002) proposed a ‘typology of animosity’ to highlight the variations of animosity between different nations and groups of consumers. A ‘2 × 2 typology’ was proposed based on the differences of ‘stable animosity’ vs. ‘national animosity’ and ‘national animosity’ vs. ‘personal animosity’. It could be further developed into ‘national stable animosity’, ‘personal stable animosity’, ‘national situational animosity’ and ‘personal situational animosity’. This typology was supported by Ang et al. (2004), Amine (2008) and Leong et al. (2008) and the findings of this current investigation concluded that it has certain merits that contribute to the better understanding of animosity.

5.44.1 Stable Animosity vs. Situational Animosity

There are fundamental differences between animosity towards Japanese and that targeted at French and Americans. Compared with the Japanese, to which over half of the respondents expressed targeted hostilities, animosity towards French and Americans are relatively low. The differences can be explained by the conditions which separate stable animosity and situational animosity. Jung et al. (2002) refers to stable animosity as general antagonistic emotions accumulated over the years because of historical events such as previous economic or military hostilities between countries. It is clear UACC’s animosity towards the Japanese is stable animosity generated by previous war, economic and political hostilities, not included by Jung et al. (2002) but discovered by this study, also caused by further strategic concerns such as political rivalry and the potential for military clashes. It has historical origins and current causes, therefore long lasting and deep rooted in society.
In contrast, animosity targeted at French and Americans appears to be situational animosity. Jung et al. (2002) describes situational animosity as strong emotions of enmity associated with a specific circumstance at hand. It refers to negative sentiments toward a specific country formed because of actual or perceived provocations leading to, or inflicted during crisis. The low level of animosity towards French and Americans was caused by specific incidents. As acknowledged by the interviewee there are fundamental differences. Anger directed towards the French is predominately caused by the 2008 Beijing Olympic torch relay incident which occurred in Paris, when a large number of demonstrators violently disrupted the procession due to concerns about China’s human rights record. This incident was broadcast live in China and generated huge amount of anger which led to calls to boycott French goods and the French supermarket giant – Carrefour. Animosity towards Americans was largely caused by two countries’ political differences that sparked a few diplomatic incidents. As acknowledged by UACC, there are fundamental differences to the animosity displayed towards the Japanese. There are no historical origins like war and massacres. Although the French did invade China in the 19th century, the level of historical baggage is not comparable to the Japanese. No event could match the brutality of the ‘Nanjing Massacre’. Therefore, the animosity towards French and Americans is ‘situational’ rather than ‘stable’. The damage and consequences are likely to be temporary rather than long lasting. A few years later, when this investigation was conducted, American and European goods were perceived very positively by UACC.

5.44.2 National Animosity and Personal Animosity

Whilst there is a clear distinction between ‘stable animosity’ and ‘situational animosity’, it could be difficult to identify the differences between ‘national animosity’ and ‘personal animosity’. Jung et al. (2002) described ‘national animosity’ as an individual’s resentment of how his or her country has suffered because of the actions of another country and ‘personal animosity’ is an individual’s resentment due to negative personal experiences he or she has with the foreign country or with
people from that country. Thus, the distinction is whether this suffering is at a national or a personal level. In terms of UACC, as discussed in section 5.42.6, some interviewed participants’ personal experiences contributed to their overall animosity towards the Japanese. Negative experiences from personal dealings with Japanese associates or working for a Japanese firm, have strengthened their hostilities towards the Japanese. It is clear there is a form of ‘personal animosity’. For the UACC who had no such personal experiences, their feelings towards Japanese are ‘national animosity’.

In conclusion, UACC’s animosity towards Japanese is ‘stable animosity’, and hostilities towards French and Americans are ‘situational animosity. There are both ‘national animosity’ and ‘personal animosity’ aimed at the Japanese. The animosity typology proposed by Jung et al. (2002), supported by Ang et al. (2004) and Leong et al. (2008), have certain merits to highlight the variations of animosity. However, to further mix the types could add confusion.

5.45 The Influence of Domestic Alternatives

The influence of domestic alternatives in the animosity context was investigated by Nijssen and Douglas (2004) who concluded that war animosity appeared to play a greater role in affecting willingness to buy, when there is a local brand available. The impact of hostilities on willingness to buy is more likely to occur when there is domestic alternative available to compete with foreign brands. It confirmed that the impact on CA is similar to its effect on CE. The findings of this current investigation support the conclusions of Nijssen and Douglas (2004). The availability of domestic alternatives appeared to play a major role in animosity’s influence on UACC’s willingness to buy Japanese products. If there is a viable domestic alternative, UACC expressed a strong desire to purchase Chinese products. There are high levels of awareness and a strong desire to support China’s domestic industry. However, they also acknowledge it is very difficult to exercise a full boycott of Japanese products. Due to the fact, that in some circumstances,
Japanese products are very difficult to replace. There are no viable domestic or alternative products from other countries which could replace these Japanese products. The full impact of availability of domestic alternatives on purchase intention is explained in section 5.43.2.

5.46 The Enhanced Japanese Animosity Model

This current study contributes to the understanding of animosity, in the Chinese context and potentially applicable to other countries, in a number of areas. First of all, it responded to the calls of Riefler and Diamantopoulos (2007) which identified sources of animosity outside the standard ‘war’ and ‘economic’ concerns. War history itself, maintained and strengthened by school education, media and family influences, Japanese government attitude towards the war, economic related concerns, political and military concerns, perceived consumer discrimination, personal experience and peer pressure all contributing to the overall animosity towards the Japanese. Factors that influenced each area of sources were identified, which are illustrated in section 5.42.8 ‘Figure 35 Sources of Animosity’.

Secondly, as suggested by Nijssen and Douglas (2004), the influence of domestic alternatives cannot be ignored. In terms of UACC, the availabilities of domestic alternatives played a crucial role in their willingness to buy Japanese products. Whether there are viable domestic alternatives will affect the decision if they are to boycott Japanese products, try their best to avoid Japanese products or only avoid Japanese products if there are better alternatives.

The above contribution to the understanding of animosity is reflected in the following ‘The Enhanced Japanese Animosity Model’. Based on the original animosity model of Klein et al. (1998), modifications were made to include the findings of this present study.
Figure 37 The Enhanced Japanese Animosity Model

- War History
- Economic Related Concerns
- Political and Military Concerns
- Japanese Government attitude towards war
- Japanese companies’ consumer discrimination
- Personal Experience
- Peer Pressure

Flowchart:
- Animosity
  - Product Judgment
    - Consumer Ethnocentrism
    - Domestic Alternative
  - Willingness to Buy
    - Try best to avoid Japanese products
    - Only avoid Japanese products if better alternative available
  - Product Ownership
    - Boycott Japanese Products
5.47 Impact of Demographic Variables and Locations

Although the majority of studies in animosity collected demographic information, it was predominately used to display the characteristics of the sample. A small number of past studies investigated the influence of demographic variables on animosity. The impacts of demographic variables and locations on animosity were part of this current investigation. It was designed to test whether there are significant differences in consumer animosity between genders, age groups, education levels and locations.

5.47.1 Genders, Age Groups and Education

In the original study, Klein et al. (1998) concluded that there is no significant gender difference and there is no relationship between age and animosity. It suggested Chinese consumers’ hostility towards Japan is not specific to particular groups but manifested across generations. Klein and Ettenson (1999) concluded education, income and class were not significant to predict US consumers’ animosity towards Japan. However, by contrast Klein et al. (1998), Klein (2002) discovered that older US consumers held significantly higher levels of war animosity than younger consumers, which means age is a relevant factor in consumer’s animosity levels. In the context of Iranian consumers, Bahaee and Pisani (2009b) confirmed that education is significantly related to animosity, and that higher educated consumers held lower animosity towards the US. Age was found to significantly influence Iranian consumers’ animosity towards US. The older Iranian population has a lower level of animosity toward the US than the younger generations. Surprisingly, gender was established to significantly affect animosity. It contradicted the findings of Klein et al. (1998), women were significantly more likely to hold higher consumer animosity levels than men. Ishii (2009) seemed to imply that Chinese communists sought to enhance patriotism through education which in term could affect Chinese consumers’ animosity, nonetheless, it failed to show statistical evidence to support the idea that education levels significantly affected animosity.
This current investigation concludes that gender and education levels have no significant impact on UACC’s animosity. There are no significant differences of animosity between male and female. The level of education UACC received had no significance in terms of their level of animosity. These results are consistent with the findings of Klein et al. (1998) Klein and Ettenson (1999), but partially contradict Bahaee and Pisani (2009b) in which it suggested women held stronger animosity than men and that higher educated consumers have lower levels of animosity. As discussed in section 5.12.1, school education played an important role in the forming of UACC’s animosity, which was suggested by Ishii (2009). This means UACC all received war history education about the Japanese invasion of China during WW2. However, whichever level of education they received, whether or not they went to university is irrelevant to their animosity levels.

Contrary to gender and education levels, age groups are established to be significantly related to animosity. This is consistent with the Klein (2002) and partial results of Bahaee and Pisani (2009b) which both discovered age significantly affected animosity. However, in the UACC context, it is neither as Klein (2002) suggested that older US generations held stronger animosity towards Japanese than younger generations, nor as implied by Bahaee and Pisani (2009b) that older Iranians had less animosity towards US than the younger ones. It shows that UACC above 50 years old have stronger animosity than 36-50 years old and 23-35 years old, but the youngest group (18-22) is significantly stronger than the next age group (23-35). Unlike Klein (2002) or Bahaee and Pisani (2009b), there is no consistent increase or decrease of animosity level when the population age rises. It appears both the young and old generations have quite strong animosity, but 23-25 age groups appeared to be significantly lower. This is an intriguing phenomenon that remained unexplained by this study. Further studies should be conducted to test the impact of demographic variables on animosity.
This current study responded to the calls of Klein et al. (1998), which stressed the necessity to investigate the level of animosity in other cities of China, outside Nanjing where the key event ‘Nanjing Massacre’ took place. It emphasized that the identification of regional differences in the level of animosity have considerable value to international marketers. Since the original investigation was conducted in China in 1998, there is only one further concentrated study on this field, perhaps due to the politically sensitive nature of this study. Supported by Grant-in-Aid for scientific research from the Ministry of Education, Culture, Sports, Science and Technology of Japan, Ishii (2009) carried out a focused study on Chinese consumer’s consumer ethnocentrism and animosity in Shanghai, which concurred with the findings of Klein et al. (1998) that Chinese consumers’ animosity significantly affected willingness to buy Japanese and US products. Ishii (2009) successfully established that animosity does not merely exist amongst Chinese consumers living in Nanjing where the ‘Nanjing Massacre’ occurred. However, it failed to examine the regional differences within China.

The current investigation established a clear regional divide of animosity levels in China. UACC living in Shenyang-Northern China have significantly stronger animosity towards the Japanese than those living in Shenzhen-Southern China. This addresses the concerns of Klein et al. (1998) and clearly ascertains that animosity towards the Japanese varies between Northern and Southern China. Combined with the findings of Ishii (2009), it is evident that animosity towards the Japanese is not confined to Nanjing, consumers living in other parts of China shared similar sentiment towards Japan. Animosity towards the Japanese seems to be a widespread sentiment amongst Chinese consumers. This study does not contain sufficient data to represent the whole of China. Nonetheless, the evidence from two cities in Northern and Southern China that with many differences in terms of economic development, historical background and cultural heritages demonstrated that animosity towards the Japanese is not a ‘Nanjing only’ social phenomenon.
Due to time constraints, this study falls short of identifying the factors attributed to this regional divide. However, it should be noted that Shenyang located in the Northeast province of Liaoning is one of the first cities invaded by the Japanese forces in 1931 and suffered 14 years Japanese occupation till 1945. Shenyang is a city full of the scars and memories of the brutal Japanese invasion. It still has war museums and annual remembrance events dedicated to this cause. In contrast, Shenzhen is a very modern city only founded after the 1978 ‘opening up’ economic policy. It did not exist during WW2 therefore the city itself has no direct war damages and associations. It is reasonable to accept that Shenyang’s war time exposure could be the deciding factor that caused consumers living in Shenyang to have a stronger animosity than those in Shenzhen. The other factor which could have played a part is economic integration. Shenzhen is one of China’s first cities to open up for foreign trade and investment. It is in the forefront of China’s remarkable economic transformation. This could result in consumers living in Shenzhen being more open minded than relatively under-developed Shenyang. Further studies should be conducted to validate and explore the factors which caused the regional differences in animosity.

5.5 Conclusions

The main aim of this present study is to investigate UACC’s product preference between foreign and Chinese products and how this preference is explained by three important concepts, Country of Origin, Consumer Ethnocentrism and Consumer Animosity. This chapter discussed the findings of this present study and how they are reflected on the current literature.

A number of significant contributions emerged from this study. First of all, it provided insights of how UACC identify whether a product is foreign or Chinese products. The key information cue is brand origin, but not other factors previously highlighted in other studies such as ‘made in’ label or ‘country of design’. In terms of UACC, ‘brand origin’, where the brand comes from, ultimately determines the
product origin. In some circumstances, both ‘brand origin’ and ‘country of manufacture’ played a role in UACC’s identification of the product origin. This means to be a foreign product, it needs to be a foreign brand and manufactured abroad. The importance of ‘brand origin’ identified by this study is consistent with a number of recent studies, such as Usunier (2011). In terms of UACC’s product preference, it cannot be simply considered as pro-foreign or favouring domestic products. The findings of this study provided further evidence to support the studies of ‘the cautious approach’ that Chinese consumers cannot be regarded as overwhelmingly in preference of foreign products. COO alone is not conclusive, some prefer Chinese products and some favour foreign products, but others indicated their decisions are influenced by other factors. Quality and design are the main features contributing to those UACC’s preference for foreign products. The symbolic benefits, which have been established as a strong influence of foreign products, have faded amongst UACC, as previously indicated by Zhou and Hui (2003). In contrast, patriotism and a desire to protect domestic industry are the main factors causing some UACC’s preference for Chinese products.

UACC hold relatively moderate levels of ethnocentric beliefs and this is consistent with the findings of the majority of CE studies conducted in China. This suggests there is a certain level of openness amongst Chinese consumers. They are not highly ethnocentric consumers that have a strong bias and prejudice against foreign products. Instead, they are more likely to be able to evaluate and accept foreign products on merits but not based on ethnocentric beliefs. It means that extreme actions such as calling for a boycott of all foreign products or imposing heavy tariffs on imported goods are unlikely to occur amongst UACC. The present study also further supported the notion that CE significantly affected consumers’ product preference. Those who prefer Chinese products have significantly higher levels of CE beliefs than those UACC who favour foreign products. However, this study discovered no evidence to suggest that CE affected product evaluation. Ethnocentric consumers did not evaluate domestic products more positively than foreign products. Nonetheless, this does not necessarily mean that CE had no
impact on willingness to buy. UACC’s desire to purchase Chinese products could be driven by patriotic beliefs rather than product quality judgement. It is clear that the strong desire to support and protect China’s domestic industry is the main influence of ethnocentric Chinese consumers’ willingness to buy domestic products. They did not evaluate foreign products to have a lower quality than domestic products. Instead, it is the strong desire to protect China’s domestic industry which ultimately influenced their decision making. This present study provided further evidence to support Watson and Wright (2000) that availability of domestic alternatives has a moderating effect on the impact of CE. In product categories where there are higher levels of domestic alternatives, Chinese products appeared to have higher preferences than those with less or no domestic products available.

The major contribution of this study is concentrated on consumer animosity. It is clear that consumer animosity exists amongst UACC and there are various levels and impacts of animosity targeted at different countries. Whilst there is strong animosity towards the Japanese, hostilities towards the Americans and French are relatively low. Furthermore, there are fundamental differences between animosity towards Japanese and animosities towards the other two nations. Japanese animosity is stable and deeply rooted in nature, but animosities towards the Americans and French are situational and triggered by sudden events. As suggested by Klein et al. (1998), war history and the key event of ‘Nanjing Massacre’ were the main driving forces behind Chinese consumers’ animosity towards the Japanese. However, sources of animosities are not merely centred on ‘war’ and ‘economic’ causes. A much wider range of factors includes, war history, Japanese government’s attitude towards war, economic related concerns, political and military concerns, Japanese companies’ discrimination against Chinese consumers, personal experience and peer pressure, all contributed to UACC’s overall animosity towards the Japanese.

Similar to the impact on CE, the availability of domestic alternatives have a moderating effect on CA. However, this study did not discover any evidence to
suggest animosity affected product quality evaluation. Instead, it has been acknowledged by UACC that Japanese products have good quality. Nonetheless, animosity significantly affected willingness to buy Japanese products. Depending on the level of animosity, there are three distinct patterns: boycott Japanese products, try best to avoid Japanese products and only avoid Japanese products if there are better alternatives. An ‘enhanced Japanese animosity model’ was constructed to reflect the additional findings on the effects of animosity learned from this present study.

There is a clear North-South divide in a number of important issues. It is particularly evident in both CE and CA levels, Northern China have stronger ethnocentrism beliefs and deeper animosity towards the Japanese than those UACC living in Southern China. The effects of demographic variables are less consistent. Gender had no significant impacts on both CE and CA. Educational levels significantly affected ethnocentrism beliefs, as the educational level increases, UACC’s CE level decreases. However, educational levels had no significant impact on animosity. Age groups significantly influenced both CE and CA, but in different ways. The major contributions of this study will be explained in the next ‘conclusions’ chapter.
Chapter 6 Conclusions

6.1 Introduction

Building upon the existing understanding of previously published works, this study’s primary aim is to explain UACC’s preference between foreign and Chinese products. It examines how COO, CE and CA influence UACC’s product preference and willingness to buy. First and most importantly, this study has achieved the following specific research objectives as highlighted in the first chapter:

1. To clarify UACC’s preference between foreign and Chinese products.
2. To examine the factors that explains UACC’s product preference.
3. To assess UACC’s CE beliefs using the modified CETSCALE.
4. To assess UACC’s animosity towards the Japanese, the French and the Americans.
5. To examine CE and CA’s impact on willingness to buy.
6. To test the impact of gender, age group, education level and location.

This chapter will explain how the above research objectives were achieved by describing the study’s major findings and original contributions. The managerial implications, limitations of this study and areas for further research are also explored in the later sections of this chapter.

6.2 Major Findings

This study examined the effects of COO, CE and CA on UACC’s product preference and willingness to buy. The presentation of the major findings is focused on these three main concepts.

6.2.1 Country of Origin

The study identified ‘brand origin’ as UACC’s key information cue for determining a product’s origin. UACC could not be considered either overwhelmingly preferring
foreign products or favouring Chinese products. Their product preference remains divided and there are a number of factors explaining their different choices.

6.21.1 Brand Origin

As consumer goods in the era of globalisation are complex in nature it can be difficult to identify a product's origin. This is particularly evident for Chinese consumers, as so many foreign products are made in China. The study revealed how UACC determined whether a product is foreign or Chinese. ‘Brand origin’ is the key information cue which ultimately decides the product origin. This means where the brand originates from determines the nationality of the product. For example, the iPhone is an American brand. Despite the fact that it might be manufactured or assembled in China, designed in some other countries, UACC still consider it as an American product.

There is also a stronger view that to be considered as a true ‘foreign’ product, both ‘brand origin’ and ‘country of manufacture’ come into effect. Due to mainly product quality concerns, some UACC believe that if a foreign product is made in a developing country such as China, it could potentially be regarded as not completely foreign. For this group, a true foreign product needs to be a foreign brand and completely manufactured abroad. This suggests information about ‘country of manufacture’ could be relevant to UACC’s decision marking in certain scenarios.

6.21.2 Foreign or Chinese and Why?

In terms of UACC’s general preference between foreign and Chinese products, it cannot be concluded that they either overwhelmingly favour foreign products or prefer domestic products. Their preferences remain divided, with some preferring Chinese products, some favouring foreign products. However, the biggest group of consumers indicate that their preferences are dependent on other factors, suggesting COO is not be the conclusive factor in influencing UACC’s product preference. The findings of this study support the suggestions of ‘the cautious
approach’ that the internal complexity and differences between Chinese consumers should be acknowledged. Chinese consumers cannot be considered as overwhelmingly in favour of foreign products.

This study also identified several factors that explain the product preference of different groups of UACC. For those preferring foreign products, the primary factors are superior quality and design compared with Chinese products. Other factors, such as brand, innovation, modernity, and lifestyle, also contributed this group of UACC’s preference towards foreign products. However, the symbolic benefits of foreign products as being social status symbols have faded. The vast majority of UACC no longer treat possession of foreign products as a social status symbol. This could be due to the fact that the availability of foreign products in China has dramatically increased. Foreign products have lost their novelty value. It should be noted that, although this study included ‘luxury products’ as one of the selected product categories, further focused studies on luxury products should be conducted to test the relevance of this particular point.

For those UACCs who prefer Chinese products, a desire to support domestic industry and patriotism are the main causes. This group of UACCs believe key and strategic industries cannot be controlled by foreign companies. For them, it is in the national interest to support domestic Chinese firms and industries, and buying local products serves this particular purpose. The other related factor is patriotism. Their devotion and loyalty to their home country is one of the main reasons why they prefer Chinese products and they believe purchasing domestic products is patriotic behaviour. Other factors such as better price, improved product quality, value for money and the perception that local products satisfy needs better also contributed to this group’s preference for Chinese products.

6.22 Consumer Ethnocentrism

The findings of consumer ethnocentrism are organised into two areas. First, the low to moderate level of CE beliefs suggested UACCs are ‘worldminded’ consumers.
Second, this study unveiled CE’s relationships with product preference, product evaluation and desire to protect Chinese domestic industry.

6.22.1 Worldminded Consumers

This study concluded that UACC holds low to moderate level of ethnocentrism beliefs. There is no strong negative bias towards foreign products, so that it is unlikely that UACC consider purchasing foreign products as completely inappropriate or immoral behaviour. It suggests that UACC believe it is not necessary to boycott or impose strict import restrictions on foreign products. Overall, the findings indicate that CE does not pose a serious threat to foreign products. UACC have the adaptability and openness to accept ideas, norms and values from other cultures, so that they are capable of accepting foreign products without bias or prejudice. Thus they are able to make rational decisions when evaluating foreign products, based on quality and other product features.

6.22.2 Product Preference, Product Evaluation & Protecting Domestic Industry

UACC’s ethnocentric beliefs significantly affect their product preference between foreign and Chinese products. Those consumers who prefer Chinese products have a significantly higher level of ethnocentrism than those in favour of foreign products. It is clear that CE affects UACC’s product preference. Generally speaking, ethnocentric consumers perceive foreign products negatively compared with domestic products. However, this study found no evidence to suggest that CE affects UACC’s product evaluation. UACC have acknowledged that many foreign products have better features than Chinese products, including quality, design and brand. CE does not appear to cause UACC to perceive domestic products more positively than foreign products. This does not necessarily mean CE has no effect on willingness to buy. UACC’s willingness to buy could be influenced not merely by product evaluation but other factors, such as a desire to protect domestic industry.
Ethnocentric consumers consider purchasing imported products is wrong, because it hurts the domestic economy, causes job losses and is unpatriotic.

Patriotism, and more specifically, the desire to protect China’s domestic industry has a moderating effect on the impact of CE on UACC’s willingness to buy Chinese products. Loyalty to their home country and the awareness and desire to protect domestic industry are the main driving forces of ethnocentric UACC’s desire to buy domestic Chinese products. Ethnocentric UACC consider purchasing Chinese products as patriotic behaviour and they believe curbs should be imposed on some imports to protect key industries. The availability of domestic alternatives plays an important role in CE effects on UACC’s product preference and willingness to buy. The effects of patriotism and a desire to protect Chinese industries had a greater impact in product categories with a greater degree of availability of domestic alternatives. When there are wider domestic alternatives available, there is a greater preference for Chinese products. If there is limited or no domestic competition, UACC have little or no choice, but to consider foreign products. This suggests that availability of domestic alternatives plays a moderating role in UACC’s product preferences.

### 6.23 Consumer Animosity

Consumer animosity is the area of the study’s major findings. These focus on the following issues: animosity towards the Japanese and the types of animosity involved; sources of animosity; relationship between animosity, product judgement and willingness to buy; purchase intention patterns; the influence of domestic alternatives on CA and the enhanced Japanese animosity model. These issues are discussed in turn.

#### 6.23.1 Strong Animosity towards the Japanese and Types of Animosity

This study found that animosity towards the Japanese exists amongst UACC, and the hostility is relatively strong. However, animosity towards the French and the
Americans is relatively low. There are fundamental differences between animosity targeted at the Japanese and animosity towards the French and the Americans. The hostility towards the Japanese is a form of ‘stable animosity’, whereas hostility towards the French and the Americans is ‘situational animosity’. Japanese animosity, as a form of ‘stable animosity’, represents antagonistic emotions accumulated over the years because of previous war, economic and political conflicts, current issues and further strategic concerns. It has historical roots, current influences and further implications. Therefore, it is long-lasting and deep-rooted in Chinese society. In contrast, the French and American ‘situational animosity’ comprises strong emotions of enmity associated with a specific event. It reflects the negative sentiments toward a specific country because of actual or perceived provocations leading to or inflicted during a crisis. Situational animosity is normally triggered by a sudden event. Anger targeted at the French was caused by the incidents at the 2008 Beijing Olympic torch rally that occurred in Paris and tensions towards Americans could be provoked by diplomatic clashes. As the impact of the incident fades, situational animosity tends gradually to disappear. Compared with antagonistic emotions targeted at the French and Americans, Japanese animosity has more complicated origins, wider implications and longer-lasting effects.

6.23.2 Sources of Animosity

This study identified a wide range of sources of animosity that were categorised into seven areas: war history, economic related concerns, political and military concerns, Japanese government attitude towards war, Japanese companies’ consumer discrimination, personal experience and peer pressure.

First of all, the war history between Japan and China, particularly the Japanese invasion of China during WW2, is the main driving force behind UACC’s animosity towards the Japanese. The suffering and damage caused by the war are the major source of UACC’s antagonistic emotions against the Japanese. More than 65 years later, it is evident that the atrocities committed by the Japanese invasion forces still
have a deep effect amongst UACC. The key event of ‘Nanjing Massacre’ continues to generate strong negative emotions towards the Japanese. Although UACC have no first hand war experience, this antagonistic sentiment is reinforced by education at school. The education system, particularly history teaching, plays an important role in maintaining this Japanese animosity through the generations. UACC learn about war suffering and atrocities through school textbooks and history lessons. Animosity is reinforced by media and family influences. There is a wide range of war-related TV dramas, movies and documentaries available from various media platforms. These serve as a constant reminder of the terrible tragedies, reinforcing the already existing hostility. Online anti-Japanese campaigns are particularly strong and have popular grassroots following. Specific online banners, videos and websites have been created for sharing and passing on anti-Japanese messages to vast audiences. The war memories are also passed down through families, typically in the form of storytelling. Grandparents explain their first-hand knowledge of the war and make sure the next generation are aware of the pain and suffering they endured.

The Japanese government’s attitude towards the war also contributes to UACC’s overall animosity towards the Japanese. It is believed that the Japanese government has not properly acknowledged the invasion and the atrocities committed. The general perception is that the Japanese have never formally apologised for their war crimes. There is a perceived lack of genuine remorse, highlighted by Japanese government ministers’ regular visits to the Yasukuni War Shrine. Economic related concerns are a main source of animosity. UACC believes that Japanese companies exercise unfair trading practices and that they are taking advantage of Chinese companies. It is also suggested that Japanese companies are exploiting China’s natural resources, acquiring materials at low prices to generate massive wealth for Japan. UACC are alarmed by the Japanese companies’ overall influence on Chinese economy, and believe that Japan has too much control of China’s strategic industries.
Additional strategic, political and military concerns further strengthen UACC’s Japanese animosity. It is generally perceived that there are wide ranging conflicts of interests between China and Japan. First, there are fierce political rivalries. China is still a communist country that the west and Japan distrusts. China and Japan are close neighbours that are competing for resources and economic influences. As a key strategic partner of the U.S., it is believed that Japan plays a crucial role in Asia in curtailing China’s increasing influence. Japan is also considered a major obstacle to mainland China’s eventual unification with Taiwan, because such a move would harm Japan’s national interest. It would affect Japan's trading routes through the Taiwan Strait, dramatically increasing the costs of Japanese imports and exports. Furthermore, there are concerns about the prospect of further military clashes over the territorial disputes in the Eastern China Sea. The Diaoyu islands are claimed by both countries and a naval skirmish was deemed inevitable in the near future.

A surprising source of animosity is the perceived Japanese companies’ consumer discrimination against Chinese consumers. It is believed that Japanese companies are selling sub-standard products to Chinese consumers, that they “keep the best products for themselves, second class products for western countries and third class products for countries like China”. Personal experience also contributes to UACC’s overall animosity. They either have had unpleasant dealings with Japanese associates or worked for a Japanese employer which led to further antagonistic sentiments. Unsurprisingly, peer pressure is a significant factor as well. UACC are inevitably influenced by friends and colleagues, and the accepted social norms add extra pressure.

The wide range of sources identified by this study confirms that UACC’s Japanese animosity is not merely caused by ‘war’ and ‘economic’ factors. Whilst there is no doubt that war history and ‘Nanjing Massacre’ are the main driving force behind UACC’s animosity towards the Japanese, a wider range of sources identified by this study also indicate this is not just a historical problem, but also a deep-rooted, ongoing, social and cultural issue. Furthermore, animosity is not only caused by
‘previous’ or ‘ongoing’ events, as originally defined by Klein et al. (1998). Further political, military and economic strategic concerns may also contribute to UACC’s antagonistic emotions. Based on the above findings, a sources of animosity model is constructed that featured in section 5.42.8.

6.23.3 Animosity, Product Judgement and Willingness to Buy

One of the key issues of consumer animosity is the relationship between animosity, product judgement and willingness to buy. The original study concluded that animosity affected willingness to buy independent of product judgement, some studies suggested that animosity could also influence product evaluation. The findings of this study supported the notion that animosity affects consumers’ willingness to buy independent of product judgement. UACCs’ reluctance to purchase Japanese products is driven by their animosity, but not due to their negative product judgement of Japanese products. It was acknowledged that Japanese products possess good quality. In some product categories, it was pointed out that Japanese products are so good there are real difficulties in finding viable alternatives. Therefore, this study concluded the conclusion that UACC’s animosity affects their willingness to buy Japanese products, independent of product judgement.

6.23.4 Domestic Alternative and Purchase Intention Patterns

Similar to consumer ethnocentrism, the availability of domestic alternatives has a moderating effect on the impact of consumer animosity. UACC expressed the strong desire to support China’s domestic industry. If there are viable domestic alternative available, UACC tend to purchase Chinese products. Although some have suggested they never buy Japanese products under any conditions, it is also acknowledged that in some circumstances it is extremely difficult to exercise a complete boycott of Japanese goods. In some product categories, due to the exceptionally good quality, it is almost impossible to find a viable alternative. The level of animosity combined with the availability of domestic alternatives produces
three distinctive purchase intention patterns. First, those with the highest level of consumer animosity towards the Japanese boycott Japanese products at all costs. Those with moderate level of animosity choose to avoid Japanese products when they can, which means if they have other viable alternatives available. The third group of UACC is likely to harbour a low level of animosity, or none at all, and they only avoid Japanese products if there are better alternatives. Animosity in this situation has minimal impact.

Taking into account these major findings on animosity, this study has produced an enhanced Japanese animosity model, featured in section 5.46. Based on the original animosity model, constructed by Klein et al. (1998), the enhanced Japanese animosity model highlights the wide range of sources of animosity and reflects the impact of the availability of domestic alternatives on purchase intention patterns. This new model better illustrates the impact of consumer animosity.

6.24 Regional Differences and Impact of Demographic Variables

6.24.1 North-South Divide

This study discovered a clear North-South regional divide on a number of issues. First, UACCs living in Northern China have a significantly higher level of CE beliefs than those in Southern China. This suggests that UACCs in Southern China are relatively more open minded about foreign products and accepting ideas, norms and values from other cultures. Therefore, when compared with UACCs in Northern China, Southern UACCs are relatively more capable of evaluating foreign products on their merits and with less negative bias. Overall, UACCs living in Southern China are more willing to purchase foreign products. Southern UACCs also have significantly stronger beliefs that foreign products have superior brands than Chinese products, which suggests they are more attracted to foreign products’ brand appeal than Northern UACCs. Northern UACC also harbours significantly higher levels of consumer animosity towards the Japanese. Japanese products are
more likely to face boycotts or avoidance by Northern UACCs than by those living in Southern China.

This study did not examine the reasons for this regional difference. It could be due to a number of different factors. Economic development levels, historical origins and social-cultural differences might all contribute to this particular phenomenon. One of the key issues which could be relevant to differences in animosity levels is that Shenyang and other cities in Northern China were invaded and severely damaged by the Japanese invasion forces in WW2, while some cities in Southern China, such as Shenzhen had no war destruction. The factors that cause these regional differences should be investigated by further studies.

6.24.2 Impact of Demographic Variables

Three demographic variables were included in this study, gender, age groups and education levels. None of the three variables had significant effects on UACCs’ COO related attitudes and beliefs. Gender was confirmed as having no significant impact on the three main concepts: COO, CE and CA. This suggests that gender is irrelevant in determining UACCs’ product preferences. Nonetheless, education levels significantly influenced UACCs’ CE levels. As UACC’s education level increases, their ethnocentric beliefs decrease accordingly. Education plays a key role in raising their open-mindedness about foreign culture, and thus a higher acceptance of foreign products.

Age was significant for UACC’s CE beliefs and animosity levels. The findings suggest that as their age increases, their CE levels increase accordingly. Older generations have higher ethnocentric beliefs than younger generations. Young UACC are more adaptable when accepting ideas, norms and values from other cultures, thus, they are more willing to purchase foreign products. However, the impact of age groups on animosity is slightly different to CE. Although the oldest group – above 50s have significantly higher animosity levels than the next two younger age groups: 36-50 and 23-35, the youngest group – 18-22 has higher animosity beliefs than the 23-35
group. What causes this inconsistent increase of animosity levels is still unknown. This should be examined in further studies.

6.3 Original Contributions

This study examined UACC’s product preference between foreign and Chinese products. It investigated the effects of COO, CE and CA on UACCs’ product preference and willingness to buy. Focused on these three main concepts, several original contributions emerge from this study.

First, it clarified UACCs’ product preference between foreign and Chinese products. UACCs cannot be considered as neither overwhelmingly preferring foreign products, nor unconditionally favouring Chinese products. Their product preferences remain divided. COO alone is not conclusive in determining UACCs’ product preference. The symbolic benefits of foreign products have faded. Instead, it is the product features such as quality and design which attracted some UACCs to foreign products. Patriotism and a desire to support China’s domestic industries are the primary reasons driving some UACCs’ preference of Chinese products. Price and reasonable quality are also identified to be important considerations.

Second, this study provides further evidence that Chinese consumers, UACC in particular, have a low to moderate level of ethnocentric beliefs. They have a certain degree of consumer worldmindedness that provides the flexibility to accept the ideas, norms and values of other cultures. Therefore, it is unlikely that they will consider and support extreme consumer actions, such as a call for blanket bans on foreign products or robust restrictions on imports. They do not appear to believe in the need for strident protectionism measures. Foreign products are likely to be evaluated on product features, such as quality. CE does not pose a serious threat to foreign products in China.

Third, there is no doubt that consumer animosity exists amongst UACCs. There is strong animosity towards the Japanese, but antagonistic emotions targeted at the
French and Americans are relatively low. Furthermore, there are fundamental differences between negative sentiments targeted at the Japanese, and emotions towards the French and Americans. The antagonistic emotion towards Japanese is ‘stable animosity’ and the later is form of ‘situational animosity’. UACCs’ Japanese animosity is not caused by solely ‘war’ and ‘economic’ factors. This study established a wide range of sources that have been categorised into seven distinctive areas: war history, economic related concerns, political and military concerns, Japanese government attitude towards war, Japanese companies’ consumer discrimination, personal experience and peer pressure. In-depth analysis of these sources enabled the construction of ‘Sources of Animosity’ model to illustrate how the Japanese animosity was generated. This study tested the important relationship between animosity, product judgement and willingness to buy that validated the notion of animosity affecting willingness to buy, independent of product judgement. UACC’s strong desire to support Chinese industries and the availability of domestic alternatives has a significant moderating effect on animosity’s impact on willingness to buy. The combination of level of animosity and availability of domestic alternatives created three different purchase intention patterns: boycott Japanese products, try best to avoid Japanese products and only avoid Japanese products if there are better alternatives available. Based on these findings, modifications were made to the original animosity model to develop the ‘enhanced Japanese animosity model’. This improved model reflected this study’s significant contributions to the understanding of consumer animosity.

Finally, this study identified a North-South regional divide. Northern UACCs harbour significantly higher levels of CE and CA beliefs than UACCs living in Southern China. It highlighted that China’s regional differences and internal complexity cannot be ignored.
6.4 Managerial Implications and Further Thoughts

In addition to the conceptual contributions described above, this study also provided insights for international business management, with implications for both foreign and Chinese enterprises. First, the symbolic benefits of general foreign products have faded. Foreign companies are less able to rely on their products’ symbolic value to win over Chinese consumers. Instead, it is the functional product features, such as quality and design that attract some Chinese consumers to foreign products. Therefore, foreign companies should continue to focus on providing good quality and better design to maintain their competitive advantage over local Chinese products. UACC has a certain level of brand consciousness and brand origin is the dominant information cue for them to determine whether a product is foreign or Chinese. For some more extreme consumers, where the product is manufactured has an impact on the perception of product origin. Potentially, this could have serious implications for those companies aiming to sell their products as foreign to distinguish themselves from local rivals. Shifting production to China to save costs, could damage their brand image and lower the product quality perception. This is particularly relevant to luxury products, which they rely on the luxury brand image and perceived superior quality. Having such products manufactured in a developing country like China might seriously damage the brand image and heritage. It should be noted that luxury products are not the focus of this study; nonetheless, purchasing luxury goods is likely to a form of conspicuous consumption aimed at displaying wealth and social status. A luxury item made in China could reduce the perceived brand value. Management needs to take this into account, when considering outsourcing options and shifting production to China.

There is a low to moderate level of CE beliefs amongst UACC. This suggests that CE does not pose a serious threat to foreign products. There are no signs that UACC’s patriotism or nationalism could harm foreign firms’ operation in China. Strident protectionism, imposing high taxes, or call for boycott of foreign goods are unlikely to occur. Generally speaking, China is still a lucrative business environment for
foreign companies. In contrast, the specific consumer animosity towards the Japanese is quite strong and appears to be deep-rooted in society. The antagonistic sentiments have complex origins and it could cause some UACC to exercise a complete boycott or avoid Japanese products when possible. Given that, this animosity could be reinforced by ongoing or further events, Japanese investments are vulnerable in China and Japanese businesses may become targets of nationalistic Chinese consumers. What is worse, conventional tactics, such as forming local partnerships and crisis management might not work for Japanese companies operating in China. The most recent anti-Japanese demonstrations have witnessed Japanese cars produced by Chinese joint ventures being smashed, overturned and burned on the streets of many Chinese cities. This is very damaging for Japanese enterprises, as China is a huge market for many of these companies. To exit from the Chinese market might not be a viable strategy, or at least it is a very expensive option. Perhaps the real solution lies in the hands of both Japanese and Chinese government to work on improving diplomatic relations, resolving historic baggage, building mutual trust and finding a pragmatic way to deal with differences. After all, Chinese – Japanese cooperation would bring stability and prosperity to both countries. Otherwise, tension and conflict between two of the world’s largest economies and military powers will have damaging consequences that would be felt around the globe.

UACC have a strong desire to protect China’s domestic industry. This could be very beneficial to Chinese companies. Although the rising competence of a small group of Chinese companies has been acknowledged, ‘made in China’ appears to suffer from an image problem domestically, as well as internationally. Quality issues and safety concerns are pushing some UACC away from buying domestic products. Chinese companies should start to treat quality control seriously and address these concerns. If they focus on improving product quality, producing better design, investing in brand building and effective marketing strategies, UACC’s strong desire to protect domestic industry would secure Chinese companies an advantageous position when competing with foreign rivals.
6.5 Limitations and Areas for Further Research

Due to the nature of this study, there are several limitations. Time and resource constraints meant that this investigation could only be conducted in two cities of China. Collecting data from more Chinese cities could provide a comprehensive understanding of the key issues and provide a solid foundation to extensively examine China’s regional differences. The quantitative and qualitative data collection was carried out in parallel, if a wider time frame is available, a follow-up survey could be conducted to test the qualitative findings in a wider perspective. It would also enable the implementation of a longitudinal study. Both of these measures could potentially add significant contributions. The fact that the researcher is a Chinese citizen and speaks Mandarin provided invaluable research access and enabled this study to investigate some politically sensitive issues. However, questions could also be asked as to whether this potentially generates bias. This is an inevitable dilemma experienced by many international researchers.

This study unveiled a wide range of sources of animosity. Further studies should be conducted to test the relevance of these sources in another setting, for example whether government attitudes or perceived consumer discrimination contributed to consumer animosity in a different country. It is necessary to test the animosity levels in other regions of China and identify whether there are different characteristics. The enhanced Japanese animosity model needs to be further tested. Structural equation modelling could validate the casual relationships between different variables and advance the understanding on consumer animosity. It is unclear what factors have caused the North-South divide, thus detailed examination could potentially discover new sources of animosity this study has overlooked. Further studies in these areas will unify understanding of consumer animosity and add significant contributions to knowledge. Finally, it should be noted that the increasing competitiveness of Chinese products cannot be ignored. This combined with UACCs’ strong desire to protect China’s domestic industries could, perhaps, pose an even stronger threat to foreign products.
Based on consumer ethnocentrism and animosity, further concepts have been developed. Oberecker and Diamantopoulos (2011) proposed the concept of consumer affinity, which refers to country specific favourable sentiments towards particular foreign countries. They argued that it is more powerful in explaining perceived risks and willingness to buy. Josiassen (2011) suggested the consumer misidentification construct that in contrast to consumer ethnocentrism and animosity, explains that consumers’ repulsion toward their home country negatively affects the purchase of domestic products. To clarify confusions and misunderstandings of animosity will no doubt assist the conceptual developments of related subject areas.
References


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KPMG, (2006) Luxury brands in China, Hong Kong, Asia Pacific Division, KPMG.


Appendices

Appendix 1 – Street Survey Questionnaire English Vision

Section A Screening Questions:
A1, are you 18 years or older?
A2, are you currently living in Shenyang/Shenzhen?
YES to both to proceed.

Section B
1, what preference, if any, do you usually have between Chinese and Foreign products?
   Favour Chinese products  □  (if choose this, please go to question 2, then question 4)
   Favour foreign products  □  (if choose this, please go to question 3)
   No particular preference  □  (if choose this, please go to question 4)
   Don’t Know  □  (if choose this, please go to question 4)

2, can you explain why you prefer Chinese products, is it because? Anything else? (You can choose more than 1 option)
   Chinese products satisfy your needs better  □
   The Price is cheaper  □
   Better value for money  □
   Good quality at a reasonable price  □
   You want to support domestic industry  □
   You think purchase domestic products are patriotic behaviour  □
   Other  □ ______________________________

3, can you explain why you prefer foreign products, is it because foreign products? (You can choose more than 1 option)
   Have superior quality  □
   Have better design  □
   Have superior brands  □
   Are social status symbols  □
   Are more expensive  □
   Represent modernity  □
   Represent innovation and new technology  □
   Better fit with your lifestyle  □
   Other  □ ______________________________

4, when purchasing a product, which factor is the most important to you?
   Quality  □  Design  □  Price  □  Brand  □  Product origin  □  It depends on the product  □
   Other  □ ______________________________

5, when purchasing, laptops from which country or region do you prefer the most?
   China  □  USA  □  Europe  □  Japan  □  Don’t Know  □  Other
   □ ______________________________
6. when purchasing, mobile phone from which country or region do you prefer the most?

- China □
- USA □
- Europe □
- Japan □
- Don’t Know □
- Other □

7. when purchasing, grocery from which country or region do you prefer the most?

- China □
- USA □
- Europe □
- Japan □
- Don’t Know □
- Other □

8. when purchasing, cars from which country or region do you prefer the most?

- China □
- USA □
- Europe □
- Japan □
- Don’t Know □
- Other □

9. when purchasing, high-end luxury goods (perfumes, handbags, watches, jewellery, etc) from which country or region do you prefer the most?

- China □
- USA □
- Europe □
- Japan □
- Don’t Know □
- Other □

List of attitude statements

Value indicators: 1=Very strongly agree 2=Strongly agree 3= Agree 4=Neutral 5=Disagree 6=Strongly disagree 7= Very strongly disagree 0=Don’t know


11. Only those products that are unavailable in China should be imported.

12. Buying Chinese products are patriotic behaviour.


14. Curbs should be put on some imports to protect domestic industry.

15. We should purchase products manufactured in China instead of letting other countries get rich off us.

16. I don’t like the Japanese


18. I only buy Japanese products if there are no domestic or other alternatives available.

19. I don’t like the French


21. I only buy French products if there are no domestic or other alternatives available.

22. I don’t like the Americans

23. I never buy American products.

24. I only buy American products if there are no domestic or other alternatives available.
Section C Classifications:

25, Gender? Male ☐ Female ☐

26, Age Group: 18-22 ☐ 23-35 ☐ 36-50 ☐ above 50 ☐

27, Education: high school or below ☐ HND or Degree ☐ Masters or above ☐ Other ☐

28, Location: Shenyang – Northern China ☐ Shenzhen – Southern China ☐

29, Where did you grow up? Urban city ☐ Town ☐ Rural countryside ☐
Appendix 2 – Street Survey Questionnaire Chinese Vision

问卷调查

A. 筛选问题

A1. 您年满18岁了吗？
A2. 您现在居住在沈阳/深圳吗？

如果两个问题都是肯定回答，继续问B和C部分；其一否定，友好感谢，并谢绝参与。

B. 调查内容

1. 如果您有偏好，在中国和外国产品之间您更喜欢哪一类产品？
   更喜欢中国产品
   更喜欢外国产品
   不一定
   不知道

2. 请解释一下您为什么更喜欢中国产品，是不是因为：（可以多选）
   中国产品更能满足您的需求
   中国产品价格更便宜
   中国产品更加物有所值
   中国产品质量不错，价格也合理
   您想要支持民族工业
   您觉得购买国货是爱国行为
   其他原因

3. 请解释一下您为什么更喜欢外国产品，是不是因为外国产品：（可以多选）
   质量更优良
   设计更好
   品牌更高档
   是社会地位的象征
   价格更昂贵
   是现代感的象征
   代表创新和高科技
   更加符合您的生活方式
   其他原因

4. 当购买一个产品的时候，对您来说哪一个因素是最重要的？
   质量
   价格
   设计
   品牌
   原产地
   那要看是什么产品
   其他

说明：问题5至9 如果回答欧洲，进一步问能否具体说明是欧洲哪一个国家？

5. 当购买的时候，哪一个国家或区域的手提电脑您最喜欢？
   中国
   美国
   欧洲
   日本
   不知道
   其他

6. 当购买的时候，哪一个国家或区域的手机您最喜欢？
   中国
   美国
   欧洲
   日本
   不知道
   其他

7. 当购买的时候，哪一个国家或区域的日常生活用品您最喜欢？
   中国
   美国
   欧洲
   日本
   不知道
   其他

8. 当购买的时候，哪一个国家或区域的汽车您最喜欢？
   中国
   美国
   欧洲
   日本
   不知道
   其他
9. 当购买的时候，哪一个国家或区域的高档奢侈品（例如：香水，手提包，手表，首饰）您最喜欢？
中国 □ 美国 □ 欧洲 □ 日本 □ 不知道 □ 其他 □

观点列表

说明：1=非常强烈同意 2=强烈同意 3=同意 4=中立 5=不同意 6= 强烈不同意 7= 非常强烈不同意 0=不知道

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<thead>
<tr>
<th>观点内容</th>
<th>1</th>
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<tbody>
<tr>
<td>10. 中国人应该总是购买中国产品，不该买进口货。</td>
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<td>11. 只有国内没有的产品才应该进口。</td>
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<td>12. 购买中国产品是爱国行为。</td>
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<td>13. 一个真正的中国人应该总是购买中国产品。</td>
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<td>14. 对有些产品应该设置进口限制，从而保护民族工业。</td>
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<td>15. 我们应该购买在中国生产的产品，而不是让其他国家在我们身上赚钱。</td>
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<td>16. 我不喜欢日本人。</td>
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<td>17. 我从来不买日本产品。</td>
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<td>18. 只有没有国内和其他国家替代品的时候，我才会买日本产品。</td>
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<td>20. 我从来不要法国产品。</td>
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<td>21. 只有没有国内和其他国家替代品的时候，我才会买法国产品。</td>
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<td>22. 我不喜欢美国人。</td>
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<td>23. 我从来不买美国产品。</td>
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<td>24. 只有没有国内和其他国家替代品的时候，我才会买美国产品。</td>
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C. 个人信息

25. 性别： 男 □  女 □

26. 年龄段：18-22 □ 23-35 □ 36-50 □ 50岁以上 □

27. 教育水平：高中或高中以下 □ 专科或本科 □ 硕士研究生或以上 □ 其他 □

28. 地点： 沈阳 — 中国北方 □ 深圳 — 中国南方 □

29. 您是在哪长大的？ 城市 □ 城镇 □ 农村 □
Appendix 3 - Chi-Square Test for Independence Results

### Case Processing Summary

<table>
<thead>
<tr>
<th>Case</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>Q2.5 You want to support domestic industry? * Q27 Location</td>
<td>108</td>
<td>29.4%</td>
<td>259</td>
</tr>
</tbody>
</table>

### Q2.5 You want to support domestic industry? * Q27 Location Crosstabulation

| Q2.5 You want to support domestic industry? | Yes | 21 | 52 | 73 |
| Q2.5 You want to support domestic industry? | No  | 18 | 17 | 35 |
| Total | 39 | 69 | 108 |

### Chi-Square Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.266</td>
<td>1</td>
<td>.022</td>
<td>.32</td>
<td>.019</td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>4.330</td>
<td>1</td>
<td>.037</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.176</td>
<td>1</td>
<td>.023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td>1</td>
<td></td>
<td>.032</td>
<td>.019</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>5.217</td>
<td>1</td>
<td>.022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>108</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.64.
b. Computed only for a 2x2 table

### Symmetric Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal Phi</td>
<td>.221</td>
<td>.022</td>
</tr>
<tr>
<td></td>
<td>Cramer's V</td>
<td>.221</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>108</td>
<td></td>
</tr>
</tbody>
</table>
### Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>Q3.3 Foreign products have superior brands? * Q27 Location</td>
<td>101</td>
<td>27.5%</td>
<td>266</td>
<td>72.5%</td>
<td>367</td>
</tr>
</tbody>
</table>

### Q3.3 Foreign products have superior brands? * Q27 Location Crosstabulation

<table>
<thead>
<tr>
<th>Q3.3 Foreign products have superior brands?</th>
<th>Q27 Location</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Shenyang - Northern China</td>
<td>Shenzhen - Southern China</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>15</td>
<td>28</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>% within Q3.3 Foreign products have superior brands?</td>
<td>34.9%</td>
<td>65.1%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>% within Q27 Location</td>
<td>28.8%</td>
<td>57.1%</td>
<td>42.6%</td>
<td></td>
</tr>
<tr>
<td>% of Total</td>
<td>14.9%</td>
<td>27.7%</td>
<td>42.6%</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>21</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>% within Q3.3 Foreign products have superior brands?</td>
<td>63.8%</td>
<td>36.2%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>% within Q27 Location</td>
<td>71.2%</td>
<td>42.9%</td>
<td>57.4%</td>
<td></td>
</tr>
<tr>
<td>% of Total</td>
<td>36.6%</td>
<td>20.8%</td>
<td>57.4%</td>
<td></td>
</tr>
</tbody>
</table>

Total Count | 52 | 49 | 101 |
% within Q3.3 Foreign products have superior brands? | 51.5% | 48.5% | 100.0% |
% within Q27 Location | 100.0% | 100.0% | 100.0% |
% of Total | 51.5% | 48.5% | 100.0% |
### Chi-Square Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>8.262a</td>
<td>1</td>
<td>.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>7.145</td>
<td>1</td>
<td>.008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>8.375</td>
<td>1</td>
<td>.004</td>
<td></td>
<td>.005</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.005</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.180</td>
<td>1</td>
<td>.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 20.86.
b. Computed only for a 2x2 table
Appendix 4 - Spearman’s Rank Order Correlations Results

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Q15 I don't like the Japanese.</th>
<th>Q16 I never buy Japanese products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Q15 I don't like the Japanese.</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Q16 I never buy Japanese products.</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Q15 I don't like the Japanese.</th>
<th>Q17 I only buy Japanese products if there are no domestic or other alternatives available.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Q15 I don't like the Japanese.</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Q17 I only buy Japanese products if there are no domestic or other alternatives available.</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Appendix 5 – Man-Whitney U Tests Results

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE</td>
<td>367</td>
<td>23.57</td>
<td>6.403</td>
<td>5</td>
<td>42</td>
</tr>
<tr>
<td>Q27 Location</td>
<td>367</td>
<td>1.54</td>
<td>.499</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

### Mann-Whitney Test

#### Ranks

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenyang - Northern China</td>
<td>170</td>
<td>197.10</td>
<td>33507.50</td>
</tr>
<tr>
<td>Shenzhen - Southern China</td>
<td>197</td>
<td>172.69</td>
<td>34020.50</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
<td>14517.500</td>
</tr>
<tr>
<td>Wilcoxon W</td>
<td>34020.500</td>
</tr>
<tr>
<td>Z</td>
<td>-.202</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.028</td>
</tr>
</tbody>
</table>

a. Grouping Variable: Q27 Location

### Means

#### Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Included</th>
<th>Excluded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>CE * Q27 Location</td>
<td>367</td>
<td>100.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

### Report

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>N</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenyang - Northern China</td>
<td>170</td>
<td>23.00</td>
</tr>
<tr>
<td>Shenzhen - Southern China</td>
<td>197</td>
<td>22.00</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td>23.00</td>
</tr>
</tbody>
</table>
Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q15 I don't like the Japanese.</td>
<td>367</td>
<td>4.86</td>
<td>1.622</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Q27 Location</td>
<td>367</td>
<td>1.54</td>
<td>.499</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Mann-Whitney Test

Ranks

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenyang - Northern China</td>
<td>170</td>
<td>202.64</td>
<td>34449.00</td>
</tr>
<tr>
<td>Q15 I don't like the Japanese. Shenzhen - Souther China</td>
<td>197</td>
<td>167.91</td>
<td>33079.00</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics\(^a\)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
<td>13576.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilcoxon W</td>
<td>33079.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>-3.200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Grouping Variable: Q27 Location

Means

Case Processing Summary

<table>
<thead>
<tr>
<th></th>
<th>Cases</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Included</td>
<td>Excluded</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>Q15 I don't like the Japanese. * Q27 Location</td>
<td>367</td>
<td>100.0%</td>
<td>0</td>
<td>0.0%</td>
<td>367</td>
</tr>
</tbody>
</table>

Report

Q15 I don't like the Japanese.

<table>
<thead>
<tr>
<th>Q27 Location</th>
<th>N</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenyang - Northern China</td>
<td>170</td>
<td>5.00</td>
</tr>
<tr>
<td>Shenzhen - Souther China</td>
<td>197</td>
<td>4.00</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td>5.00</td>
</tr>
</tbody>
</table>
Appendix 6 – Kruskal-Wallis Tests Results

Kruskal-Wallis Test

<table>
<thead>
<tr>
<th>Ranks</th>
<th>Q25 Age group</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q15 I don't like the Japanese.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18-22 years old</td>
<td>127</td>
<td>180.35</td>
</tr>
<tr>
<td></td>
<td>23-35 years old</td>
<td>116</td>
<td>169.79</td>
</tr>
<tr>
<td></td>
<td>36-50 years old</td>
<td>81</td>
<td>183.17</td>
</tr>
<tr>
<td></td>
<td>Above 50 years old</td>
<td>43</td>
<td>234.70</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>367</td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics$^{a,b}$

<table>
<thead>
<tr>
<th></th>
<th>Q15 I don't like the Japanese.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>12.627</td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.006</td>
<td></td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test
b. Grouping Variable: Q25 Age group
Kruskal-Wallis Test

<table>
<thead>
<tr>
<th>Q25 Age group</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-22 years old</td>
<td>127</td>
<td>171.62</td>
</tr>
<tr>
<td>23-35 years old</td>
<td>116</td>
<td>174.85</td>
</tr>
<tr>
<td>36-50 years old</td>
<td>81</td>
<td>186.81</td>
</tr>
<tr>
<td>Above 50 years old</td>
<td>43</td>
<td>239.94</td>
</tr>
<tr>
<td>Total</td>
<td>367</td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics\(^{ab}\)

<table>
<thead>
<tr>
<th></th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>14.664</td>
</tr>
<tr>
<td>df</td>
<td>3</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.002</td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test  
b. Grouping Variable: Q25 Age group
## Kruskal-Wallis Test

### Ranks

<table>
<thead>
<tr>
<th>Q26 Education level</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school or lower</td>
<td>80</td>
<td>224.81</td>
</tr>
<tr>
<td>HND or Degree</td>
<td>244</td>
<td>174.60</td>
</tr>
<tr>
<td>Masters or above</td>
<td>38</td>
<td>134.64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>362</td>
<td></td>
</tr>
</tbody>
</table>

### Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>22.478</td>
</tr>
<tr>
<td>df</td>
<td>2</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Kruskal Wallis Test  
b. Grouping Variable: Q26  
Education level
## Appendix 7 – Interview Framework

<table>
<thead>
<tr>
<th>Discussion Areas</th>
<th>Estimate Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Statements – Greetings, states purpose of research, research ethnics etc.</td>
<td>2 minutes</td>
</tr>
<tr>
<td>Interviewees to answer questions on the questionnaire.</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Discuss preference between foreign and Chinese products and explore factors contribute to their preferences.</td>
<td>5 – 10 minutes</td>
</tr>
<tr>
<td>How to determine whether a product is foreign or Chinese?</td>
<td>5-10 minutes</td>
</tr>
<tr>
<td>Ask about their CE beliefs.</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Discuss whether animosity towards the Japanese, the French and the Americans exists and explore why.</td>
<td>10-15 minutes</td>
</tr>
<tr>
<td>Ask their views on Chinese products and domestic alternatives and protecting domestic industry.</td>
<td>5 -10 minutes</td>
</tr>
<tr>
<td>Discuss any other relevant issues.</td>
<td>Open ending</td>
</tr>
</tbody>
</table>
## Appendix 8 – Interview Casebook

<table>
<thead>
<tr>
<th>Case</th>
<th>Age group</th>
<th>Education</th>
<th>Gender</th>
<th>Location</th>
<th>Places of growing up</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>36-50</td>
<td>High school or below</td>
<td>Male</td>
<td>Shenzhen - Southern China</td>
<td>City</td>
</tr>
<tr>
<td>2</td>
<td>36-50</td>
<td>HND or Degree</td>
<td>Male</td>
<td>Shenzhen - Southern China</td>
<td>Countryside</td>
</tr>
<tr>
<td>3</td>
<td>18-22</td>
<td>HND or Degree</td>
<td>Male</td>
<td>Shenzhen - Southern China</td>
<td>City</td>
</tr>
<tr>
<td>4</td>
<td>36-50</td>
<td>Masters Degree or Above</td>
<td>Male</td>
<td>Shenyang - Northern China</td>
<td>City</td>
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Appendix 9 – Examples of Online Anti-Japanese Posters
Appendix 10 – Selection of Popular War Related TV Dramas and Movies