

**BUYING BEHAVIOUR FOR NEWBORN BABY MILK
POWDER WITHIN THE CONTEXT OF CHINA'S
ONE-CHILD POLICY**

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DECLARATION

I declare that this dissertation is my own unaided work except where due acknowledgement is made to others. This dissertation is being submitted for the Degree of Master of Technology: Marketing, to the Durban University of Technology, Durban and has not been submitted previously for any other degree or examination.

Signed

Date

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ABSTRACT

The purpose of this study was to evaluate Chinese parents' buying behaviour towards baby milk powder in the context of China's One-Child policy. The study examined the Chinese culture, social trends, the influence of product attributes among urban Chinese parents and parents' product knowledge of baby milk powder.

This study is an exploratory study. A questionnaire was used to collect the data from 400 respondents at Shangdong University, China. There are 312 respondents' questionnaires used to analyse the results.

The results were discovered through the use of four research objectives. Firstly, the results reflect that family and friends do have an influence on buying decisions on baby milk powder. There parents rely more on word-of-mouth communication and shop assistants play a negative role in parents' buying decision. Secondly, mothers need to opt for baby milk powder for their babies due to the flood of women into the job market and incomes from dual earners. Thirdly, parents perceive high price with good quality; the preferred brand by the parents have a significant impact on their brand loyalty and parents generally hold positive views of foreign-made baby milk powder. Fourthly, parents have a high level of subjective and objective knowledge of baby milk powder.

This study was limited to the sample size and the geographic area. Consequently, results of this study can not be regarded as representative of the entire Chinese population.

The results may help marketers develop more effective marketing programmes to affect consumers' buying decision. In addition, this study is one of a few studies that apply the theory of buying behaviour in the context of China's One-Child policy in the marketing field.

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CHAPTER ONE INTRODUCTION

1.1 INTRODUCTION

China initiated various significant policy changes in an effort to develop its economy and increase the standard of living of its citizens after remaining virtually closed to the rest of the world for 30 years since 1949 (Zhang and Yang, 1992: 16). According to Chow and Zhao (2005: 40), China's One-Child policy, the world's most radical population policy, which was introduced in 1979, means that all married couples were to be restricted by the state to have a single child or face strong penalties. Only-Child families are more child-centred than families with more than one child. Parents spend more time on childcare if they have a single child than if they have multiple children. People in China currently are worried about creating a generation of "little emperors" (Deacon, 2003: 11). Given the important place children have in China, Chinese children become an attractive segment: food for children, including baby food within a high growth sector. The baby food market in China has, therefore, become much more sophisticated, especially as foreign competition has become ever more prevalent within the market. As a consumer market, baby food is not consumed by its purchasers - it is marketed to adults, although they are not the end-users. Parents are looking for advanced solutions for their babies' brain and physical health. This more sophisticated market is creating whole new sets of opportunities for companies looking to become actively involved. China is a strategic market for baby food marketers.

China's One-Child policy has shaped parents' buying behaviour of newborn baby milk powder. A two-year baby boom is emerging in China - already the world's most populous nation - and the demand of the baby milk powder will soar. According to Dickson and Lennon (2004: 305), about 17 million babies are born each year in China and 20% of them need to be fed with milk powder, some 300,000 tons of milk powder is required each year. However, China only produced 100,000 tons of milk powder in 2002. Jingjun (2003: 20) reports that China is now overtaking Japan to become the world's second

biggest market for high-grade infant milk powder. Sales of high-grade infant milk powder are expected to reach four billion Yuan (483 million US dollars) in China in the coming years. This is one of the most active markets with a very strong rise in demand and supply for newborn baby milk powder producers.

Gong (2003: 370) maintains that China has achieved remarkable progress in the past 20 years. China has stood out as the world's star performer in economic growth because of market-oriented reform that started in 1978. The two-decade-long rapid growth has transformed China from a centrally planned economy into a market economy, which operates increasingly in line with market forces. China's import of foreign children products reached US\$67.7 billion in the first seven months of 2001, a 15.3% increase over the same period in 1994 (Murray, 2004: 237). Economic development gave families the kind of disposable incomes, which is necessary to buy newspapers and radios (Fan and Xiao, 1998: 280).

1.2 PROBLEM STATEMENT

Despite the obvious implications for South Africa from which China sources most of its imports, research in the field of international business and marketing has not kept pace with the development in China's consumer baby market. While most of the efforts have concentrated on the economic and industry conditions that influence investment and business decisions of children's products in China, little research has focused on the Chinese parents (Pavleen and Raghbir, 2004: 99). As a consequence, knowledge about the Chinese parents remains quite scarce. In particular, few research efforts have explored Chinese parents' attitudes towards baby products. This study partly addresses this deficiency by investigating how Chinese parents evaluate baby milk powder. Specifically, the study tried to find out what images of price, brand and Country-of-Origin exist in the minds of the Chinese parents and how such images may influence their product evaluation and purchase decisions. The findings may help South African baby food marketers to gain insights into Chinese parents' buying behaviour, which may help South African businesses to market their baby food in a rapidly growing market.

1.3 THE GOAL AND OBJECTIVES OF THIS STUDY

The goal and objectives of this study includes:

1.3.1 The goal of this study

Fundamental knowledge about consumers and their product choices can facilitate successful business decisions with regard to China. In order for foreign marketers of baby milk powder to design and market their products successfully for Chinese parents, marketers need to understand how Chinese parents evaluate baby milk powder. Thus, the purpose of this study was to understand buying decision-making for newborn baby milk powder in relation to buying behaviour factors within the context of China's One-Child policy. Such an understanding may open up this profitable market for South African baby food marketers.

1.3.2 The objectives of this study

Consumers buying decisions are affected by different factors, such as culture, social trends, product's attributes and customers' knowledge about that product. As such, it is interesting to see the relationship between consumer decision-making and the factors that affect buyers' shopping behaviour in China. The objectives of this study (Figure 1.1), therefore, were:

Objective one - To gain insight into how Chinese culture influences parents' attitude towards the buying intention of newborn baby milk powder;

Objective two - To explore the influence of social trends on Chinese parents' attitudes towards newborn baby milk powder, i.e. the changing women's role, the increased income and the growing middle class;

Objective three - To identify Chinese parents' perceptions about the product information provided, i.e. price, brand and Country-of-Origin;

Objective four - To determine Chinese parents' product knowledge of newborn baby milk powder.

FIGURE 1.1: SELECTED FACTORS THAT AFFECT PARENTS' BUYING BEHAVIOUR IN THE CONTEXT OF CHINA'S ONE-CHILD POLICY



1.4 RATIONALE FOR THE STUDY

In the years since its isolation from the rest of the world was ended, the People's Republic of China has been the recipient of considerable foreign investment and exports have grown dramatically. Cui (1999: 66) indicates that, foreign investors are drawn to China by the combination of a booming economy, low-cost labour and access to a potentially large market. The large consumer market in China offers potential opportunities. China's consumer market has developed very rapidly in recent years and this has created much greater demand for modern food products. Increased levels of average income have allowed consumers to buy better quality, more sophisticated food products and nowhere has this been more in evidence than in the baby food market because of China's One-Child policy (Kane and Choi, 1999: 992). As consumers in China are notably different from consumers in the western world, an insight into their buying behaviour and habit is essential in order to gain success in the Chinese baby milk powder retail market for South African marketers. The importance and value of this study is that it can help South African baby food companies to increase profits in the booming Chinese market by a thorough investigation into this consumer market and its consumer buying behaviour.

1.5 SCOPE OF THE STUDY

The delimitations and limitations are discussed.

1.5.1 Delimitation

This study was limited to Shandong University only; the samples selected were limited to the Chinese lecturers at the University. The reason to choose samples from Shandong University is twofold. Firstly, lecturers have higher incomes, which results in strong purchasing power. Secondly, lecturers, with high education, are one of the most important marketing segments for marketers.

1.5.2 Limitation

Since only 400 Chinese parents were selected, the results are not generalizable towards the whole population of Chinese parents. The data may not be relevant to parents whose babies are older than one year because this study only covered parents whose babies were under one year old. In addition, the pre-test was done in South Africa, since South Africa-Chinese are not exactly the same as those respondents residing in China, i.e acculturation effects may against the pre-test. Despite these limitations, the research should still provide valuable data.

1.6 DIVISION OF CHAPTERS

This study is set out as follows:

Chapter two - this chapter includes the literature review. It covers published information on the topics of China's One-Child policy and Chinese parents' buying behaviour towards newborn baby milk powder.

Chapter three - this chapter focuses on the research methodology. It explains the methods used to conduct the survey, questionnaire design and statistical analysis.

Chapter four - this chapter includes the data analysis and interpretation of the results.

Chapter five - this chapter includes recommendations and conclusions emanating from

the study. It provides important marketing implications based on its understanding of parents' buying behaviour towards newborn baby milk powder in the context of China's One-Child policy.

1.7 CONCLUSION

In this chapter, introduction of this study was presented. Then the problem statement and the objectives of this study were addressed. Thereafter, rationale for this study and the scope of this study were examined. Finally, the division of chapters was given.

The next chapter includes the literature review. It covers published information on the topics of China's One-Child policy and the effect of selected factors on consumers' buying behaviour.

2.1 INTRODUCTION

In the previous chapter it was established that the main focus of this study was concerned with Chinese parents' buying behaviour towards baby milk powder in the context of China's One-Child policy, with particular emphasis on the effects of the Chinese culture, social trends, parents' evaluation of price, brand name, Country-of-Origin and their product knowledge. Chapter one explained that China's consumer market has developed very rapidly in recent years. This development has created greater demand for more modern baby food products because of China's One-Child policy. Increased levels of average income have also allowed Chinese consumers to buy better quality, more sophisticated food products. This phenomenon, therefore, had a direct effect on spending on baby milk powder, which is very important for nutrition of babies in their crucial formative years. However, few research efforts have explored Chinese parents' attitudes towards baby milk powder in the context of China's One-Child policy.

Therefore, the remainder of this chapter will be organized as follows: a general introduction of China's One-Child policy will be presented. Then the relevant literature on Chinese culture will be briefly reviewed, focusing on the dimension of the culture and its impact on consumer behaviour. Thereafter, an overall picture of social trend will be addressed. A thorough examination of the Theory-of-Reasoned-Action model will be provided. This model will include the discussion of the impact of the selected factors and consumers' subjective norm on parents' attitudes at the Chinese cultural level. Finally, this chapter will focus on Chinese parents' product knowledge and information search behaviour, which is relevant and useful in understanding the issues of Chinese parents' buying behaviour.

2.2 BACKGROUND

In China, parents' expectations of baby product quality, in general, have been steadily rising, owing to China's One-Child policy, the increased income, the changing women's role and the growth of the middle class, which have prompted high expectations of a better lifestyle (Kane, 1998: 99). Parents tend to spend a great deal of time, money and attention on their children. This phenomenon is also due to mainland Chinese parents who are unique in two ways. Firstly, they can only have one child in their family and they, therefore, have high expectations of their children. Secondly, the current generation of the singletons' parents, men and women, born in the middle and late 1970's, have been defined by severe material shortages (Chow and Zhao, 2005: 45). As the economic reform has instituted a reward system based on formal education and qualifications, these parents want their lost past to be compensated by a better future for their second generation (Tung and Miller, 2000: 16). International retailers need to be in a position to understand the impact of these critical factors on Chinese parents' decision-making of baby products.

2.3 CHINA'S ONE-CHILD POLICY AND ITS EFFECTS ON BABY MARKET

Perreault and McCarthy (1996: 131) report that consumers in the same country usually share a common political environment, but the political environment can also have a dramatic effect on opportunities at a local or international level. Some business managers have become very successful by studying the political environment and developing strategies that take advantage of opportunities related to changing political dimensions. China's One-Child policy exerts a great influence on parents' shopping behaviour and household spending (McNeal and Yeh, 1997: 48). A number of global as well as local marketers are keen to design marketing communication campaigns to make Chinese parents aware of their products, create a positive attitude towards the products, associate the products with certain symbolic meaning or show where to buy the products.

2.3.1 Elements of the policy

China's One-Child policy was adopted in response to China's unprecedented population growth after the Chinese Communist Revolution in 1949. It was argued that the sacrifice of the second or third children was necessary for the sake of future generations (Kane and Choi, 1999: 992). Better health care, decreased infant mortality and longer life expectancy fueled the explosion in population (Lewis, 2000: 437). Chai and Han (2000: 165) report that although in the 1970s state educational efforts successfully lowered the fertility rate from six to 2.7 in 1979, China's population was still expected to climb to 1.3 billion by the year 2010, threatening to halt economic development.

According to Cai and Lavelly (2003: 18), the government could exercise more control over its urban population than it could over its peasants, because people in big cities are to be encouraged to have only one child through a package of financial and other incentives, such as preferential access to housing, health care and children's education, which can be withheld for violations of the policy. Moreover, urban parents do not need children for old-age security and the costs of housing and caring for children are much higher in the cities than in the countryside (Chai and Han, 2000: 169). Zhang (2006: 339) reports that the acceptance of and compliance with the One-Child policy is much greater in Chinese cities. In 1989, one half of the fifth graders in one Beijing study had siblings, but by 1992 only half of the fifth in a comparable sample had siblings (Li and Zhu, 2005: 1172). In some of the largest and most advanced cities like Shanghai, sizeable proportions of couples have already chosen to have only one child, because both adults work full-time with long hours and normal tasks like shopping and cooking became time-consuming daily efforts. In most families, at least one member would be employed in the state sector and susceptible to government direction. As a result, it was not long before 90% of couples in urban areas were persuaded to restrict their families to have a single child (Greenhalgh, 2003: 190).

However, rural families are more difficult to control. Peasants with limited savings and without pensions need children to support them in old age. As married daughters move into their husbands' families, a son is essential - and preferably more than one (Banister,

1987: 99). The introduction of the One-Child policy coincided with rural economic reforms that created the economic conditions in which more children would be economically advantageous for rural families (Zhang, 2006: 305). The economic reforms also intensified the age-old Chinese preference for sons (Banister, 2004: 36). Resistance in the countryside led to a Two-Child policy (Greenhalgh, 2003: 167). From 1989, all rural families whose first children were daughters were extended the option of having an additional child (Tsui and Rich, 2002: 76).

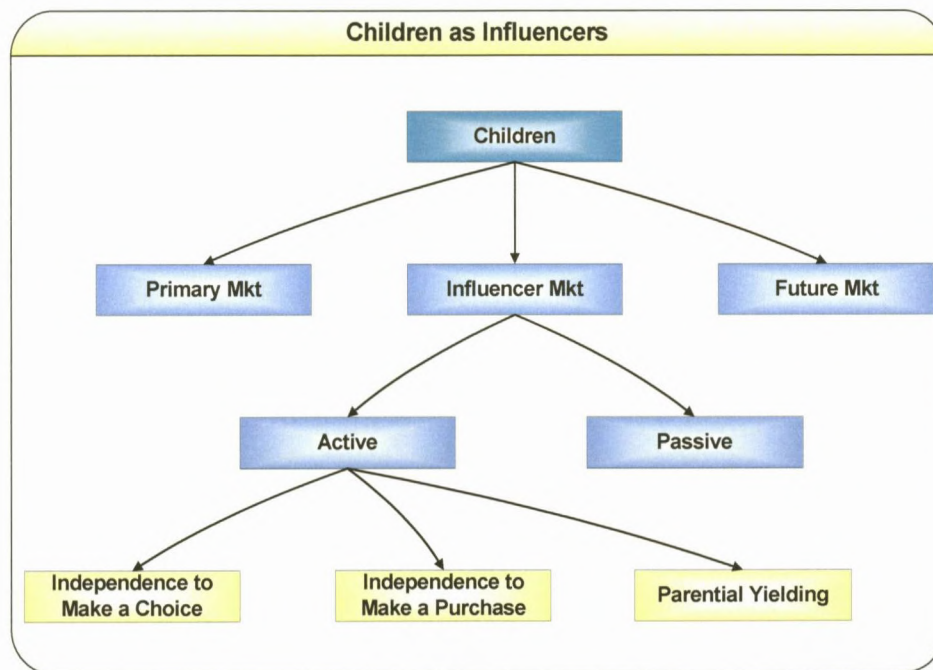
2.3.2 The impact of one child on baby market

Due to the One-Child policy, not only parents, but the extended family also provides attention to all children within the family (Chen, 2000: 200). Chinese children have a substantial amount of their own money and have great influence on the daily household purchase (McNeal and Yeh, 1997: 50), which means that children exert a strong influence over the market and household purchasing decisions (Figure 2.1). One-Child policy forces families to focus their attention on the only child they have. Such treatment has led to a phenomenon, whereby Chinese children have come to be dubbed 'little emperors' (Deacon, 2003: 12) due to the power they seem to wield within their own families. This 'little emperor' phenomenon, in which one child receives the undivided attention from two working parents along with two sets of grandparents and possibly several aunts and uncles, is a driving factor in the growth of new industries in China (Hatfield, 2004: 39).

Chinese parents want the best for their children. These children are endowed with the best foods, toys, educational equipment and attention (Tsui and Rich, 2002: 88). This attention has, therefore, had a direct effect on spending on baby milk powder, which is very important for the nutrition of babies in their formative years. The demand for better quality baby milk powder has come from parents being able to afford more to spend on feeding their babies (Thompson and Thompson, 2004: 79). With more cash, parents have been looking for better quality and a greater variety of baby milk powder in order to give their children a better and balanced diet. This demand is also leading to the development of more products containing added vitamins and minerals, along with products containing herbal medicines to help prevent diseases (Strom and Xie, 2005: 39). According to Chen

(2000: 198), more and more Chinese parents are searching for safer and healthy baby milk powder to bring home. They are buying more expensive, but safer green or organic labelled foods. Although China itself produces and supplies some organic products, its certification standards and labelling management are not consistent. Therefore, many health sensitive parents are looking for more reputable imported baby food as a solution. The baby food market in China has, therefore, become much more sophisticated, especially as foreign competition has become ever more prevalent within the market. This more sophisticated market is creating whole new sets of opportunity for companies looking to become actively involved.

FIGURE 2.1: THE IMPACT OF CHILDREN ON BABY MARKET



Source: Adapted from McNeal and Yeh (1997: 50)

2.4 CHINESE CULTURE

Every group or society has a culture and cultural influences on buying behaviour may vary greatly from country to country. Failure to adjust to these differences can result in ineffective marketing or embarrassing mistakes. International marketers must understand the culture in each international market and adapt their marketing strategies accordingly.

Often, it is only when marketers are exposed to people with different cultural values or customs that they become aware of how culture has moulded their own behaviour.

From a customer behaviour perspective, culture can be defined as the sum total of learned beliefs, values and customs that serve to direct the customer behaviour of members of a particular society (Cant, Brink and Brijball, 2002: 48). Beliefs consist of the very large number of mental or verbal statements that reflect a person's particular knowledge and assessment of something (Carroll, 2001: 685). Hofstede (1996: 95) supported the comment that cultural influence is significant. The following section first reviews the dimension of culture that demonstrates that culture is a powerful force in regulating consumers' buying evaluation.

2.4.1 The dimension of culture

The cultural dimension explains the extent to which the society values group-norms or individual freedom. Among the many different ways in which cultures have been classified, Douglas and Craig (1997: 381) communication context paradigm, Hofstede and Bond's (1998: 17) dimensions of culture are the most widely accepted and cited among marketing and international researchers. Hofstede and Bond (1998: 19) distinguished five dimensions of culture; they are power distance, uncertainty avoidance, masculinity/femininity, long-term time orientation and individualism/collectivism.

This research focused on the individualism/collectivism dimension and its impact on the formation of Chinese parents' buying intention towards baby milk powder. Hofstede (1999: 436) states that the salient cultural difference between America and China is collectivism and individualism; collectivism results in two significant normative differences from individualistic cultures: the primacy of the goals and welfare of the laterally extended group, typically the family (Triandis, 1997: 159) and the impact of the behaviour on a person's moral integrity, e.g. face saving (Tse, Lee, Vertinsky and Wehrung, 1998: 88).

The abovementioned two perspectives, group and face saving, construct the measurement

of the normative influences in the Chinese society. The effects of the two perspectives on Chinese parents' buying intention are explained in detail in section 2.7.2 in this study.

TABLE 2.1: THE COMPARISON OF THE UNITED STATES AND CHINESE CULTURE

Country	Cultural Cluster	Power Distance	Individualism	Uncertainty Avoidance	Masculinity	Long-Term Orientation
United States	Anglo	30	100	21	74	29
China	Far Eastern	89	39	44	54	100

Source: Adapted from Cullen (1999: 62). (100=highest; 50=middle)

As shown in Table 2.1, the United States and Chinese culture contrast with each other along some dimensions. The United States, an Anglo culture, has a low degree of power distance and uncertainty avoidance and extremely high degree of individualism. The degree of masculinity is relatively high for the Anglo culture. Anglo culture is also short-term oriented. China, on the other hand, is classified under the Far Eastern cluster. Compared to the United States, Chinese culture has a higher degree of power distance and uncertainty avoidance and much lower degree of masculinity. China has the highest score in long-term orientation among all countries investigated by Hofstede and Bond (1998: 18). Clearly, the Chinese culture is quite different compared to the United States.

2.4.2 The influences of Chinese culture on buying behaviour

It has long been recognized that culture has a significant impact on an individual's buying intention. The influence of culture on customers' values has been well supported in many studies (Frazee, 1996: 16). These studies report that people from different cultures have different preferences and expectations for products and services. In a practical sense, as multinational companies continue to penetrate foreign markets, the question of how they should be managed in other parts of the world must be answered. Markets may have become global; however, consumers within these markets remain buyers, socialized by their culture. The study of culture can be helpful in understanding why various consumer groups select one product over another (Steenkamp, 2001: 38). Therefore, understanding

these differences and then providing quality products and services, which meet customers' expectations, are the focal points for today's baby product marketers. In the selection of the Chinese baby market, which has a very different culture from western countries, can offer opportunities for both theoretical and practical research.

2.4.2.1 Conspicuous consumption and family influences

China's Collectivist culture emphasizes values that promote the welfare of their in-group (Yau, 2002: 49). Enhancing identification by others through displaying symbols of prestige or fashion, by building a reputation for success or through ostentation, is one facet of Chinese culture. In such an environment, there is a high level of conspicuous consumption putting pressure on consumers to buy well-known and respected brands. Chinese consumers are always under strong constraints to meet the expectations of others so as to maintain their identification. Therefore, Chinese people value conforming through conspicuous consumption. The conspicuous consumption can also be observed by the concept of face (Tse, *et al.*, 1998: 88), which represents a person's prestige (Ralston, Gustafson and Cheung, 2003: 249), i.e., what they have achieved in their life. As in western society, it is impossible that purchases can be made to enhance a person's face. Malhotra and McCort (2000: 102) report that, when a family member suggested buying a domestic-made television for a wedding present, the groom said he would rather wait until he could buy a Japanese television so that he could project the right image to his friends.

Chinese society is reflected in strong relationships among family members and within kinship systems. People like to be involved with family and friends - consumers may involve their family or friends to either share or actually make the purchase decision. The individual will take note of their family's or friends' positive and negative experiences and use the information in their own decision-making process (e.g. if a friend had a particularly negative experience with a specific brand of personal computer then the consumer may decide to eliminate it from the set of products being considered). These word-of-mouth sources are perceived as reliable, credible, less biased, independent and trustworthy (Steenkamp, 2001: 33). As an example of social surroundings, the presence

of friends or relatives have an important role in consumers' purchasing intention (Beardon, Netemeyer and Teel, 1999: 478) or in their sensitivity to product attributes, such as price, brand and package (Mano and Elliott, 1997: 506). It may be much easier for accompanied shoppers to make difficult buying decisions when the suggestions of their companions reinforce their resolve to purchase. Researchers have observed that mall patrons tend to buy more products and spend more money when accompanied by others (Nicholls, Li and Mandokovic, 2000: 109). However, it has also been stated that family and friends may introduce additional factors for consideration, which may actually increase the consumer's level of confusion (Luna and Gupta, 2001: 65).

2.4.2.2 Emotional trust and guanxi (relationship)

In China, trust is an important value. For the Chinese, emotional trust is more important than cognitive trust and is based on sentiment-based ties between individuals, which may also be extended to others through the relationship network (Tsikriktsis, 2002: 109). Chinese only tend to trust people within their social network - family, friends, classmates, colleagues with whom they have established relationships, because family is of central importance in China and the society is based on strong family units and people exercise considerable influence on one another. The notion of family encompasses the extended family and the wider community in China. Family and community norms effectively shape behaviour (Ueltschy and Krampf, 2001: 28). Dawar and Parker (1996: 89) state that Chinese parents do not often feel confident enough to evaluate baby products alone, so consulting a friend or partner by inviting them along to a potential purchase can enhance the process. Research has also found that these relationships are important when shopping, as Chinese use personal sources of information more than Americans when making purchase decisions (De Mooij, 2004: 328). In a confusing purchase situation, it is highly likely that people in the consumer's social network will have a significant input and influence on the final decision. The strong collective characteristics may imply that informal channels of communication are important in Chinese society. Chinese consumers tend to rely more on word-of-mouth communication because of the high contact rate among group members; thus, communication of a given product idea is quick to circulate within these informal channels (Siu, Wang and Chang, 2001: 29).

The strongly emotional trust results in both abstract and concrete foundations for *guanxi* to operate in Chinese societies (Hung, 2004: 218), both in and outside China. *Guanxi* is a relationship between two people who are expected, more or less, to give as good as they get (Hofstede, 1999: 128). Chinese focus on relationships created over long periods of time that are built on frequent exchanges (Steenkamp, 2001: 38). Confucianism relates individuals to their significant others, such as father and uncle in the family, teacher and master in one's career. Wang and Rao (2001: 379) indicate that Chinese consumers' buying decision is much affected by this kind of culture. Chinese individuals with a problem, personal or organisational, naturally turn to their 'relationship network' for assistance. Further, an individual is not limited to their own 'relationship network', but may tap into the networks of those with whom he or she has a relationship. Chinese consumers like to shop in a free environment without interference. If a salesperson in a retail store is eager to help and approaches a consumer who has not decided what to buy, the consumer will feel uneasy and leave. The proper way is to keep a certain distance from the consumer, but at the same time letting the consumer know that one is always ready to help.

2.4.2.3 Long-term orientation

Chinese have a long-term orientation, which can be observed through their thrift (Malhotra and McCort, 2000: 126). Chinese will buy a high-quality product that will provide superior performance over a number of years. The long-term orientation influences the consumers' decision-making process: they will choose a product, which sets the budget and then they will save for it, which may take a considerable period of time. However, it is different in America and other western countries. In western countries, where products are cheap and easily replaced, budgets are set at the beginning and then the product is purchased, often on credit cards as the consumers are not prepared to save and wait (Morris, Leung and Ames, 1999: 782). This difference in approach to purchase decisions means the Chinese tend to spend more time searching for information than Americans, although this may be due to China being a less developed market. In their search for information, the Chinese like to watch commercials between shows: "sometimes I tune in just for them ... I learn a lot" (Malhotra and McCort, 2000: 89).

According to Gong (2003: 373), Chinese people are peaceful, hardworking and easily contented. They respect elders, love children and are patient with their fellow individuals. The Chinese, in general, are reserved and humble. They believe in harmony and never look for confrontation. Chinese are very proud of their civilized society since the early days. They are open and pragmatic towards differences in religion and culture. In the Chinese market, there is evidence that people do not express their dissatisfaction as directly as those accustomed to western cultures. However, this attitude does not mean that Chinese consumers do not complain at all; they may just not complain directly at the point of sale. This attitude can be disastrous if consumers are not satisfied with what they have bought (Wong and Ahuvia, 1998: 441).

2.5 SOCIAL TRENDS

The social environment affects how and why people live and behave as they do - which affects customer shopping behaviour and eventually, the economic, political and legal environment (Barry, 2006: 96). Since the social environment has such a broad effect, most marketing managers don't stop thinking about it, how it may be changing, or how it may differ for other people. China is going through an economic boom period and that's driving a lot of social environment change. A marketing manager, who sees the changes early, may be able to identify opportunities in China, especially for international marketers. The baby products' market growth is also driven mainly by socio-economic changes concerning the role that consumers play in society, the type of education they have and the income they earn. These factors have shaped Chinese parents' buying decisions of baby milk powder. Variables that make up the social environment were considered in this study. These variables are the changing women's roles, increased income and the growth of the Chinese middle class.

2.5.1 Changing women's roles

The shifting roles of women in Chinese society illustrate the importance of the social environment on marketing strategy planning. Bates (1998: 31) finds that in the earlier days, Chinese women had less opportunity for higher education and were completely shut

out of many of the most interesting jobs. Obviously, there have been big changes in that stereotyped thinking. Today, many more women are attending universities and developing their own professional careers (Cui and Liu, 2001: 100). With higher education and better job opportunities, more women are delaying marriage and, once married, they are likely to stay in the workforce. Women comprise 39% of China's urban employees and 66% of rural labour, with 85% of urban mothers working (Tang, 2002: 2). The flood of women into the job market boosted economic growth and changed Chinese society in many other ways. For example, with lifestyles getting busier, Chinese women prefer to buy fresh over canned and processed goods on the whole, some processed foods as well as easy to prepare goods are gaining in popularity; the long working hours have also left mothers with increasingly less time to breastfeed their children. As a result, mothers need to opt for baby milk powder that offers good nutrition (Sin, Ho and So, 2000: 56). Chinese families have rapidly growing incomes from dual earners; they also have much less time than a decade ago to bring up their children. Consequently, the parents, who are often guilty about not spending enough time with their children, compensate for it by spending more money on baby products. The social trend of more women working in China, which is most apparent in urban areas, underlines the increasing importance of female roles. The market has seen a rise in conjunction with the increase in the number of working women and their decision to start a family later in their lives.

2.5.2 Increased income

The changing women's role has a direct bearing on Chinese consumers spending patterns, but the increased income of Chinese consumers is also useful in understanding their buying intention. Western managers see the continuing rise in China's average income as an opportunity across the entire nation (Li, Murray and Scott, 2000: 126). Huland (1999: 39) divided China into two worlds: the cities of Beijing, Guangzhou, Shanghai and all other locations. Both perspectives are incomplete. It's true that average income has increased, some Chinese are benefiting far more than others. While there are sharp differences between the incomes of urban and rural dwellers (urban Chinese earn almost three times more than rural dwellers do), affluence is growing not just in the big three cities but in what has been termed the 'Third China' - the midsize cities such as Xi'an,

Nanjing and Wuhan, which may afford some of the largest opportunities for marketers (Penhirin, 2004: 202).

With a total population of 1.3 billion people, of which approximately 400 million are urbanized consumers (Chen, 2001: 103), China boasts a market enjoying a growing discretionary income as well as a taste for international goods and services. The country's population control programme or the One-Child policy, which began in the late 1970's, has contributed to the trend in higher disposable incomes. Incomes have been growing at the same rate as GDP - about 10% annually in urban areas, adjusted for inflation (Chiu, 2003: 211). According to Zhang (1999: 122), incomes have increased to the extent that people are able to cater for all their babies' basic needs. Although the Chinese people have become less frugal in their purchasing, they will still reject products they see as impractical or as low quality.

Consumers in different countries vary dramatically in the way they spend their income. Chinese families don't get to spend all of their income and most families don't spend all their disposable income (Thompson and Thompson, 2004: 78) - they save part of it. However, because of the One-Child policy, most families spend a good portion of their income on such 'necessities' as baby's food, toy, clothing and education, expect rent, house payments and home furnishings payments. Providing schooling and good nutrition for children is vital. Education and food is always a priority, since Chinese couples can only have one child; parents are always concerned that they don't spend enough to give their kids a head start. They spend more on their children and are less likely to travel around and have fun.

2.5.3 The middle class growth

Most societies have three major classes: high, middle and lower. Chan (2003: 123) estimates that a strong middle class is emerging in China; there are 25 million to 30 million middle class households in China, compared to the eight million affluent homes. Hsu (1998: 65) also reports that more people are moving into the middle class every year than into the affluent class. In 2002, the number of middle class households in China was

estimated at 50 million by Gang (2004: 79), translated into an average annual income of RMB75,000 (USD9,068) with assets of RMB310,000 (USD37,485). The middle class stratum is expected to double in 2010, two years after the Beijing Summer Olympic games, with an average household income of USD18,137 and assets of USD74,969 (Guangzhou Statistical Department, 2002: 312) . The growth of middle class is good news for companies trading in China. Some of the most popular products among the middle class who have babies, according to Gang (2004: 76), are baby food, toys, clothing, educational supplies and personal care; these are categories that enjoy high penetration in China.

The middle class in China is both savers and spenders. Since China's financial-services sector remains relatively primitive (Tung and Miller, 2000: 16) and consumer credit is still virtually non-existent (Bolton and Myers, 2003: 118); consumers save money for long periods of time so that they have enough to purchase the highest quality products and services they can afford. The personal savings rate in China represents 50% of GDP (Hofstede, 2000: 12). According to Hsu (1998: 85), China has a culture of extremely frugal people. They've gone through hard times, starting with the Cultural Revolution in the last generation. On the whole, Chinese people have more money than ever before. However, because the days of harsh poverty are not that far behind them, many middle class consumers insist that products be practical and functional in nature.

At the same time, however, people are beginning to look beyond the functionality of goods. Younger couples are now entering into their prime earning years and have a greater discretionary income to spend on their children. Middle class and affluent parents spend much of their discretionary income on baby items that will help them rise in stature compared to their neighbours. Their aspiration level is much higher now. They're looking to consuming things that are not entirely necessary. These middle classes have the opportunity to make their own choices with regard to their education, career, vacations and free time. The urban segments of the middle class are familiarizing themselves with foreign lifestyles and global media (Vence, 2005: 15). As a result, they are seeking ways to express their individualism through fashion, media, technology and art. These young

couples are savvier than the traditional Chinese consumer and they have more specific expectations. To be successful, companies need to make a conscious effort to understand these consumers and then use that understanding to build products tailored to their needs and sensitivities.

2.6 DECISION MAKING MODEL

Customers are continuously making decisions about what products and services to consume. There are two basic reasons why individuals must reach a decision. Firstly, they have to satisfy their needs and desires. Secondly, often more than one choice or alternative will satisfy their needs. Engel, Blackwell and Miniard (1997: 89) report that the consumer purchase decision processing is also problem-solving processing. Five generally recognized stages characterize the process of making consumer decisions. These are problem recognition, information search, evaluation of alternatives, buying and post-purchase evaluation, as are reflected in Figure 2.2.

2.6.1 Problem recognition

The first stage in customer decision-making is the recognition of a problem (Schiffman and Kanuk, 1998: 158). Problem recognition occurs when customers realize they have an unfulfilled need. When a young Chinese couple became a mother or a father, they may recognize that they need milk powder to feed their baby because milk powder plays an important role in a baby's development. Since it is the only child in their family, they want to buy milk powder of good quality; they think that diet, which promotes adequate growth, will result in good health in later life. The difference between the existing and the desired state of affairs triggers motivated behaviour. The result is the development of a spectrum of mental activities and attitudinal reactions. A couple will evaluate possible prices that they can afford and various brands that they like.

FIGURE 2.2: THE STAGES IN THE DECISION-MAKING PROCESS



Source: Adapted from Hawkins, Best and Coney (2001: 65)

2.6.2 Search for information

The second stage in the customer decision-making process is the search for information (Skin, 2001: 566). In many buying situations, once the problem has been recognized, customers begin to look for information. When Chinese parents need milk powder to feed their baby, they search for information that would give insight into what quality they want, how much it might cost and which country's products they will consider to buy.

They also examine their financial situation. Elements of the psychological core are invoked in problem recognition and search because once they realize that they need milk and begin their information search, they expose themselves to information, attend to it and perceive it, categorize and comprehend it, and form attitudes and memories.

2.6.3 Evaluation of alternatives

The evaluation of alternative solutions to a problem is the third step in the customer decision-making process (Sproles and Kendall, 2002: 139). When evaluating alternatives, customers make a comparison between product features and assess their characteristics according to pre-established criteria. Chinese parents, who want to buy milk powder, may select from different brands. The criteria for evaluation are the standards, characteristics or specifications used by customers to compare different products and brands. Evaluative criteria for buying baby milk powder may include safety features, nutrition, price, Country-of-Origin and packaging.

2.6.4 The response/buying decision

The fourth step in the decision-making process is the customer's response or decision (Oliver, 1997: 296). Customer decision is the outcome of evaluation and involves the mental process of selecting the most desirable alternative from a set of options. Decisions are made in relation to the purchase itself, where to buy, when to buy, what to buy and, finally, how to pay. Due to the One-Child policy, Chinese parents' decisions can be characterized as high-effort decisions, meaning that they are willing to exert a lot of time, mental and emotional energy in making the decision. They will identify several decision criterias that they think will be important in making their choice. They want the product to be of high quality and make sure it is safe. Their appropriate decision is dependent upon adequate information.

2.6.5 Post-buying evaluation

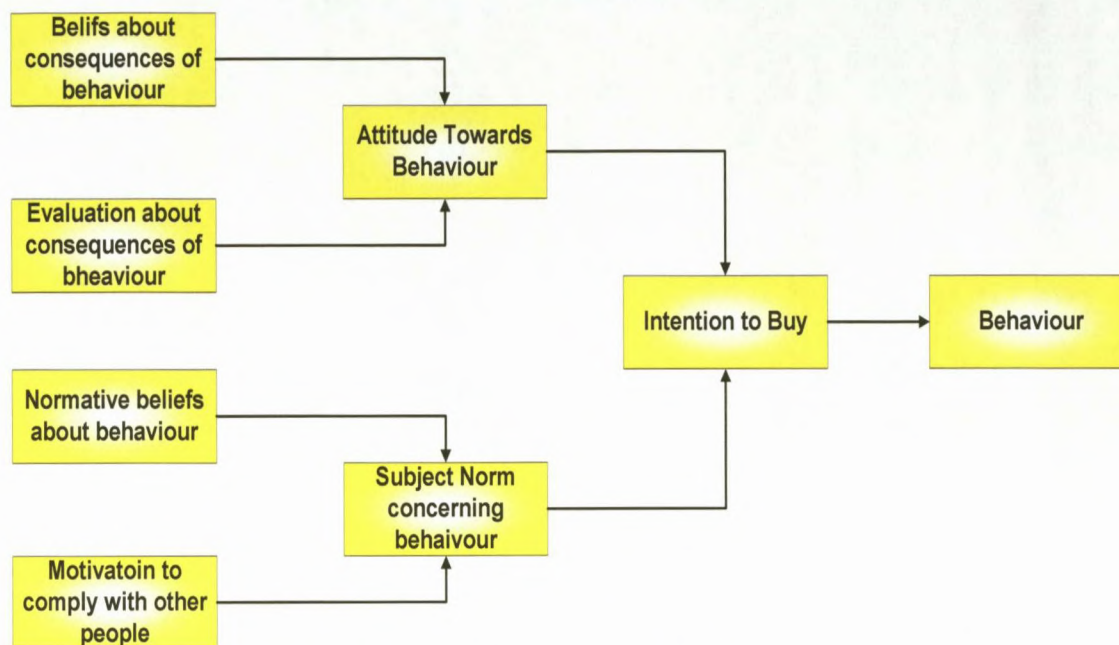
Evaluating the decision is the final step of the decision-making process (Mowen and Minor, 2001: 296). This step allows the consumer to judge whether the decision was the

correct one and whether the product or service is one that will be purchased again. When Chinese parents feed their babies with the milk powder they bought, they will probably evaluate their purchasing decision. If their expectations are met and the milk powder is everything they think it would be, they will feel satisfied. If the milk powder exceeds their expectations, they will be delighted. If it falls short, they are likely to be dissatisfied. Once again, aspects of the psychological core are invoked in making post-decision evaluations (Schiffman and Kanuk, 1998: 562). Chinese parents may expose themselves to information that validates their experiences; they may update their attitudes and may selectively remember an aspect of the milk powder that is extremely positive or extremely negative.

2.7 THEORY-OF-REASONED-ACTION (TRA) MODEL

The Theory-of-Reasoned-Action model builds on the research conducted by Fishbein and his associates (Figure 2.3). It has been used successfully to identify key elements of consumer decision-making (Taylor and Todd, 1999: 145). This model is also useful because it provides an expanded picture of how (Miniard and Cohen, 1998: 180), when and why (Lee, 2000: 45) attitudes predict behaviour. The theory proposed that behaviour is affected by buying intentions, which, in turn, are affected by attitudes towards the behaviour and by subjective norm. The first component, to form attitudes the belief one has about the consequences of performing the behaviour are multiplied by an evaluation of the consequences and summed. The second component, subjective norm, is a function of beliefs about what important people think (normative belief) and the motivation to comply with these people (motivation to comply). According to the Theory-of-Reasoned-Action model, behaviour is a function of one's intent to behave (behaviour), which is determined by one's attitude towards performing that behaviour (attitude towards that behaviour) as well as the influence of others' opinions (subjective norms). The model received a lot of support in empirical studies of consumer behaviour and social psychology related literature (Sheppard, Hartwick and Warshaw, 1998: 327).

FIGURE 2.3: THE THEORY-OF-REASONED-ACTION MODEL



Source: Adapted from Fishbein and Ajzen (1975: 46)

The model suggests that the best predictor of Chinese parents' behaviour is their intention to buy. Thus, if marketers of baby milk powder are interested in predicting Chinese parents' buying behaviour, they may directly measure their intention. However, if they are also interested in understanding the underlying factors that contribute to parents' intention to buy in a particular situation, they may look behind intention and consider the factors that led to intention, that is, the Chinese parents' attitude towards the behaviour and their subjective norm. In accordance with this model, the Chinese parents' attitude towards the behaviour can be directly measured as their belief about the consequences of engaging their behaviour and their evaluation of these consequences. The subjective norm can be measured directly by how other people in the social environment influence parents' behaviour.

In this research, the Theory-of-Reasoned-Action model will be used to try to predict Chinese parents' buying intention, rather than trying to predict whether they will actually buy baby milk powder. Trying to predict behavioural intention from attitudes is much easier than trying to predict actual behaviour because many situational factors could cause consumers not to engage in an intended behaviour, for example, consumers may like a

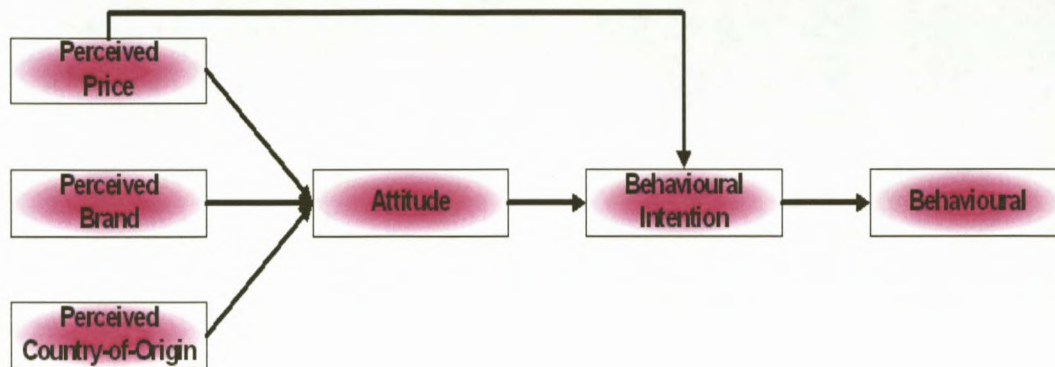
famous brand but the high price affects their final buying decision.

2.7.1 Determinants of attitude

The Theory-of-Reasoned-Action model supports the underlying causal relationships among behavioural beliefs, attitude, subjective norms and behaviour. Attitudes are important because they guide consumers' beliefs and evaluations (Hafstrom, Chae and Chung, 1997: 150) and affect consumers' intention to buy (Ryan, 2002: 263). Attitude is defined as an overall evaluation that expresses how much consumers like or dislike an object, issue, person or action. Thus, consumers have attitudes towards brands, products categories, price, advertising and Country-of-Origin.

Based on the Theory-of-Reasoned-Action model and previous studies, behavioral beliefs precede and influence the formation of attitude, defined as "the strength of positive or negative beliefs that a person holds towards a particular behaviour" (Ajzen, 1991: 211). Dimensions of behavioural beliefs include price, brands, packaging and Country-of-Origin (Marcous, Filiatrault and Cheron, 1997: 22). According to Miniard and Cohen (2001: 331), when consumers engage in product evaluation, they base their behavioural beliefs on various descriptive, inferential or informational cues. Such cues can be intrinsic (such as colour, design and specifications) or extrinsic (such as price, brand and Country-of-Origin). Hui, Siu and Wang (2001: 340) identify that Chinese consumers utilize extrinsic cues to aid in the choice process, their quality perception of food was based on extrinsic cues, they use price, brand and Country-of-Origin information to evaluate the intrinsic cues, such as nutrition and safety, which relate to the product itself and the processing method. For example, price may be used to evaluate the quality of a product when other information is lacking. Other extrinsic cues include those that are controlled by the firm, such as guarantees, brand reputation (Forsythe and Kim, 1999: 280), seller reputation (Siu and Chan, 1997: 119) and promotional messages (Ehrenberg, Hammond and Goodhardt, 1994: 16).

FIGURE 2.4: THE INVOLVEMENT OF PRODUCTS ATTRIBUTES IN THE FORMATION OF BUYING ATTITUDE



Source: Adapted from Marcous, Filiatrault and Cheron (1997: 22)

The evaluation about the outcomes of behaviour towards selected factors, that is price, brand and Country-of-Origin, was analyzed to measure Chinese parents' attitude in this research (Figure 2.4). These three constructs constitute the major determinants of parents' attitude, which mediates the relationship between the three beliefs and parents' intention. There is also a direct link between perceived price and behavioral intention. The rationale is that parents may have a negative attitude, yet the positive belief of high price with good quality can lead to positive buying intention (Taylor and Todd, 1999: 154). Although the effect of these constructs is less known and infrequently acknowledged in baby milk powder acceptance, they constitute some important concepts and, thus, worth additional research effort.

2.7.1.1 Attitude towards price

Consumers rely on various information cues or product attributes in their decision-making. Price represents extrinsic cue and it is one of the most important kinds of information that consumers use when they make a purchase decision, accounting for 40% of their information search (Helegeson and Beatty, 1995: 95). The price cue, however, is likely multidimensional, taking on a positive or negative role in consumers' decision making, that is, price itself facilitates or debilitates the possibility of purchase

(Lichtenstein, Ridgway and Netemeyer, 1993: 243).

As described by Lin (1995: 218), Chinese economic institutions are evolving from a socialistic economy. People, who were born before 1976, grew up in Mao's socialist regime. They experienced the Cultural Revolution and lack of conspicuous consumption. People, who were born after 1975, were known as Economic Modernizers. They grew up under Deng's economic reform policy and open-to-the-outside-world policy. They appreciate the monetary benefits. They are consumption oriented, willing to spend and experiment with new products, but they are also price sensitive and conservative in product choice. According to Shamdasani and Rook (1999: 18), Chinese consumers are value buyers and informed buyers; not price buyers. They look at the value/price relationship and won't necessarily buy the lowest-cost item if it won't last long or isn't of good quality. There is a lot of value buying rather than price buying consumers in China. In supermarkets, Chinese consumers read product contents and compare quality and prices. A number of research studies support the view that Chinese consumers rely on price as an indicator of product quality if they have little information to go on, or if they have little confidence in their own ability to make the choice on other goods (Lin, 1995: 126). They attribute different qualities to identical products that carry different price labels. When consumers are familiar with a brand name or has experience with a product, price declines as a factor in product selection.

Imported baby milk powder are generally accepted and viewed as high quality, safer and worthy of their higher price tag. Chinese parents are willing to pay for quality, but also react positively to a good bargain, which caters to their innate desire to save. Though the prices of imported milk powder in China are much higher than local products, there are still many willing buyers. Previous reports argue that this purchase behaviour is impelled by the perceived high quality of imported food (Lee, Yun and Lee, 2005: 70). However, perceived quality itself cannot explain this behaviour comprehensively without examining the intended use behind the decision to purchase.

Since price is so often considered to be an indicator of quality, some products deliberately

emphasize a high price to underscore their claims of quality. A comprehensive review of the literature indicates that a positive price/quality relationship does exist (Fan and Xiao, 1998: 294). However, when other cues are available (e.g., brand name, store image), these are sometimes more influential than price in determining perceived quality. A study which investigated the effects of the extrinsic cues of price, brand and store information on consumer's perceptions of product quality found that price had a positive effect on perceived quality but a negative effect on perceived value and respondents' willingness to buy (East, 1997: 227).

2.7.1.2 Attitude towards brand

Although price is clearly a factor, one thing that is somewhat counterintuitive is the importance of brand, particularly in China, whose purchasing power is increasing. For the first time, people can afford a car, a TV or a computer and the brand that they buy is really a reflection of their place in society.

Products will sell themselves based on their merit and consumer need. However, with increased westernization, higher education and greater incomes, brand recognition is on the rise in China (Hatfield, 2004: 39). Effective branding will be the difference between success and failure in China. Dickson, Lennon and Montalto (2004: 315) indicate the importance of brand by indicating that many Chinese consumers used to leave the makers' tags on the sleeves of their suits and the brand stickers on their sunglasses, even though they understood that these should be taken off as suggested by western habits. However, according to the results of recent research (Cui, Wang and Zhou, 2004: 35) into consumer behaviour in China, Chinese consumers now regard the brand as a less important factor than factors such as style, quality, cut, fit, colour, ease of maintenance, the service of the salespeople, price and shop image. This attitude implies that consumers in China are becoming more advanced in their buying requirements and can no longer be deceived by superficial factors. The maturing of Chinese consumer behaviour does not mean the failing of the brand effect. In fact, consumers' emphasis on style, quality and workmanship brings an opportunity to expand the brand effect, because a successful brand should be synonymous of a popular product with good style, high quality and good

workmanship.

Huland (1999: 40) conducted a rational factor analysis of the Chinese consumers buying decision of baby products. The variables examined were foreign brands and domestic brands. The study found that foreign brands weighed heavier than domestic ones in middle and high-end goods, including baby food and toys. Foreign brands are perceived to have better nutrition, quality and safety. Favourable brand had a positive effect on perceptions of quality; however, unlike the price dimension, they also had a positive effect on perceived value and willingness to buy. However, domestic brands were gaining popularity in certain fields such as baby clothing and the rise of Chinese brands is also seen as a global phenomenon. In terms of instant consumer goods, such as food, drinking, domestic and foreign brands seemed to be on par. The researcher concluded that Chinese consumers tended to be more rational on the choice of baby product; the price and image of brand have a persuasive impact on their buying decisions. Chinese consumers have strong loyalty to high quality brands and frequently recommend those products and services to others; word-of-mouth communication is key to product. Consumers are attracted to the established brand names, as they are seen as a guarantee of authenticity and quality goods (Chin, 2002: 211).

The growth of the economy is changing the way people look at buying brands and the way they perceive themselves as people with money. As described by Murray (2004: 99), Chinese consumers are experimental. They will pay a premium price for a new brand to try it. However, if it's not better, they won't buy it again. Consumers want products that are practical and work well, they also covert brands that convey images of success. Brands are important - not necessarily because people need the esteem and want to stand out, but because they actually want to fit in with everyone else who buys brand-name goods. These results indicated that Chinese consumers use brands for self-expressive purposes. This has led to a form of anxiety heretofore unknown in China. It's been called "consumptive anxiety" (Cui, 1999: 56); the definition of the term is the need for people to buy products so as "not to be left behind". Chinese consumers use brands to re-assert their similarity with others in the referent group. Moreover, Chinese consumers are more

likely to overestimate the similarity of their own self with others and remember information suggesting they are similar with others.

Chinese society is a relationship society (Malhotra and McCort, 2000: 101); Chinese are not so easy with big bang advertising. In terms of messages, they listen to recommendations and emotional appeals. They are readers and talkers and branding works well using word-of-mouth. Brands, therefore, must tell a story and have a strong identity and history. Some western brands make the mistake of addressing personal or individualistic things in their promotions. The Chinese think in terms of community. They look at group issues; they see themselves as members of a group. Consumers are becoming more demanding and brands must be able to meet their desires. They want to buy something of good quality, something that will last a while. Brand is very important and relevant, both from a practical perspective of 'I want this thing to last' (Vence, 2005: 19) and from an emotional perspective as a reflection of a consumer's place in society (Hair, Anderson and Tatham, 2003: 251). The younger generation is more likely to experiment with more westernized brands as opposed to traditional alternatives.

2.7.1.3 Attitude towards Country-of-Origin (COO)

Since Schooler (1965: 396) first explored the national image in his research, it has been verified that the national image has had an impact on consumer belief, evaluation, attitude and buying intention. This verification shows that consumers seem to have a different appraisal of products made by different countries. Bilkey and Nes (1992: 99) reviewed papers concerning Country-of-Origin and discovered that the Country-of-Origin does have effects on product appraisal and the consumers' product purchase decision. International marketers are concerned with the effect of Country-of-Origin because Chinese consumers may evaluate a product based on their perception of the Country-of-Origin. As new foreign markets emerge, knowledge about Country-of-Origin images in this market will enable marketers to make wiser decisions.

a) Definition of Country-of-Origin (COO)

Saeed (1994: 600) points out that Country-of-Origin means that the country, with which a manufacturer's product or brand is associated, is called the home country. For some brands, Country-of-Origin belongs to a given and definite country, such as IBM belongs to the USA and SONY is a Japanese brand. However, Ahmed, Johnson and Boon (2004: 108) define Country-of-Origin as the country that conducts manufacturing or assembling, which follows the definition stated by Saeed (1994: 588). Saeed (1994: 604) indicates that Country-of-Manufacture (COM) represents the last location/country of manufacturing or assembling a product. Therefore, Saeed (1994: 599) defines Country-of-Origin as the Country-of-Manufacture. In addition, Roger, Kaminshi, Schoenbachler and Gordon (1994: 98) report there is no distinct difference between location of manufacture and location of assembly and this causes no significant difference to customers concerning product appraisal. Roth and Romeo (1992: 479) assert that Country-of-Origin effect means customers' stereotypes of one specific country. According to the definition stated by Johansson and Thorelli (1985: 71), a country's stereotype means people in a country (or specific people) have stereotypes and preferences for products of another country. However, Saeed (1994: 586) perceives that Country-of-Origin effect means any influences or preferences caused by Country-of-Origin and/or Country-of-Manufacture.

b) The effects of Country-of-Origin (COO)

Zhou and Hui (2003: 39) state that international co-operation has gradually become a major stream of modern business in China. Chinese consumers no longer consider "Location-of-Manufacture" as a single source of reference information; they particularly perceive that the Country-of-Origin image makes a great influence. Hong and Wyer (2003: 178) report in their research that the Country-of-Origin information did influence a consumer to evaluate the country's product quality. Moreover, Han (2000: 38) points out that country information does influence a consumer's purchase decision, especially when the Country-of-Origin image appears negative, a consumer might have a negative image of that country's product. Lee, Yun and Lee (2005: 70) and Tseng (2001: 55) assert

that the Country-of-Origin brand do affect product, service and the purchasing intention. Therefore, the Country-of-Origin brand and its country's image do play a very important role when consumers make a decision and would affect consumers' preference level and, furthermore, affect their purchasing intention and information search intention.

Empirical evidence in Country-of-Origin research has converged the notion that Country-of-Origin information is often used by Chinese parents as a surrogate information cue in baby product purchase evaluation. This tendency is strongest if knowledge or awareness of product attributes is low or not very accurate (Siu and Chan, 1997: 118). Therefore, it may be expected that when Chinese parents shop for baby milk powder, which possess features that are more complex and difficult to evaluate, they may be more likely to rely on the Country-of-Origin image of a product to aid them in their evaluation and choice processes.

Cultural and economic development has been linked with consumers' differing use of Country-of-Origin information when evaluating and purchasing products (Lowe and Corkindale, 1998: 866). A number of studies have found that consumers' purchase choice, perceptions of quality and perceived value for a variety products is influenced by Country-of-Origin; they perceive products produced in the United States or other developed countries more favourably than those assembled in developing countries (Piron, 2000: 308). For example, Country-of-Origin has been found to have an effect on Chinese consumers' reactions to foreign brands and product evaluations (Ahmed and D'Astous, 1999: 111).

Some researchers have argued that for consumers in less developed countries, such as China, Country-of-Origin is likely to play a more significant role in influencing their product evaluation and shopping behaviour (Zhou and Hui, 2003: 56). Unlike their counterparts in more developed countries, this role is partly because consumers in less developed countries have less abundant information and purchasing experiences with foreign products. This deficiency may be particularly the case with more expensive and complex products. As a result, Chinese parents may have to rely more heavily on

surrogate information cues, such as the producing country's image in product evaluation. Therefore, Country-of-Origin information can be more important for baby milk powder with more complex features than a more common and less important product with simple features. Hong and Wyer (2003: 177) report that when customers hear any news or find any clues about Country-of-Origin, such as price or brand, the Country-of-Origin effect on the consumer recognition process should be observed from two perspectives. One is the halo effect; the other is the summary construct effect. When the consumer is not familiar with a specific country's product, then the country image would cause a halo effect, which would not only directly affect the consumer's trust in the product, but also it would indirectly affect the consumer's overall evaluation of the product (Erickson, Johansson and Chao, 1999: 685). However, when consumers are very familiar with a specific country's product, then they refer product-associated information to the country and this causes a summary construct effect. This effect would indirectly affect consumers' attitude towards the brand (Han, 1999: 226).

2.7.2 Determinants of subjective norm

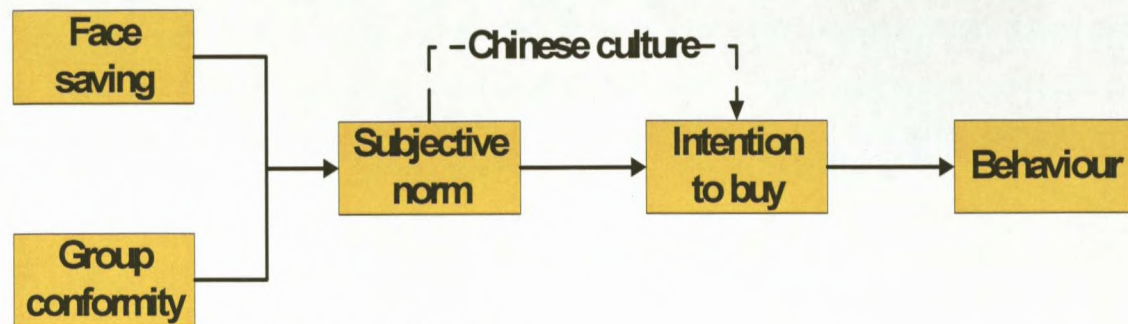
To predict consumers' behavioural intentions, the consumers' subjective perceptions of the normative influences, also known as subjective norm (Figure 2.3) must also be examined. Subjective norm refers to the perceived social pressures, arising from influential persons in a consumer's social life, which are associated with performing certain behaviours (Tseng, 2001: 55). Influences of subjective norm can be measured by assessing consumers' feelings as to what others (family, friends, roommates and co-workers) would think of the action being contemplated; that is, would they look favourably or unfavourably on the anticipated action (normative beliefs) and the consumers' motivation to comply with significant persons. Such a measure represents an individual's internalized ethical rules, which reflect their personal beliefs about right and wrong (Lee and Green, 2000: 290). In some countries, normative beliefs and the motivation to comply with other people play a powerful role in how people behave. It is reasonable to assume that subjective norms play an important role in shaping consumers' buying intention in a collective culture, such as China. Important here is whether the influential people, such as relatives, close friends, doctors and leaders, approve or

disapprove of Chinese parents' buying behaviour towards baby milk powder. Therefore, the Theory-of-Reasoned-Action model is used to explore Chinese parents' buying intention of baby milk powder. In this research, the model takes these social factors into account.

In the case of the measurement of the subjective norm, construct equivalence is an issue. Cultural reasoning processes may impact on the nature of the constructs of the subjective norm and their most appropriate measures (Hui and Triandis, 1985: 136). Norms are directly influenced by culture (Bearden and Etzel, 1992: 188). Thus the nature of the influences of subjective norm specified by the Theory-of-Reasoned-Action model must be assessed within the culture context. However, in the Theory-of-Reasoned-Action model (Fishbein and Ajzen, 1975: 57), although tested cross-culturally (Davidson and Thompson, 1990: 52), the nature and utility of the subjective components was still questioned, because the model has been criticized for representing a western view of the influence of subjective norm (Lee, 2000: 29), for example, the assuming western perspectives on time orientation and probabilistic thinking (Cote and Tansuhaj, 1989: 109).

From a Confucian perspective, Lee and Green (2000: 299) incorporate two salient Confucian concepts - face-saving and group conformity - to Fishbein's behavioural intention model. Both of these two concepts have been found to influence consumers' subjective norm and behavioural intention in Confucian cultures, such as China (Hofstede, 1999: 84). Lee (2000: 35) argues that considering the strong social pressures on Chinese consumers; it is likely that individuals' attitudes will be heavily influenced by face-saving and group conformity motivations as well as by personal beliefs and evaluations. The previous researches failed to represent the Chinese norms for face-saving and group conformity, which is deeply involved in the formation of social norms in Chinese culture. Thus, cultural variability of the influence of subjective norm on buying intention in the Theory-of-Reasoned-Action model was examined by face-saving and group conformity in this research (Figure 2.5).

FIGURE 2.5: THE INVOLVEMENT OF CULTURE IN THE FORMATION OF SOCIAL NORMS



Source: Adapted from Lee (2000:30)

2.7.2.1 Face saving

The Chinese concept of face has two dimensions, *mien-tzu* and *Lien* (Hu, 1999: 48). *Mien-tzu* represents “the kind of prestige that is emphasized in America: a reputation achieved through getting on in life, through success and ostentation” (Hu, 1999: 45). *Lien*, on the other hand, represents “the confidence of society in the integrity of the ego’s moral character, the loss of which makes it impossible for him/her to function properly within the community. *Lien* is “both a social sanction for enforcing moral standards and an internalized sanction” (Hu, 1999: 45). These two concepts of face have interdependent meanings. If one loses face (*mien-tzu*), then the confidence of society in one’s moral integrity (*lien*) is also lost. Face motivates Chinese consumers to act in accordance with one’s social position. ‘Face’ is a concept of central importance among people in China, it has a pervasive influence on their interpersonal relationships (Yau, 2002: 53).

Face is lost when conduct or performance falls below the minimum level considered acceptable or when some essential requirements corresponding to one’s social position are not satisfactorily met (Ho, 2001: 63). Moreover, the possibility of losing face may arise from how an individual is expected to act or to be treated by other members in his or her group. Thus, interpersonal behaviour in China will be determined by its effect on others and on the individual’s reputation, dignity and integrity. Consumers in China are always under strong constraints to act to meet the expectations of others so as to maintain face. If a Chinese consumer acts contrary to expectations of his/her social position, a

shadow is cast over his/her moral integrity. Thus, face pressure is “more like a personal norm”, capturing personal perceptions of living up to the standards of his/her position. Not only does subject norm account for this personal moral aspect of decision-making, but it also measure perceptions of the salient referent’s opinions. Hence, a second normative construct, group conformity, was created by Chinese society.

2.7.2.2 Group conformity

In collectivist societies, the emphasis is on following group norms; group achievement and strong group-ties, while in individualist societies the emphasis is on personal freedom, personal achievement and individual decision-making. For example, in collectivist societies such as China, the dominant collectivist orientation calls for a primacy of the goals and welfare of the laterally extended group (Ho and Gentry, 1999: 139). Chinese are highly motivated towards group norms of behaviour, even if private views conflict with the group. People are willing to sacrifice themselves for the greater benefit of the social unit or the society (Yau, 2002: 57). Thus, most Chinese feel strong social pressure to comply with the group norms regardless of their own private views. Furthermore, collectivist societies emphasize in-group obligations, interdependence and preserving the welfare of others (De Mooij, 2004: 176). Societal norms and societal pressure have been shown to have a significant impact on behavioural intention formation in collectivist societies (Lee and Green, 2000: 290). Commercial in collectivist societies have been found to emphasize group-consensus appeals, family security and family ties (Tsikriktsis, 2002: 109).

The typical Chinese consumer does not want to be among the first to try a new product, but the discomfort of being ‘behind the times’ may make them think that if neighbours have tried it, they had better follow suit soon. Chinese consumers have a motivation to consume products and services similar to those consumed by their peers. This is particularly the case for goods consumed for health and safety, and publicly consumed goods, such as food and accessories. Donthu and Yoo (1998: 179) state that Chinese consumers have a high motivation and propensity to conform in their consumption choices and the profound influence of Confucius’ teachings on Chinese consumers’

consumption choices is manifested in their high motivation to comply. Chinese consumers are not likely to deviate, if a reference group has established a product as the normative standard, people would like to buy products as similar as possible to that of their neighbours, they seek to 'fit in with the crowd'. According to Heslop, Papadopoulos and Bourk (1998: 127), the influence of peers presented at purchase is critical to what products are chosen by Chinese consumers. This is also found in Donthu and Yoo's (1998: 176) study, namely, that Chinese consumers' choices are often influenced dramatically by peers.

Consumers with different types of self-concepts may also have different types of experiences, cognition, emotions and motivations (Markus and Kitayama, 1991: 250). For example, consumers in America are classified as independent, they believe that they are separated from the social context; therefore, American consumers want to be unique and be able to express themselves. However, consumers in China are classified as interdependent; they think that they are connected to the social context, they want to belong to a group and promote others' goals; therefore, Chinese consumers consider that relationships with others in specific contexts define themselves. They tend to form attitudes that serve the social adjustment function in order to strive to fit into various social situations.

2.8 PRODUCT KNOWLEDGE

Product knowledge plays an important role in the research of consumer behaviour; therefore, it is an essential research subject in Chinese parents' buying behaviour towards baby milk powder. The extent to which one's intentions to perform behaviours can be carried out depends, in part, on the amount of product knowledge one has over the behaviour. That is, the knowledge and information available to a person must, to some extent, dictate the likelihood of behaviour achievement. The previous sections explained how culture, social trends and cognitive responses could affect parents' behavioural intention. This section examines how product knowledge can affect parents' cognitively based attitudes when the processing effort is extensive.

Parents' shopping behaviour patterns together with their product information gathering are very important to the design of marketing strategies that target the large market in China. It is important to know what information parents use to guide their marketplace behaviour since it will determine their purchases. As described by Ajzen (1991: 180), the relative importance of attitude and subjective norm in the prediction of intention is expected to vary across behaviours and situations. Examining the effects of product knowledge in the Theory-of-Reasoned-Action model can enhance the knowledge of this study.

2.8.1 Definition of product knowledge and its measurement

Lin and Zhen (2005: 92) assert that product knowledge depends on consumer's awareness or understanding about the product, or consumer's confidence about it. However, Alba and Hutchinson (2000: 412) indicate that product knowledge should contain two parts, which are: expertise and familiarity with products. Brucks (1995: 12) states that product knowledge is based on memories or known knowledge from consumers. Based on the definition of Brucks about product knowledge, product knowledge can be divided into three major categories: subject knowledge or perceived knowledge, objective knowledge and experience-based knowledge. The aim of Brucks' measurement of product knowledge is to measure the understanding and confidence level of product attribute and information. In summarising the above literature of product knowledge, an index can be used to measure consumers' product knowledge which includes: the consumers' perception of how much they know about a product, what type of knowledge consumers have stored in their memories, how much of the product that consumers purchased and consumers' usage experiences.

Two knowledge constructs have been distinguished by Park, Mothersbaugh and Feick (1994: 77). The first construct is objective knowledge: accurate information about the product class stored in the long-term memory. The second construct is subjective knowledge: consumers' perceptions of what or how much they know about a product class. Although subjective and objective knowledge are related, they are distinct in two aspects (Alba and Hutchinson, 2000: 412). Firstly, when consumers do not accurately

perceive how much or how little they actually know about a product, subjective knowledge may over or under estimate their actual product knowledge. Secondly, measures of subjective knowledge can indicate self-confidence levels as well as knowledge levels. That is, subjective knowledge can be thought of as including consumers' degree of confidence in their product knowledge, while objective knowledge only refers to what consumers actually know. Consumers' behaviours are strongly influenced by their confidence in the ability to perform their buying decisions.

2.8.2 The moderating role of product knowledge

As discussed in the previous section, subjective knowledge, which is one component of product knowledge, reflects a person's self-confidence in the ability to conduct the behaviour. If a Chinese has strong subjective product knowledge, he/she will have higher confidence in the ability to carry on his/her consumption behaviour. His/her attitude towards the behaviour already shows this confidence. Therefore, the effect of subjective norm on behavioural intention will be weaker when a Chinese has high subjective product knowledge. On the other hand, if a consumer has lower subjective product knowledge, he/she will have less confidence in the ability to carry on the consumption behaviour. When forming behavioural intention, attitude toward the behaviour will not be the dominating antecedent. In this kind of situation, subjective norm, on the other hand, will become an important factor for consideration. Therefore, subjective knowledge, instead of objective knowledge, may moderate the relationship between attitude and behavioural intention. The effect of attitude on behavioural intention will be stronger when the consumers have a high level of subjective product knowledge than when consumers have a low level of subjective product knowledge. Objective product knowledge does not moderate the relationship between the two antecedents (attitude and subjective norm) and behavioural intention.

2.8.3 The influence of product knowledge on consumers' information search behaviour

Consumers vary in their knowledge about products, depending on their personal

experiences. For example, a consumer might be highly knowledgeable about computers but not TV, or about food but not kitchen catering. These differences in knowledge have important implications for consumers' pre-purchase information search activities (Alba and Hutchinson, 1999: 347). Yet, the findings from past studies are equivocal (Klein, Ford, 2003: 29). Moore and Lehman (1994: 302) have found a negative relationship between knowledge and information search, suggesting that prior knowledge increases the consumers' confidence in their own evaluations. Conversely, other investigations report a positive relationship between search and knowledge, because experts tend to have reduced cognitive costs associated with additional information search and they perceive the benefits from search to be greater than novices (Johnson and Russo, 1984: 550).

The relationship between product knowledge and information search has not yet generated any definite conclusion. Some scholars state that consumers' understanding in product knowledge has a positive correlation to information search quantity (Selnes and Troye, 1989: 413). Some scholars assert that these two variables have a negative correlation (Brucks, 1995: 16). Therefore, when scholars face these two different conclusions, they submit to another theory, i.e. product knowledge and information search quantity has a U-shape correlation rather than simply a linear correlation (Johnson and Russo, 1984: 549).

To understand consumers' buying behaviour, their product information search is an important construct. This is because, before consumers perform actual purchasing behaviour; they most likely experience two procedures. The first is information search: this means when consumers face many consuming relevant questions, they require relevant information to assist with their consuming decision. This type of search of appropriate information procedure is called information 'search' (Solomon, 1997: 213). The second procedure is information 'processing': consumers select to expose, notice, recognize, agree, accept or retain. No matter how much knowledge they have, it all affects their procedures concerning information search and information processing (Brucks, 1995: 15). Much evidence shows that product knowledge does have an impact

on information processing to the consumer (Larkin *et al.*, 1990: 338). For example, Zhu (2004: 312) states that, when Chinese consumers select a product, they usually relies on their product knowledge to evaluate it and their product knowledge would also affect their information search procedure, attitude and information search quantity. In addition, consumers level in product knowledge would determine their purchase decision and indirectly affect their buying intention.

When consumers seek information for the particular products, they rely on certain information sources (Shim, 1996: 566). Consumers learn their consumer-related behaviours such as seeking product information, brand preferences and brand loyalty through interacting with these various information sources. Marks and Olson (2001: 149) point out that, when Chinese customers are making decisions, they search for more information before making their purchase; their product knowledge is an important element when purchasing. In relation to products, with the exception of considering image of Country-of-Origin, price and brand, consumer product knowledge is an important element when purchasing.

2.9 CONCLUSION

The aim of this chapter has been to gain an insight into the existing knowledge of the four main objectives of this study; that is, the influence of Chinese culture on parents' buying decision, how parents' shopping behaviour are affected by social trends, parents' perceptions toward price, brand and Country-of-Origin and the relationship of product knowledge and buying behaviour.

The literature review indicates that cultural and social trends are factors that affect parents' demands for baby milk powder in the context of China's One-Child policy. China is a country that is strongly influenced by collectivist value, which promotes the welfare of their in-group. Therefore, the conspicuous consumption is quite high and face saving is very important in China. The strong relationship among families created word-of-mouth sources and emotional trust. Chinese have a long-term orientation, which

is reflected by their thriftiness. The social environment is rapidly changing in China. Therefore, women have more opportunity for higher education and go into the job market; the average income has increased and there is a strong middle class emerging in China. Chinese consumers' lifestyles are getting busier, however, the provision of schooling and good nutrition for children is still very vital. Since Chinese couples can only have one child, they reject products what are of low quality. Three selected factors, which are, price, brand and Country-of-Origin, were used to determine parents' attitudes toward baby milk powder by the Theory-of-Reasoned-Action model. The literature indicates that Chinese consumers look at value/price relationship, they are value buyers but not price buyers. Consumers associate good brand and imported products as safe and with good quality. Consumers' product knowledge was also reviewed. The literature shows that subjective knowledge may affect consumers' attitude towards a product and the differences in knowledge also influence consumers' information search activities.

The next chapter explains and justifies the selection of the appropriate research design and sample to explore the broad issues of this study. This explanation is followed by a description of the research process, in particular, the administration of the questionnaire and the accomplishment of the interviews.

CHAPTER THREE RESEARCH METHDOLOGY

3.1 INTRODUCTION

Chapter two focused on the relevant literature as the main source of information to complete a conceptual framework for the area of this study. It is now fitting to focus on the thinking that guided the research methodology, research methods and research techniques that have been used in this study. The different approaches had to be critically considered before the researcher could make an informed decision about their suitability for the study, bearing in mind the problem and objectives of the research, as well as the broad issues to be explored, as described in the first chapter.

This chapter commences with the research design. The research sampling and sampling size is also considered. The actual process of data collection and the methods of data analysis for this study are described in the following sections.

3.2 RESEARCH DESIGN

The definition of research design and the design of this study is explained.

3.2.1 The definition of research design

Research design has been defined as the deliberately planned “arrangement of conditions for analysis and collection of data in a manner that aims to combine relevance to the research purpose with economy of procedure” (Cooper and Schindler, 2003: 152). In other words, a design is a particular approach to the collection of research data, which combines validity of findings with economy of effort. Jankowicz (2005: 196) states that the idea behind a design is that different kinds of issues logically demand different kinds of data-gathering arrangements so that the data would be:

- Relevant to the dissertation;

- An adequate test of the dissertation (i.e. unbiased and reliable);
- Accurate in establishing causality, in situations where one wishes to go beyond description to provide explanations for whatever is happening ; and
- Capable of providing findings that can be generalized to situations other than those of your immediate organization.

3.2.3 Rationale for a methodology for this research

According to Hussey and Hussey (1997: 10), exploratory research is conducted into a research problem or issue when there are very few or no earlier studies to which researchers can refer to information about the issue or problem. In exploratory research, the focus is on gaining insights and familiarity with the subject area for more rigorous investigation at a later stage. The above authors also stated that the first step in research design is to identify a research problem or issue. As the phenomenon of the 'little emperor' resulted from the China's One-Child policy, Chinese parents' evaluation of baby milk powder attributes, such as price, brand and Country-of-Origin, have developed relatively recently in China. Therefore, there is a dearth of literature, as was alluded to in the literature review. The concepts and theory development is still relatively new and less rigorous compared with research in the natural sciences. The purpose of this study, therefore, is to explore and gain an insight into a research area that is not well known. This research may, therefore, be considered to be exploratory in nature, because there is a lack of a clear solution to the problems.

In spite of the perceived extremes of the quantitative and qualitative research paradigms, McDaniel and Gates (2005: 12) indicate that a quantitative approach involves collecting and analysing numerical data and applying statistical tests, while a qualitative approach is more subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of social and human activities. Babbie and Mouton (2001: 232) state that surveys might be used for descriptive and exploratory purposes. Such approaches are commonly used in studies that have individual people as the units of analysis. In this study, a quantitative approach is adopted by using a questionnaire survey for the collection and analysis of the data.

3.3 SAMPLING

It is obviously desirable for the data from a sample to reflect the population of interest accurately. To achieve this objective, steps in the sampling process in this study are: the population is described first, followed by the explanation of what sampling method and sample size was used in this study.

3.3.1 Definition of the Population

The first step in the sampling process is defining the population. According to Sudman and Blair (1999: 307), a sample is, by definition, a subset of a larger population and the population is the entire set of elements being studied. Two questions were answered in defining a population for sampling purposes: what are the population units and what are the population boundaries?

The first step in defining a population is defining the population units. The definition of population units for this study depended on the product, baby milk powder, being studied, the market segments of Chinese parents and the phenomena of China's One-Child policy. The appropriate population is made up of individuals, because baby milk powder is bought at the individual level. The distribution of staff members is shown in Table 3.1.

TABLE 3.1: DISTRIBUTION OF STAFF MEMBERS AT SHANDONG UNIVERSITY

Strata	Number of members
Principal	15
Head of Department	89
Lecturers	3243
Receptionists	496
Other employees	4079

Source: Adapted from Zhao (2004: 16)

Once the population units have been defined, the next step was setting the boundaries of the population. Population boundaries are the conditions that separate those who are of interest to a research project from those who are not (Sudman and Blair, 1999: 308). The boundary conditions in this research included:

- A person who had bought baby milk powder within the last six months. This separated subjects of interest to this research;
- That person intended to buy baby milk powder within the next six months; this meant population boundaries were stated in operational terms so that data collectors could tell who should be measured and who should not;
- That person's income should fall between from USD300 to USD600, which means subjects were in the target market of baby milk powder;
- Subjects were limited to lecturers at Shandong University, the majority of whom were expected to be parents. This selection helped ensure the cost-effectiveness of this research, although it was recognized that some parents who came from outside the area of Shandong University would be missed by this definition; and
- Parents whose babies are under one year old.

3.3.2 Sampling Method

Once the population of interest was defined, the next decision was what type of sampling method to use. A sample is made up of some of the members of a population. A population may refer to a body of people or to any other collection of items under consideration for research purposes (Leedy and Ormrod, 2005: 212). Vogt (1993: 202) defines a sampling frame as a list or other record of the population from which all the sampling units are drawn. In this study, the target population is all the staff at Shandong University and this population formed the sampling frame from which the researcher could take a sample. Since the sampling frame consists of all the staff at Shandong University, the following strata were identified: Principal, Head of Department, lecturer, receptionist and secretary. According to Sudman and Blair (1999: 231), stratified samples should be used when population subgroups have different variances for some variables being studied. The primary research objective was to identify the middle class Chinese parents' different perceptions for the variables being studied, such as culture, price, brand and Country-of-Origin. The procedure of designing the stratified sampling is as follows:

Firstly, Shandong province was chosen because of its 'citizens' disposable incomes,

which have always been above the national average. The choice of Shandong province was not only because it is one of the most economically developed coastal provinces in China, but also because it is a major contributor to the ancient Chinese culture - the birthplace of Qilu culture (http://en.wikipedia.org/wiki/Shandong_University).

Secondly, the reason to choose Shandong University is that it is easy to access and the University has 902 professors among 7922 faculty members and school employees (<http://www.sdu.edu.cn/english/second/009sdu-fact.html>). The university is one of the oldest and most prestigious universities in China.

Thirdly, the sample was made up of individuals in Laoxiao and Nanyuan dormitories and the Esatern campus at Shandong University. Laoxiao and Nanyuan were selected because they are dormitories in which a majority of lecturers live and two research assistants also live there; Eastern campus was selected as it is the main campus of Shandong University.

Fourthly, purposive samples were used in this study, i.e., males and females between the ages of 25 and 35 who were living in Laoxiao and Nanyuan dormitories and lecturing in the Esatern campus at Shandong University, China. Chinese is their first language, but they all speak English as well. They are well educated and skilled; they have their own occupations and incomes and pay for all their own living expenses. Their incomes vary from USD300 to USD600 per month, which helps them to be financially independent.

The reason for choosing lecturers as subjects lies in two aspects. Firstly, lecturers have higher incomes, which results in strong purchasing power. They consider product information when buying baby milk powder and are probably more concerned about baby milk powder quality than parents with low purchasing power. Secondly, lecturers with high education are one of the most important marketing segments for marketers. Whilst the use of Chinese lecturers at Shandong University was a weakness of the research, but the findings are still useful as a starting point for understanding Chinese parents' buying intention outside of Shandong University.

3.3.3 Sample Size

The question of the appropriate number of subjects to include in a sample is very complex. All the factors involved are discussed in detail by Czaja and Blair (1996: 149). Essentially, it is a question of deciding how accurate the researcher wants results to be and how confident the researcher wants to be in that answer. Shandong University consists of 30 colleges and a graduate school. As part of a large research project on Chinese consumer behaviour, the study was planned to find 400 Chinese mothers and fathers who have only one child at Shandong University. The response rates were 78%, and after deleting incomplete questionnaires, there are 312 respondents' questionnaires used to analyse the results.

3.4 DATA COLLECTION

Once the research design and sampling method had been decided, research participants were obtained according to the chosen sampling procedure in order to carry out this research. The most appropriate data collection method was considered in the light of this research problem and the particular population in question. Primary data was collected at Shandong University, China, by using questionnaires administered to the sample of mothers and fathers of children up to 12 months of age. According to Churchill and Iacobucci (2005: 176), primary data is data that is collected specifically to answer the question(s) posed by the current research objectives. Parents were given a Chinese version of the questionnaire with a cover letter explaining the procedures for completing the questionnaire. The cover letter also indicated that participation was strictly voluntary and assured confidentiality. Respondents were filtered at the start of the interview with oral screening questions, 'Are you a parent of a baby up to 12 months?', 'did you buy imported baby milk powder in the last six months?' and 'will you buy imported baby milk powder in the next six months?' i.e., the respondents were either newborn baby milk powder purchasers or potential purchasers. In following section, questionnaire design, pre-test and the data collection are explained.

3.4.1 Questionnaire design

The self-administered questionnaire was chosen as an appropriate survey method for this study. The advantage of the questionnaire is its low cost per targeted respondent. The disadvantage of the questionnaire is that response rates tend to be low. The questionnaire in this study included five major parts, which are: culture, social trend, product information, product knowledge and respondent's basic demographic information. Respondents were asked to indicate their level of agreement or disagreement with the statements by using a five point Likert scale (one = strongly disagree to five = strongly agree). The questionnaires used in this study were structured and had task-oriented questions; questions were derived from a detailed review of the literature. Social formalities such as introduction were observed and there was a logical flow to the questionnaire. A copy of the questionnaire is given in Appendix A.

The questionnaire was originally prepared in English, but because past research has shown that respondents provide more diverse and more reliable responses when answering in their native language (Church, Katigbak and Castaneda, 1998: 1780), the questionnaire was translated into Chinese to ensure the comprehension of the questions by the participant. People, not associated with the research project, were employed to translate the questionnaire from English into the Chinese language. The commonly endorsed method of back-translation using native Mandarin speakers was employed (Brislin, 1986: 128). People unaffiliated with the study back translated the questionnaire from Chinese into English to check for accuracy.

3.4.1.1 Planning questionnaire content

A list of the four research objectives was made, then was translated into a list of information goals that were specific enough to guide question formulation. The list of information goals was developed on the basis of culture, social trends, price, brand, Country-of-Origin and product knowledge. These information goals covered all the research objectives. The list of information goals was also trimmed before organizing the

questions into a questionnaire; the length of this questionnaire was not to exceed three pages.

According to Wegner (2001: 20), it is possible to obtain short open-ended answers in a survey. Questions for which the answers are numbers (e.g., 'in which year were you born') do not cause problems; questions with short verbal answers (e.g., 'what brands of cars do you and other members of your household own') are generally usable. There was one open-ended question among 29 closed ended questions, e.g. 'please list all the brands of baby milk powder that you know'.

3.4.1.2 Ordering the questions

After a list of questions that corresponded to the research information goals had been drawn up, these questions were organized into the questionnaire. In doing so, a logical flow for the questionnaire was developed. Sekaran (2003: 228) indicates that a possible order effect related to branching questions, which are asked only if a qualifying answer has been given to a previous question. A question was asked when a qualifying answer was given to the previous question, e.g., respondents were asked if they had ever bought imported baby milk powder in the last six months; if the answer was 'yes', they were asked if they would like to buy imported baby milk powder in the next six months. If the answer was 'no', the question about if they would buy again was skipped. The questionnaire started with a general question, then followed with specific attribute questions, e.g., 'did you opt for a baby milk powder because your lifestyle is busy that you couldn't breastfeed your baby?' were asked after asking respondents 'How many hours do you spend at work per day?'. Thus, respondents would not be able to select the choice of long-working hours in order to stress that their lifestyles are busy.

3.4.1.3 Pre-testing of questionnaire

A completed Chinese version was administered to a sample of 40 native Chinese speaking residing in South Africa. The pre-test for this study consisted of 20 Chinese mothers and 20 Chinese fathers between the ages of 25 and 35 were used. This pre-test revealed obscure intent and incorrect ordering of questions, but it also afforded an advanced view

of the data-gathering tasks and problems of the Chinese parents' buying behaviour. Items that were either confusing or poorly worded were noted and new translations devised. The new questionnaire was reviewed in South Africa by Chinese parents fluent in both Chinese and English. Again, alterations to some items were necessary in order to express the concepts in the most relevant Chinese terminology. This questionnaire was then used for the study.

3.4.2 The training of the research assistants

Two local research assistants helped to collect the data in the offices and dormitories of Shandong University. Sudman and Blair (1999: 173) state that well-trained interviewers could substantially improve the quality of data obtained. The common characteristics of successful interviewers are education and availability. The two Chinese research assistants are professors with high levels of education, which meet the requirement for communication skills for interviewers. Since the two research assistants were retired from the university, they were available when needed. Once selected, interviewers must be trained. Training occurred at two levels via international telephone calls.

TABLE 3.2: THE INTERVIEWING PROCESS

Name of location	Time	Date	Sample size
Laoxiao	17 : 00 – 21 : 00	15/04/2007 – 23/04/2007	125
Nanyuan	17 : 00 – 21 : 00	24/04/2007 – 08/05/2007	125
Eastern campus	9 : 00 – 12 : 00	09/05/2007 – 15/05/2007	150

The two research assistants located individuals from all apartments of Laoxiao and Nanyuan dormitories and departments of the Eastern campus. When research assistants were ready to start looking for potential interviewees, they walked into every apartment and department, knocking on lecturers' doors. When a lecturer answered the door, research assistants told them that a study was being conducted, what its purpose was and asked them if they would like to participate, immediately, or at a later date. It was hoped that this approach would enable the 400 Chinese sample elements to be found quickly. Table 3.2 is a schedule for the interviewing process. Chinese parents were interviewed at

the places on the dates and time listed. Data were collected in one month between the 15th of April and the 15th of May, 2007.

3.4.3 Administration of the instrument

The data collection instrument was developed with the goal of measuring the Chinese parents' buying intention towards baby milk powder under six independent variables in the context of China's One-Child policy, namely the Chinese culture, social trend, price, brand, Country-of-Origin and parents' product knowledge. The questionnaire comprised two parts with a cover page. The cover page provided a background to the study. The first part of the questionnaire investigated the influences of culture and social trend on parents' buying decision, the parents' attitude towards price, brand and Country-of-Origin and questions relating to parents' product knowledge. Finally, in the last part, demographic information was collected. Participants were asked to indicate their age, gender and level of education at the time of completing the questionnaire. The Chinese research assistants modified the content of these categories to fit the Chinese situation. For example, sanitation and digestive aid are environmental and cultural concerns in China.

3.5 DATA ANALYSIS

Data analysis was essential in order to determine the parents' attitude towards baby milk powder. The statistical methods employed in this study were verified by a statistician. The questionnaires were designed in a way that the responses could be coded and so the first step was to capture the data into a computer. This information was then analysed using a statistics programme called Statistical Package for the Social Sciences (SPSS), version 9.0 for Windows. The exploratory nature of the research required that first the frequencies be determined and then various 'story boards' linking the variables could be identified and described.

The various steps involved in analysing the data emanating from the interviews included the recording of information, then reducing it to smaller parts, examining it, categorising

it, interpreting it and finally presenting it. The presentation of the findings in this study is mainly narrative, supported with graphs, figures and tables, so as to express complicated relationships and to impart information simply. Depicting factual data in the form of categorical tables enabled different variables to be cross-tabulated and to be viewed quickly.

3.5.1 Descriptive statistics

Descriptive statistics is used to identify or summarise the general nature of all the responses obtained (Sekaran, 2003: 313). Descriptive statistics is the most useful technique to present and summarise the data in tables, charts, graphs and other diagrammatic forms. In this study, frequency was used as the descriptive statistics technique. A frequency is a numerical value which represents the total number of observations for a variable under study. A frequency distribution either gives an impression of the characteristics of each set of scores or indicates the relationship between the two sets (Saunders, Lewis and Thornhill, 2003: 130). In this study, frequency distribution, as an economical way of organising the data, was used to obtain a profile of the sample.

3.5.2 Inferential statistics

Inferential statistics is used to draw conclusions about a complete population by quantitative data collected from a sample (Leedy and Ormrod, 2005: 30). In most market research projects, the data available for analysis are a sample drawn from broader population of possible observations. In this study, samples were drawn from Shangdong University, China. Under this circumstance, inferential data analyses are used to measure the extent to which descriptive results from the sample represent or might differ from the population. T-test is used to see if there are any significant differences in the means for two groups in the variable of interest (Sekaran, 2003: 376). In this study, the paired T-test was carried out to test the significant difference between the two means of expectations and perceptions towards baby milk powder.

3.6 CONCLUSION

This chapter focused on the methodology used to collect the information. The definition of research design and the rationale for selecting a quantitative methodology approach have been explained. The sampling method used in this study was discussed, i.e. the defining of the population, how the subjects of the sample were selected in a purposive way and the sample size have been discussed. Data collection, including how the questionnaire was designed and pre-tested, was explained. The analysis of the data of the research was also covered.

The next chapter presents the research findings and the interpretation of these results.

CHAPTER FOUR EVALUATION OF RESULTS

4.1 INTRODUCTION

In the previous chapter, the research methodology that was used in the study were discussed and justified. In this chapter, a detail analysis of the findings emanating from the study is presented. Findings are accompanied by numerical tabulations and graphic presentations. This chapter is organized in terms of the following four objectives:

Objective one - To gain insight into how Chinese culture influences parents' attitude towards the buying decision of new-born baby milk powder

Objective two - To explore the influence of social trends on Chinese parents' attitudes towards new-born baby milk powder, i.e. the changing women's role, the increased income and the growing of middle class

Objective three - To identify the Chinese parents' perceptions about the product information provided, i.e. price, brand and Country-of-Origin

Objective four - To determine Chinese parents' product knowledge of newborn baby milk powder

4.2 OBJECTIVE ONE: THE INFLUENCE OF CHINESE CULTURE ON PARENTS' ATTITUDE TOWARDS THE BUYING DECISION OF NEWBORN BABY MILK POWDER

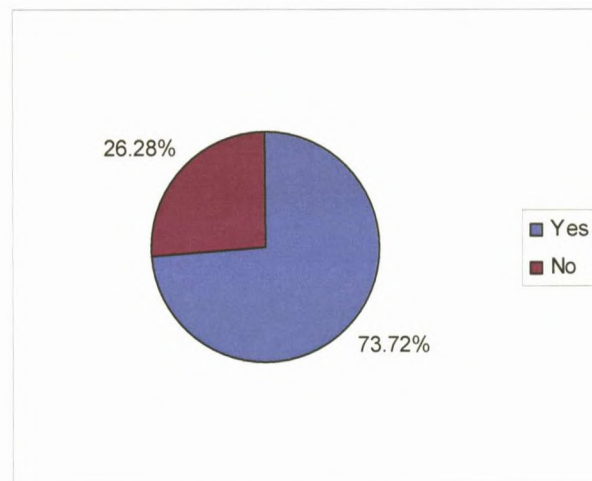
The first objective was analysed from questions one to four regarding consumers' emotional trust and traditional family-oriented values. The relationship of demographic factors and the Chinese culture were also analysed.

4.2.1 Shopping environment

The respondents were asked whether they had been free shopping for baby milk powder without a shop assistant. Figure 4.1 shows that a vast majority (73.62%) of the

respondents had been free shopping for baby milk powder without a shop assistant; only a small number of the respondents did not think that the shop assistant is a factor that could affect their shopping environment. This finding concurs with section 2.4.2.2, which indicates that if a shop assistant is too pushy towards a consumer who has not made a buying decision, the consumer will feel uncomfortable and leave quickly. So the proper way to service Chinese consumers might be to keep a certain distance from them, but at the same time making it known to them that the shop assistant is always available to help them.

FIGURE 4.1: IF CONSUMERS FEEL FREE WHEN SHOPPING WITHOUT SHOP ASSISTANTS

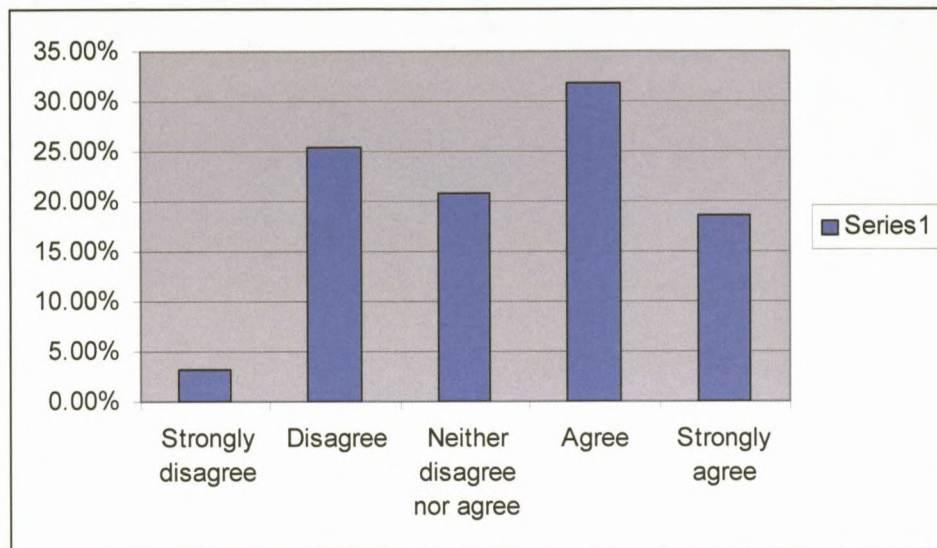


4.2.2 Consumers' perceptions of shop assistants

Taking into consideration the answers to question four about the acceptance of shop assistants' suggestions (Figure 4.2), half of the respondents (50.48%) would refuse to buy baby milk powder that a shop assistant has suggested. However, 28.62% of the respondents did not mind taking the shop assistant's suggestion before making their buying decisions. The neutral attitudes towards the shop assistant's suggestion of baby milk powder were selected by 20.90% of the respondents. From this investigation, it can be concluded that there is not a great majority of the respondents who will reject a shop assistant's advice. The findings do not strongly support the previous research outcomes, which stated in section 2.4.2.2 that trust is a very important value in Chinese culture.

Chinese people would like to trust people within their social network, with whom they have established relationships, such as family, friends and classmates.

FIGURE 4.2: THE ACCEPTANCE OF SHOP ASSISTANTS' SUGGESTION



From the relationship of the findings between question one and question four, it can still be concluded that emotional trust is an important value in China. Chinese consumers like to shop in a free shopping environment without interference (Figure 4.1). On the other hand, they also consider the advice from shop assistants before shopping for baby milk powder. It is interesting to find that changes in socio-cultural expectations suggest that Chinese consumers in the future may have different attitudes and responses to sales assistants and employ different consumption strategies. The shop assistants will not always play a negative role on a majority of Chinese customers' buying decisions. The reason might be that today's young Chinese consumers have their own abilities to analyse any suggestions and information, even the suggestions from people outside of their social network, e.g. shop assistants, marketing managers and promoters. Young Chinese consumers know what they want and need and what kind of baby milk powder can satisfy their needs. The changing attitudes towards salespeople demand more professional sales assistants to help today's young Chinese consumers. The findings may suggest that the role of shop assistants have evolved in China. The traditional Chinese value is changing slowly because of the economic reform that has made Chinese people open to the outside

world.

4.2.3 The influence of family and friends on buying decision

The results in Table 4.1 show that a majority of the respondents (61.22%) enjoyed shopping for baby milk powder with family or friends. A small portion of the respondents would like to shop alone and even a smaller portion of the respondents didn't mind shopping alone or in the company of others. A considerable number of the respondents (61.86%) believe that since family and friends are dependable and reliable; they would rather consult family and friends before making their buying decisions. Only a small portion (19.87%) would not consult family and friends before making their shopping decisions. Approximately 18.27% of the respondents did not think that it was important and necessary for them to consult family and friends. The results indicate that family and friends are still the most important influencers for Chinese parents on buying decision towards baby milk powder.

TABLE 4.1: THE EFFECTS OF FAMILY AND FRIENDS ON BUYING DECISION

Would like to buy baby milk powder				Would like to consult friends before making choice				
Alone	With family	With friends	Don't mind	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
77	149	42	44	8	54	57	141	52
24.68%	47.76%	13.46%	14.10%	2.56%	17.31%	18.27%	45.19%	16.67%

The findings indicate that parents will take note of their family's or friend's positive and negative experiences and use the information in their own decision-making processes. Chinese society is reflected in strong relationships among family members and within kinship systems. In section 2.4.2.1, it was also found that the influence of people could play a powerful role in how consumers behave because Chinese society is based on strong family units and social networks. Chinese people usually go to their "relationship networks" for help when they have personal or organisational problems. The findings suggest that there is a high contact rate among group members. Chinese consumers also

rely on word-of-mouth communication because product ideas are quick to circulate within these informal channels.

TABLE 4.2: THE EFFECT OF WORKING HOURS ON THE PREFERENCE OF SHOPPING WITH COMPANY

			Working hours per day				Total
			Eight hours	Nine hours	Ten hours	More than ten hours	
When buying baby milk powder, I would like to go	Alone	Count	46	12	14	5	77
		% within Q2	59.7%	15.6%	18.2%	6.5%	100.0%
		% within Q5	24.5%	20.7%	26.4%	38.5%	24.68%
	Family	Count	87	30	25	7	149
		% within Q2	58.4%	20.1%	16.8%	4.7%	100.0%
		% within Q5	46.3%	51.7%	47.2%	53.8%	47.76%
	Friend	Count	25	9	8	0	42
		% within Q2	59.5%	21.4%	19.0%	.0%	100.0%
		% within Q5	13.3%	15.5%	15.1%	.0%	13.46%
	Don't mind	Count	30	7	6	1	44
		% within Q2	68.2%	15.9%	13.6%	2.3%	100.0%
		% within Q5	16.0%	12.1%	11.3%	7.7%	14.1%
Total		Count	188	58	53	13	312
		% within Q2	60.26%	18.59%	16.99%	4.17%	100.0%
		% within Q5	100.0%	100.0%	100.0%	100.0%	100.0%

The results from Table 4.1 also illustrate that another aspect of Chinese culture influencing buyers' decisions is the reluctance to venture on their own in terms of making a purchase. Most Chinese people are under strong social pressure to comply with their friends regardless of their own personal views. Hence, the presence of peers may have an important role in consumers' purchasing decisions. Consumers are highly motivated towards group norms of behaviour, even if personal views conflict with the group. The results are quite similar to section 2.4.1, which states that Chinese consumers are under strong pressure to meet the expectations of others in order to uphold their identification in their reference groups. Therefore, the Chinese should value conforming by conspicuous consumption. The concept of face value is also very important in China.

As displayed in Table 4.2, approximately 24.7% of the respondents, who preferred to shop alone, worked ten or more hours per day. While, 21.5% of the respondents, who

would like to shop with family, worked ten or more hours per day. Approximately 19% of the respondents who enjoyed shopping with friends, worked ten or more hours per day and only 15.9% of the respondents who did not mind if shopping with company worked ten or more hours per day. It can be concluded that if parents always work over time, they prefer to shop alone, because it doesn't take a long time to shop without a friend. This finding can substantiate from two standpoints. Firstly, with busy lifestyles in China, parents want to save their limited time. Secondly, time pressure influences Chinese consumers' traditional values of shopping with family and friends. Parents are willing to spend less time in the supermarket, since they are driven by task definitions, i.e. the purpose of going shopping is to buy baby milk powder. Once purchase is made there is no point in extending the shopping expedition.

4.2.4 The relationship of demographic factors and the Chinese culture

Gender has shown significant influence on the attitude and response to shop assistants in the lower-age groups (25 to 30 years old). According to Table 4.3, in this group, approximately 36.36% male respondents were of the view that they wouldn't buy baby milk powder just because shop assistants suggested the purchase as compared to their female counter-parts (55.79%). It can be concluded that male consumers like to take suggestion from the shop assistants in their purchase. The reason might be that males are not as cautious and professional as females in committing to a purchase in the lower-age group. Another reason could be that the young male consumers have just started their married lives, so they don't have much shopping experience. They need shop assistants to assist them before making their decision.

In contrast, gender has shown no significant influence in the higher-age group (31 to 35 years old). In the higher-age group, the percentages of male and female shoppers who would not like to buy milk powder that shop assistants suggested are quite similar. It can also be seen from Table 4.3 that less male shoppers in the higher-age group would consider shop assistants' suggestions than male shoppers in the lower-age group. It can be concluded that as male shoppers are getting older, they don't want to take the suggestions of shopping assistants. They prefer to make their own buying decisions. A

plausible reason could be that males have become more product knowledgeable and have grown with shopping experiences arising from their previous shopping outcomes.

TABLE 4.3: THE EFFECTS OF GENDER AND AGE ON THE PERCEPTIONS OF SHOP ASSISTANTS

			Won't buy baby milk powder just because shop assistants introduced					Total
			Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
25-30 years old	Gender	Male	2	15	18	10	10	55
		Female	3	19	20	27	26	95
	Total		5	34	38	37	36	150
31-35 years old	Gender	Male	1	14	11	31	6	63
		Female	4	26	11	24	13	78
	Total		5	40	22	55	19	141

4.2.5 Summary

Parents like to shop for baby milk powder without the help of shop assistants. However, they seek the advice from shop assistants before shopping for baby milk powder, especially male shoppers in the lower-age groups. Family and friends have a significant effect on parents' buying decision due to the traditional Chinese culture, which is emotional trust and the reluctance to pioneer.

4.3 OBJECTIVE TWO: INFLUENCE OF SOCIAL TRENDS ON PARENTS' ATTITUDES TOWARDS NEWBORN BABY MILK POWDER

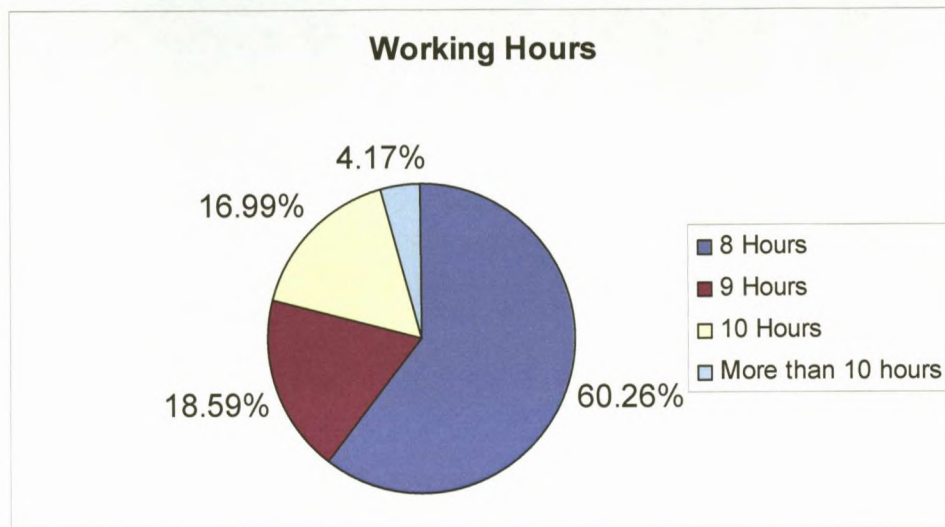
The second objective was analysed from questions five to 11 regarding the effect of working hours, the changing role of women and the income on parents' buying decisions towards baby milk powder.

4.3.1 The changing women's role

Figure 4.3 shows that majority of the respondents work eight hours per day. The percentages of the respondents working nine and ten hours per day are almost equal. Only a very small portion of the respondents works more than ten hours per day. The results in

Figure 4.3 do not show that the actual working hours increased for most of the Chinese people. However, section 2.5.1 shows that 39% of Chinese urban employees are women and 85% among them are urban mothers, who don't have as much time as they did a decade ago to raise their children. Therefore, may be concluded that the pace of life of Chinese parents is much faster than before because more women are dual-income earners, which make their lifestyles more complex within a married environment.

FIGURE 4.3: PARENTS' ACTUAL WORKING HOURS (HOURS/PER DAY)



With the large number of current dual-income households, there is little doubt that many Chinese consumer households are facing severe time constraints. As a result, time has become a highly valued consumer resource. Given the current trends in the growth in dual-income households; retailers should expect time scarcity to become an increasingly important source of consumer influence. Women's time is often dictated by the needs of others, both at home and in public life that inevitably lead to a more flexible usage to time. This important lifestyle change that accompanies motherhood is the increasing sense of lack of time, as women struggle to balance their domestic and working lives with the demands of their children.

4.3.2 The relationship of working hours on the choice of feeding method

The results of question six in Table 4.4 show that 45.63% of the respondents choose for baby milk powder because they work extended hours and they could not find any time to

breastfeed their babies. A majority of the respondents (40.39%), who selected baby milk powder to feed their babies, work more than eight hours per day, as 16.31% of them work nine hours per day, 19.15% of them work ten hours per day and 4.96% of them work more than ten hours per day. The results of question seven in Table 4.4 also show that a majority of the respondents (53.74%) are of the view that more parents are selecting baby milk powder because of the long working hours everyday. From the results in Table 4.4, it can be identified that China is going through a period of economic boom, driving a social environment change; that is, people are required to work for long hours, with hectic lifestyles. The long hours have left mothers with increasingly less time to breastfeed their children. As a result, mothers need to opt for baby milk powder that offers good nutrition.

TABLE 4.4: THE EFFECT OF THE WORKING HOURS ON THE CHOICE OF FEEDING METHOD

If more parents selected baby milk power because of the long working hours				Can't breastfeed my baby because of the busy lifestyle		Total
				Yes	No	
Yes	Working hours per day	Eight hours	Count	70	28	98
			% within Q5	71.4%	28.6%	100.0%
		Nine hours	Count	21	5	26
			% within Q5	80.8%	19.2%	100.0%
		Ten hours	Count	26	7	33
			% within Q5	78.8%	21.2%	100.0%
		More than ten hours	Count	5	2	7
			% within Q5	71.4%	28.6%	100.0%
		Total	Count	122	42	164
			% within Q5	74.4%	25.6%	100.0%
No	Working hours per day	Eight hours	Count	14	73	87
			% within Q5	16.1%	83.9%	100.0%
		Nine hours	Count	2	30	32
			% within Q5	6.3%	93.8%	100.0%
		Ten hours	Count	1	19	20
			% within Q5	5.0%	95.0%	100.0%
		More than ten hours	Count	2	4	6
			% within Q5	33.3%	66.7%	100.0%
		Total	Count	19	126	145
			% within Q5	13.1%	86.9%	100.0%

4.3.3 The relationship of demographic factors and working hours

Table 4.5 shows that a total of 58.4% of the respondents with doctoral degrees worked ten hours or more every day. In contrast, only a small portion of the respondents (18.0%),

with National Diplomas, worked ten hours or more every day. Respondents with higher qualifications seem much busier than those with lower qualifications. Parents with higher education levels tend to have less free time. Leisure time is most important to consumers, marketers and retailers, as it is during these periods of time that consumers can purchase most products for personal consumption. Parents with high qualifications have less spare time to purchase baby milk powder for their babies' consumption.

TABLE 4.5: THE RELATIONSHIP OF EDUCATIONAL LEVEL AND THE WORKING HOURS

			Working hours per day				Total
			Eight hours	Nine hours	Ten hours	More than ten hours	
Educational level	National Diplomas	Count	71	20	17	3	111
		% within Education	64.0%	18.0%	15.3%	2.7%	100.0%
	Bachelor	Count	68	24	13	2	107
		% within Education	63.6%	22.4%	12.1%	1.9%	100.0%
	Master	Count	38	13	13	4	68
		% within Education	55.9%	19.1%	19.1%	5.9%	100.0%
	Doctor	Count	9	1	10	4	24
		% within Education	37.5%	4.2%	41.7%	16.7%	100.0%
Total		Count	186	58	53	13	310
		% within Education	60.0%	18.7%	17.1%	4.2%	100.0%

In combination, the related findings in Table 4.4 and Table 4.5 indicate that supermarket or grocery retailers should attempt to help the time hurried Chinese parents by making product selections and overall shopping less time consuming. Retailers, who are able to show an image of fast service, may develop certain competitive advantages. Providing time-pressured Chinese parents with access to baby milk powder without difficulties may prove to have valuable competition advantage for grocery retailers. For instance, parents may find it more difficult to make decisions, especially when multiple brands and product attributes of baby milk powder are considered. Parents may also experience less certainty about their final choices, which could lead to dissatisfaction with product and store choices. As a result, any reduction in perceived time pressure can aid Chinese parents' information processing and potentially increase parents' satisfaction with the retailer. So store layout decisions and product identification methods certainly relate to the issue of

parents' time pressure. Possible retail strategies for dealing with time-hurried Chinese parents could be: easier entrance to the store location and the store itself and easy access to various sections of the store and easily identified locations throughout the store, which will reduce difficulties of time-pressured Chinese parents and enhance the quality of their shopping experiences.

4.3.4 The importance of baby products among household spending

Respondents who spent less percentage of their incomes on baby milk powder per month were regarded as higher income earners. Table 4.6 shows that 24.76% of the respondents spent less than 5% of their incomes on baby milk powder per month. These respondents' incomes could be estimated at a higher level than respondents who spent a larger percentage (more than 15% per month) of household income on baby milk powder every month. A total of 20.58% of the respondents spent more than 15% of their incomes on baby milk powder every month. The percentage of the respondents who spent 5%-10% and 11%-15% of their incomes on baby milk powder were almost equal (27.01% and 27.65%). These respondents are considered as the middle-income families.

TABLE 4.6: THE EFFECT OF INCOME ON THE PURCHASING OF BABY MILK POWDER

			Will buy better baby milk powder if my income increases					Total
			Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
The % of income spent on baby milk powder in the last six months	Below 5%	Count	6	19	15	32	5	77
		% within Q8	7.8%	24.7%	19.5%	41.6%	6.5%	100.0%
	5%-10%	Count	2	25	24	26	7	84
		% within Q8	2.4%	29.8%	28.6%	31.0%	8.3%	100.0%
	11%-15%	Count	0	23	25	22	16	86
		% within Q8	.0%	26.7%	29.1%	25.6%	18.6%	100.0%
	More than 15%	Count	0	5	11	28	20	64
		% within Q8	.0%	7.8%	17.2%	43.8%	31.3%	100.0%
	Total	Count	8	72	75	108	48	311
		% within Q8	2.6%	23.2%	24.1%	34.7%	15.4%	100.0%

It is interesting to find that both high-income families and low-income families wanted to

buy better baby milk powder for their babies if their income increases. Although parents have less income, they tend to spend more on baby milk powder to provide a better environment for them. A great majority of the respondents (75.1%) from low-income families agreed or strongly agreed that they would buy better baby milk powder if their income increases. Almost half of high-income respondents (48.1%) would buy better baby milk powder if they earn more than what they are currently earning. This view may be explained by the fact that because of China's One-Child policy, parents want to buy more sophisticated food products of better quality. The result is among the findings in section 2.3.2, which states that Chinese parents want the best for their babies. Parents are always worried if they do not spend enough on their babies' nutritional requirements. Parents have a higher demand and stronger purchasing power for baby milk powder.

The study also found that the middle-income families perceive their hard-earned money should be spent more valuably instead of only focusing on baby products. They are more conservative in spending and are more utilitarian or functionally oriented in their buying decisions. Support for this finding can be found in section 2.4.2, which points out that China has a culture of extremely frugal people who have gone through hard times in the last generation. Chinese traditional culture emphasizes thrift and value consciousness as well. As a result, the middle-income families are desirable to save money and are meticulous shoppers. The result suggests that the middle-income parents are inclined to be prudent and watchful in making a purchase and spending their hard-earned money. They search for basic and functional alternatives whenever they can. For them, unplanned buying or impulse buying is relatively rare. Therefore, the middle-income parents are more likely to plan their purchases beforehand.

Table 4.7 shows that 60.9% of the respondents agreed or strongly agreed that they didn't think much about their incomes when buying milk powder for their babies. It can be concluded that children exert a strong influence over the household purchasing decisions. This result is in accordance with the findings of section 2.3.2 that children are a key factor to indirectly influence parents' decisions on how to spend their money. The results also show that the baby milk powder is still a big burden for a few families (14.9%). Parents

had to consider their income and the family's other necessary demands when buying baby milk powder. About a quarter of the respondents (24.3%) didn't think that there is any relationship between their monthly incomes and their buying intention. The reason could be that baby milk powder is an essential for their children.

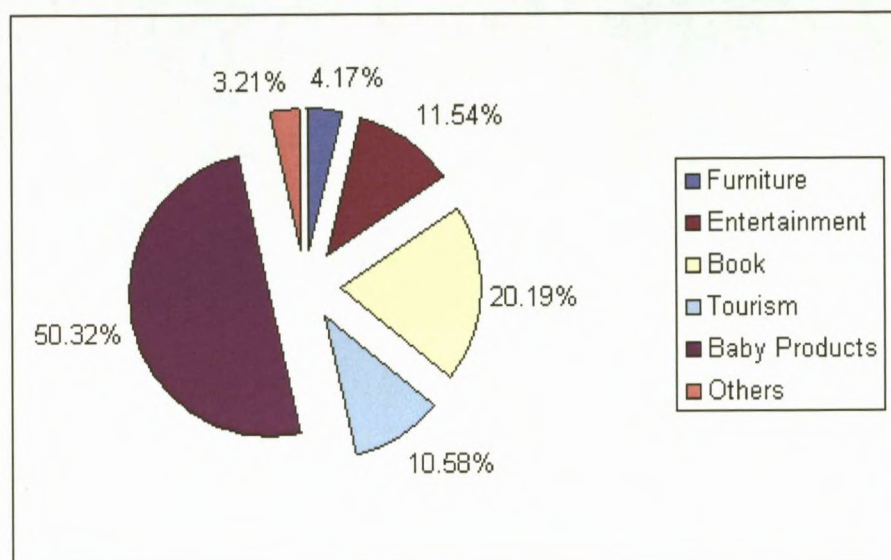
TABLE 4.7: THE INFLUENCE OF HOUSEHOLD INCOME ON PARENTS' BUYING BEHAVIOURS

			Don't consider my income too much when buying baby milk powder					Total
			Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
The percentage of income spent on baby milk powder in the last six months	Below 5%	Count	3	7	16	41	9	76
		% within Q8	3.9%	9.2%	21.1%	53.9%	11.8%	100.0%
	5%-10 %	Count	3	12	25	39	4	83
		% within Q8	3.6%	14.5%	30.1%	47.0%	4.8%	100.0%
	11%-15 %	Count	1	8	29	41	7	86
		% within Q8	1.2%	9.3%	33.7%	47.7%	8.1%	100.0%
	Above 15%	Count	1	11	5	34	13	64
		% within Q8	1.6%	17.2%	7.8%	53.1%	20.3%	100.0%
Total		Count	8	38	75	155	33	309
		% within Q8	2.6%	12.3%	24.3%	50.2%	10.7%	100.0%

Table 4.7 also shows a significant discrepancy in income levels and expenditure between high-income, low-income families and middle-income families. The results are very similar to the results of Table 4.10. The high-income families (65.7%) did not worry about their spending when buying baby milk powder because they have entered into their earning years and have a greater discretionary income to spend on their babies. The majority of low-income families (73.4%) agreed or strongly agreed with this statement. It can be concluded that parents from low-income families tried their best to satisfy their baby's needs, because parents want their babies to have better lifestyles than their lifestyles. Therefore, providing good nutrition for babies is very vital. However, parents from middle-income families tend to save money for long periods of time. This finding may be explained by the findings of section 2.4.2 that China has a culture of extremely frugal people. Chinese people have gone through hard times, starting with the Cultural Revolution in the last generation. Although Chinese people have more money than before,

the days of harsh poverty are not that far behind them. They tend to spend their money more wisely on essentials.

FIGURE 4.4: PARENTS' OPTIONS AMONG THE SELECTED ITEMS



From the findings in Figure 4.4, it is not surprising to find that respondents would like to purchase baby products first among their other demands. More than half of the respondents would like to initially spend their money on the baby products. Thereafter, they will consider their other needs. A much smaller portion of the respondents choose books first. The percentage of the respondents who would like to consider entertainment and tourism first are almost equal and only a few respondents think furniture and decoration are of the most importance among all other options.

Among the household products, baby milk powder was listed on the top of the most frequent shopping lists. The key reason that a majority of the respondents would consider baby products could be that China's One-Child policy forces families to focus their attention on the only child they have. Children are the most important consideration in most Chinese families. Similar to earlier research in section 2.3.2, which examines the influence of One-Child policy on Chinese parents' income spending, the results also show quite clearly that because of the One-Child policy, most families spend a reasonable portion of their income on such 'necessities', as baby foods.

4.3.5 Summary

The actual working hours did not increase for most of the people, but as more women are attending workshops, consumers' lifestyles are getting busier and women do not have time to breastfeed their babies. Parents have to choose baby milk powder to feed their babies. China's One-Child policy, fast development of Chinese economy and increased dual-income households resulted in the intention of purchasing baby milk powder with good quality. Parents with high qualifications have less spare time to purchase baby milk powder for their babies' consumption. Children exert a strong influence over the household purchasing decisions. Parents would like to purchase baby products first among their other demands.

4.4 OBJECTIVE THREE: PARENTS' PERCEPTIONS ABOUT THE PRODUCT ATTRIBUTES

The third objective was analysed from questions 12 to 21 to identify Chinese parents' perceptions about the product attributes provided, i.e. price, brand and Country-of-Origin. The influence of demographic factors on the above three product attributes was also analysed.

4.4.1 Price

Consumers' price perception was analysed from questions 12 to 13. Demographic influences on price was also analysed.

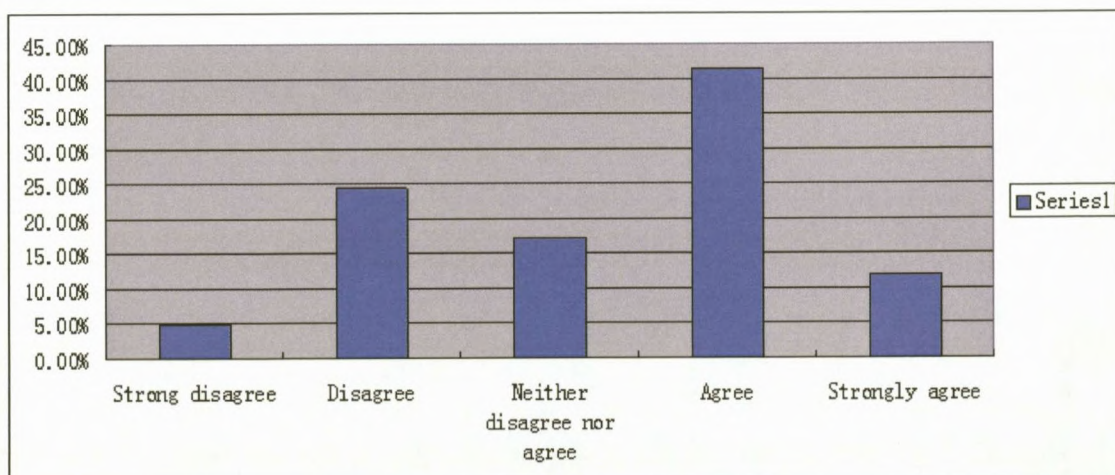
4.4.1.1 The evaluation of the price

The research findings in Figure 4.5 show that the majority of the respondents (53.4%) will not be affected by high price if they are happy with other product attributes. For these respondents, high price positively influences their decision making, which means that high price is directly related to purchase intent. However, 29.2% of the respondents, who strongly disagreed or disagreed with this statement, were of the view that price is an important factor that can influence their buying intention. Consumers need to think about

the price even though they are satisfied with the other attributes of the baby milk powder. For these respondents, high price has a negative effect on their willingness to buy, which means that they have to give up more good resources for the product, e.g. brand, Country-of-Origin. The high price plays a negative role on consumers' decision making, consequently, the higher price is inversely related to purchase intent. Only 17.4% of the respondents did not think that there was any relationship between the price perception and the other product attributes.

The results may be explained by the fact that the traditional Chinese virtue is saving money. However, during times of fast economic growth, in a high-context culture like China, the less-traditional materialists acquire expensive luxuries to demonstrate status, they are even in the view that the Fast-Moving-Consuming-Goods can demonstrate their successful status. Hence, consumers tend to be status conscious. They measure personal success in material terms instead of saving money. Consumers make their inferences that high price means prestige and good quality. Therefore, the results show that the influence of the price perception differentiates the traditional Chinese money-saving consumer segment from the materialistic segment interested in showing status through products that they purchase. Marketers should communicate the value for price, low price and saving money to the traditional price segment. Materialists need marketing communications focused on the social prestige of the products.

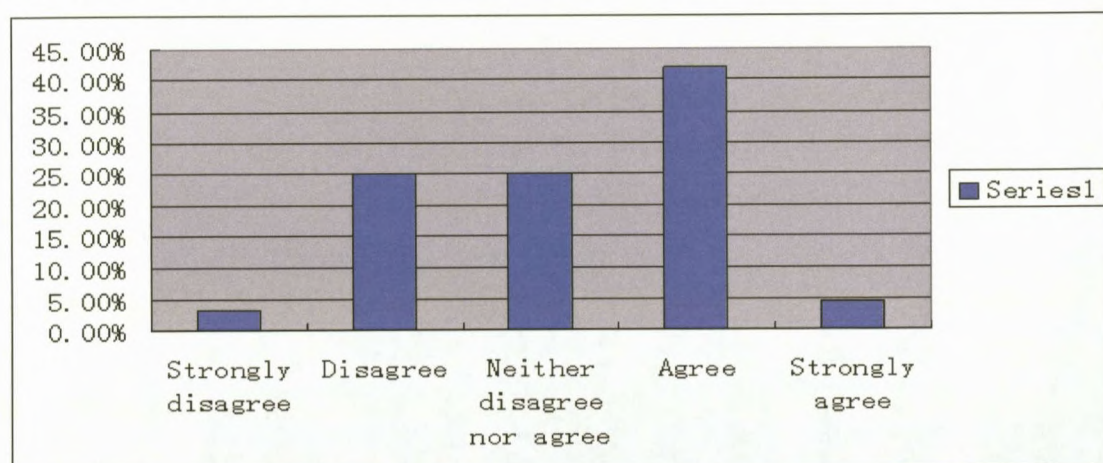
FIGURE 4.5: THE PERCEPTION OF HIGH PRICE



The findings in Figure 4.6 show that a majority of the respondents (46.5%) opt for more expensive baby milk powder than the cheaper ones because they associate higher price with better quality. Approximately 28.4% of the respondents didn't evaluate baby milk powder based on prices and 25.1% of the respondents did not think that there is a relationship between quality and price. From the analysis, it can be concluded that baby milk powder with lower prices is perceived with less nutritional value. Support for this finding can be found in section 2.7.1.1, which indicates that Chinese consumers look at the value/price relationship and will not necessarily buy the lowest-cost item if it will not last long or is not of good quality. There is a lot of value buying rather than price buying consumers in China.

The results may be interpreted by the fact that parents have a negative perception of low-price products. Parents believe that healthy brains can help babies learn well when they grow up. Respect for learning is one of the most treasured long-term oriented values for the Chinese culture. Baby milk powder, with a lower price, is a short-term oriented belief, which is not important for Chinese who tend to focus more on long-term beliefs resulting in delayed success. Another reason is that in the high-context culture like China, people look more for what is not being said than for what is being said; if advertising persists, people think there is something wrong with the product and rely on the advice of friends to check whether experience is the same as claims. Reduced-price sales in China tend to be perceived as efforts to get rid of inventory that is below average in quality.

FIGURE 4.6: THE PERCEPTION OF QUALITY/PRICE RELATIONSHIP

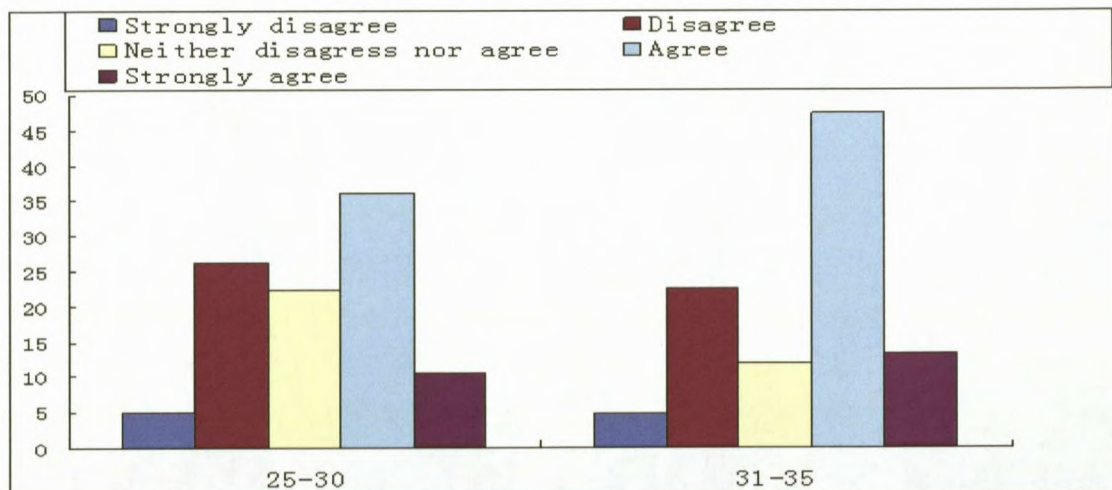


4.4.1.2 The effect of demographics on price perception

Figure 4.7 reveals that age has a significant effect on price perception. Approximately 46.6% of the younger respondents perceive price as an important factor, while 60.6% of the older group perceive price as important. Thus, the older group seems to view price as more important than the younger group. This is supported by the fact that 31.1% of the younger group perceive price as unimportant, while only 27.4% of the older group perceive that price is unimportant. From this analysis, it can be concluded that the older group of respondents perceive price to be more important than the younger respondents.

The research results concur with section 2.7.1.1 that the price-influence segments are related to the rapidly changing economic environment in the developing Chinese economy. The age segments are related to the change in social environment of those who grew up under the Mao leadership compared with those who grew up under the Deng leadership. The findings can also be explained by section 2.5.2 that China's economic institution is evolving from a socialistic economy. The fast pace of economic progress has increased the range of income levels and changed occupational structure and consumption patterns, such that some consumers will sacrifice basics to afford luxuries. Economic development and social changes resulted in these two price segments. The age results suggest that marketers should expect the younger, open-to-the-outside-world segment to be more sensitive to global marketing than the older segment.

FIGURE 4.7: THE PRICE PERCEPTION BY TWO AGE SEGMENTS



The research findings in Table 4.8 indicate that male consumers are more price sensitive than female consumers. Approximately 50.4% of the male respondents thought that if they are satisfied with other products' information, their buying decision will not be affected by price when buying baby milk powder. The total percentage (55.7%) of the female respondents who agreed or strongly agreed with this statement is higher than the percentage of the male respondents. Support for this finding can be found in Table 4.8, which indicates that 34.4% of the male respondents thought that they need to think about price before making their buying decision even though they like the brand. Only 25.7% of the female respondents thought that price is an important factor that could influence their choices of baby milk powder. 15.2% of the male respondents and 18.7% of the female respondents didn't think that their price perceptions could be impacted by other product information. The result may be explained by the fact that males are still the main economic support in most of the Chinese families. Female consumers were more concerned than males with variety of product attributes and appeared to be less price sensitive.

TABLE 4.8: THE EFFECT OF GENDER ON PRICE PERCEPTION

			Don't worry about high prices if happy with other product information					Total
			Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
Gender	Male	Count	6	37	19	47	16	125
		% within Q26	4.8%	29.6%	15.2%	37.6%	12.8%	100.0%
	Female	Count	9	39	35	82	22	187
		% within Q26	4.8%	20.9%	18.7%	43.9%	11.8%	100.0%

Table 4.9 indicates that a majority of the respondents (82.8%) took the responsibilities for their babies' living expenses, a smaller portion of the respondents' (16.5%) baby living expenses are paid by the babies' grandparents. Only two respondents' (0.7%) indicated that their babies' living expenses are paid by other people. The results can be explained as follows: firstly, the continuing rise in China's average income helped parents to afford their babies' living expenses; secondly, because of China's One-Child policy, it is easier for parents to afford babies' living expenses; thirdly, since many Chinese people who are over 60 live off pensions, grandparents can't afford their grandson or granddaughter's

living expenses. Therefore, most of the babies' parents have to pay for their babies' living expenses by themselves.

It is interesting to find that a majority of the respondents (54.2%), who pay for their babies' expenses, evaluated the quality of baby milk powder based on price. However, a majority of the respondents who didn't pay for their babies' expenses did not think that prices are the quality indicator. Half of the respondents (50%) whose babies' living expenses are paid by their parents strongly disagreed or disagreed that they rely on price/quality associations to make buying decisions.

TABLE 4.9: THE RELATIONSHIP OF THE SPONSORSHIP ABILITY FOR THE BABY AND THE PRICE PERCEPTION

			Evaluate the quality of baby milk powder based on price					Total
			Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
Who pays for the living expenses for the baby	My (husband/ wife) and myself	Count	6	53	56	124	12	251
		% within Q28	2.4%	21.1%	22.3%	49.4%	4.8%	100.0%
		% within Q13	60.0%	69.7%	73.7%	97.6%	85.7%	82.8%
	My parents or both of parents	Count	4	21	20	3	2	50
		% within Q28	8.0%	42.0%	40.0%	6.0%	4.0%	100.0%
		% within Q13	40.0%	27.6%	26.3%	2.4%	14.3%	16.5%
	Other people	Count	0	2	0	0	0	2
		% within Q28	.0%	100.0%	.0%	.0%	.0%	100.0%
		% within Q13	.0%	2.6%	.0%	.0%	.0%	.7%
Total		Count	10	76	76	127	14	303
		% within Q28	3.3%	25.1%	25.1%	41.9%	4.6%	100.0%
		% within Q13	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

4.4.2 Brand

Consumers' brand perception was analysed from questions 14 to 17. The effect of demographics on the brand evaluation was also analysed.

4.4.2.1 The effect of consumers' preferred brand on brand loyalty

Table 4.10 shows that the percentage of the respondents who did not try new brands of baby milk powder if they have their preferred brands is higher than the percentage of the respondents who did not have any preference of baby milk powder. Approximately 65.4% of the respondents who their own preferred brands did not want to try new brands of baby milk powder, while only 34.6% of the respondents who did not have their own preferred brand did not want to try new products. The results suggest that the preferred brand by the respondents have a significant impact on respondents' brand loyalty. The results are also supported by the fact that 15% of the respondents who are loyal to have their own preferred brand would try new brands, while 21.1% of the respondents who are not loyal to their own preferred brand would try new products. It can be concluded that respondents who established their own preferred brands are more brand loyalty than respondents who do not find their preferred brands of baby milk powder.

TABLE 4.10: THE EFFECT OF AGE ON BRAND LOYALTY

				Would not like to try new brand of baby milk powder if I am happy with what I am feeding my baby					Total
				Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
25-30 years old	Preferred brand	Yes	Count	2	14	21	52	18	107
			% within Q15	1.9%	13.1%	19.6%	48.6%	16.8%	100.0%
		No	Count	1	10	23	12	6	52
			% within Q15	1.9%	19.2%	44.2%	23.1%	11.5%	100.0%
Total			Count	3	24	44	64	24	159
			% within Q15	1.9%	15.1%	27.7%	40.3%	15.1%	100.0%
31-35 years old	Preferred brand	Yes	Count	3	13	17	50	18	101
			% within Q15	3.0%	12.9%	16.8%	49.5%	17.8%	100.0%
		No	Count	0	8	16	19	4	47
			% within Q15	.0%	17.0%	34.0%	40.4%	8.5%	100.0%
Total			Count	3	21	33	69	22	148
			% within Q15	2.0%	14. 2%	22.3%	46.6%	14.9%	100.0%

4.4.2.2 The importance of brand name for consumers

Figure 4.8 indicates parents' attitudes towards brand names. Surprisingly, the statement of "never mind domestic or foreign brands" was rated first. A total of 37.5% of the respondents did not make their purchases of baby milk powder based on domestic or foreign brands. Support for this attitude can be found in section 2.7.1.2, which states that Chinese consumers now regard the brand as a less important factor than factors such as quality, the service of the salespeople, price and shop image. This view implies that consumers in China are becoming more cautious in their buying requirements and are no longer influenced by superficial factors. However, the result doesn't indicate that the maturing of Chinese consumers' behaviour means the failing of the brand effect. Consequently, Figure 4.8 indicates that only 5.2% of the respondents wouldn't consider brand names at all.

FIGURE 4.8: THE PREFERRED BRAND NAME

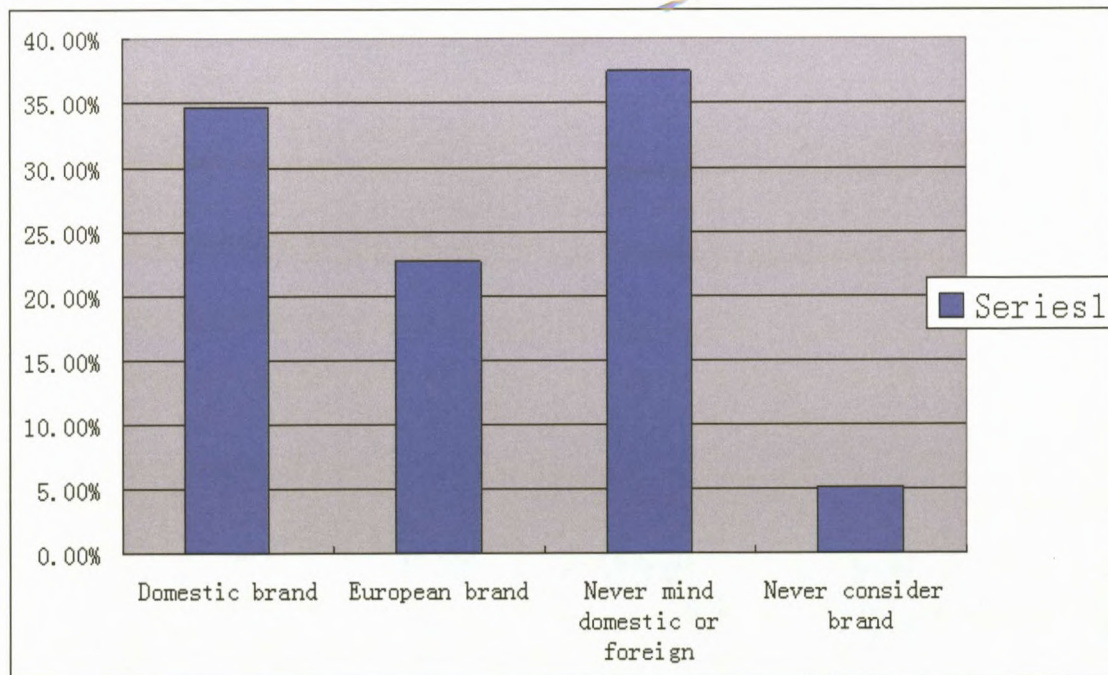


Figure 4.8 reflects that 34.5% of the respondents prefer to buy Chinese brands, while only 22.8% of the respondents enjoy shopping for European brands. It can be concluded that consumers, in general, prefer local products to comparable foreign goods. It can be

inferred that the result counters the traditional view of a preference towards foreign brands and contributes to the growing body of evidence that Chinese consumers generally prefer local Chinese brands. The results suggest that the traditional view of the Chinese towards foreign brands is being changed. Consumers have traditionally associated foreign brands with concepts of sophistication, prestige, modernity and novelty.

A review of foreign brands suggests that there is growing contrary evidence to suggest that foreign brands are not necessarily preferred. This view is supported by section 2.7.1.2 that increased westernisation does not necessarily translate into a greater preference for foreign brands. Rather, it has simply created a preference for high quality goods, regardless of whether they are local or foreign. The reason could be that there is growing evidence of a rise in the sales of local brands across many product categories. The emergence of local brands as a competitive force, in recent years, has been attributed to improved product quality, more sophisticated marketing and government protection. Furthermore, as shown in section 2.7.1.2, the rise of Chinese brands is not only evident within China, but is also seen as a global phenomenon.

4.4.2.3 The relationship between personality and the preferred brand name

Respondents were asked if brand could reflect their personality. Table 4.11 shows that Chinese consumers' brand recognition is on the increase. A small percentage of the respondents (10.0%) strongly disagreed that brand can reflect their personality. The percentages of the respondents who disagreed (27.8%) and neither disagreed or agreed (26.5%) were almost equal, while 29.4% agreed that brands can reflect consumers' personality. Approximately 6.1% of the respondents strongly agreed with the statement that brands can show a person's personality.

4.4.2.4 The relationship between age and brand loyalty

Research examining the effect of age differences on brand loyalty is summarized in Table 4.10. The results show that age has a significant impact on parents' brand loyalty. A total of 55.4% of the respondents, in the younger group, would not try other brands if they are satisfied with what they have bought for their babies. However, a majority (61.5%) of the

respondents in the older group agreed or strongly agreed with this statement. Thus, the older consumers seemed to be more brand loyal than younger consumers. It can be also seen from Figure 4.8 that a total of 17% of the younger respondents strongly disagreed or disagreed with the statement, while a total of 16.2% of the older respondents strongly disagreed or disagreed. It can be concluded that the older consumers tend to be more brand loyal towards baby milk powder than younger consumers. The effect of brand loyalty varies across different age groups. The reason could be that younger consumers are more favourably inclined to purchase a different brand of baby milk powder since they are more influenced by advertising and like to try new brands.

TABLE 4.11: THE RELATIONSHIP BETWEEN CONSUMERS' PERSONALITY AND THE BRAND NAME

			Preferred brand				Total
			Domestic brand	European brand	Never mind domestic or foreign	Never consider brand	
Brand can reflect my personality	Strongly disagree	Count	20	2	7	2	31
		% within Q17	64.5%	6.5%	22.6%	6.5%	100.0%
		% within Q16	18.7%	2.9%	6.0%	12.5%	10.0%
	Disagree	Count	31	23	28	4	86
		% within Q17	36.0%	26.7%	32.6%	4.7%	100.0%
		% within Q16	29.0%	32.9%	24.1%	25.0%	27.8%
	Neither disagree nor agree	Count	16	30	32	4	82
		% within Q17	19.5%	36.6%	39.0%	4.9%	100.0%
		% within Q16	15.0%	42.9%	27.6%	25.0%	26.5%
	Agree	Count	36	14	39	2	91
		% within Q17	39.6%	15.4%	42.9%	2.2%	100.0%
		% within Q16	33.6%	20.0%	33.6%	12.5%	29.4%
	Strongly agree	Count	4	1	10	4	19
		% within Q17	21.1%	5.3%	52.6%	21.1%	100.0%
		% within Q16	3.7%	1.4%	8.6%	25.0%	6.1%

4.4.2.5 The relationship between education and the country of brand name

The last demographic variable analysed is the education of the respondents. Surprisingly,

it was not found that educated consumers were more interested in purchasing foreign brands (Table 4.12). Instead, the results show that a higher percentage of the more educated respondents showed no specific preference to domestic or foreign brands of baby milk powder. A majority (54.2%) of the respondents with doctoral degrees did not make their buying decisions of baby milk powder based on domestic or foreign brands. Approximately 44.1% of the respondents with a master's degree and 41% of the respondents with a bachelor's degree did not consider domestic or foreign brands when buying baby milk powder. Only 26.4% of the respondents who possess a national diploma were neutral in their preference to domestic or foreign brands of baby milk powder.

TABLE 4.12: EDUCATION AND THE CHOICE OF THE COUNTRY OF BRAND NAME

			Preferred brand				Total
			Domestic brand	European brand	Never mind domestic or foreign	Never consider brand	
Education Level	National Diploma	Count	52	23	29	6	110
		% within Q29	47.3%	20.9%	26.4%	5.5%	100.0%
		% within Q16	49.1%	32.9%	25.2%	37.5%	35.8%
	Bachelor	Count	29	24	43	9	105
		% within Q29	27.6%	22.9%	41.0%	8.6%	100.0%
		% within Q16	27.4%	34.3%	37.4%	56.3%	34.2%
	Master	Count	18	19	30	1	68
		% within Q29	26.5%	27.9%	44.1%	1.5%	100.0%
		% within Q16	17.0%	27.1%	26.1%	6.3%	22.1%
	Doctor	Count	7	4	13	0	24
		% within Q29	29.2%	16.7%	54.2%	.0%	100.0%
		% within Q16	6.6%	5.7%	11.3%	.0%	7.8%
Total		Count	106	70	115	16	307
		% within Q29	34.5%	22.8%	37.5%	5.2%	100.0%
		% within Q16	100.0%	100.0%	100.0%	100.0%	100.0%

The results are contrary with the earlier findings in section 2.7.1.2 that examined the level of education of foreign brand consumers, which reports that the consumption of foreign brands is especially high for Chinese consumers living in the major cities and who are relatively affluent, young and educated. The results reflect that the purchase of baby milk powder, manufactured in a foreign country, is not influenced by the level of education. The reasons can be explained by the fact that educated consumers were capable of

evaluating the nutrition, quality and safety in purchasing baby milk powder. Since the skills of evaluation is higher in high-educated group, they tend to be more willing to make their own decisions on different product attributes compare to less educated consumers, for whom the skill of evaluation in nutrition, quality and safety may be less discernable than educated consumers.

4.4.2.6 The effect of gender on brand loyalty

Table 4.13 shows that gender shows a significant effect on Chinese consumers' brand loyalty. A majority (71.4%) of the male respondents agreed or strongly agreed that they didn't want to try new baby milk powder if they were happy with what they were feeding babies. Approximately 63.2% of the female respondents agreed or strongly agreed with this statement. This result is also supported by the fact that 12.9% of the male respondents strongly disagreed or disagreed that they will not try new brands of baby milk powder even they have their own preferred brands. Approximately 17.6% of the female respondents, who have their own preferred brands, strongly disagreed or disagreed with this statement. It can be concluded that male consumers are marginally more brand loyal than female consumers. There are two possible explanations for the above result: firstly, males do not spend as much time shopping as compared to females, and secondly; male shoppers are often directed by task defined requests.

4.4.3 Country-of-Origin

Chinese consumers' perception of Country-of-origin of baby milk powder was analysed from questions 18 to 21. The effect of demographic factors on the perception of Country-of-Origin was also analysed.

4.4.3.1 The shopping experiences of imported baby milk powder

Table 4.14 shows that majority of the respondents (64.83%), who purchased imported baby milk powder in the last six months, have a propensity to undertake repeat purchases. Only a small portion of the respondents (13.79%) do not show a propensity for repeat purchase. The result indicates that the past shopping outcomes of imported baby milk

powder have a positive effect on parents' buying intentions. This result is in accordance with the following analysis in Table 4.14. In this survey, if respondents, who did not shop imported baby milk powder in the last six months, were not supposed to answer Question number 19 (If you would like to buy baby milk powder again). However, the result show that 39.02% of the respondents who never shop imported baby milk powder answered Question number 19. The result in Table 4.14 shows that none of the respondents would definitely buy imported baby milk powder and a very small percentage (7.93%) of the respondents would possibly buy imported baby milk powder. The results reflect that respondents, who did not buy imported baby milk in the last six months, showed no propensity to introduce imported baby milk powder for their children.

TABLE 4.13: THE EFFECT OF GENDER ON BRAND LOYALTY

				Won't try new brands if happy with what I am feeding my baby					Total
				Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
Male	Have your own preferred brand	Yes	Count	1	9	14	44	16	84
			% within Q15	1.2%	10.7%	16.7%	52.4%	19.0%	100.0%
		No	Count	1	9	15	12	3	40
			% within Q15	2.5%	22.5%	37.5%	30.0%	7.5%	100.0%
Total			Count	2	18	29	56	19	124
			% within Q15	1.6%	14.5%	23.4%	45.2%	15.3%	100.0%
Female	Have your own preferred brand	Yes	Count	4	18	24	58	21	125
			% within Q15	3.2%	14.4%	19.2%	46.4%	16.8%	100.0%
		No	Count	0	9	24	19	7	59
			% within Q15	.0%	15.3%	40.7%	32.2%	11.9%	100.0%
Total			Count	4	27	48	77	28	184
			% within Q15	2.2%	14.7%	26.1%	41.8%	15.2%	100.0%

4.4.3.2 The relationship of re-purchasing and the safety of imported baby milk powder

Table 4.15 indicates that the imported baby milk powder consumers generally attach positive sentiments for foreign-made baby milk powders; Country-of-Origin can play a significant role on Chinese parents' purchasing decisions of imported baby milk powder.

Among the respondents who definitely would buy imported baby milk, 48.2% of them strongly agreed or agreed that baby milk powder made in developed countries is safer than milk powder made in developing countries. Almost a quarter of the respondents neither disagreed nor agreed and 27.5% of them strongly disagreed or disagreed with this view of developed countries made baby milk powder is safer than baby powder manufactured in developing countries.

TABLE 4.14: THE EFFECT OF SHOPPING EXPERIENCES ON BUYING DECISION TOWARDS IMPORTED BABY MILK POWDER

			If would buy imported baby milk powder again					Total
			Definitely	Possible	Not sure	Impossible	Definitely not	
If bought imported baby milk powder in the last six months	Yes (145 samples)	Count	29	65	26	16	4	140
		% within Q18	20.00%	44.83%	17.93%	11.03%	2.76%	96.55%
		% within Q19	100.0%	83.3%	47.3%	57.1%	28.6%	68.6%
	No (164 samples)	Count	0	13	29	12	10	64
		% within Q18	0.00%	7.93%	17.68%	7.32%	6.10%	39.02%
		% within Q19	.0%	16.7%	52.7%	42.9%	71.4%	31.4%
Total		Count	29	78	55	28	14	204
		% within Q18	9.39%	25.24%	17.80%	9.06%	4.53%	66.02%
		% within Q19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Among respondents who possibly would buy imported baby milk powder, 51.9% of them strongly agreed or agreed that baby milk powder produced in developed countries is safer than milk powder made in developing countries. More than a quarter (27.8%) of the respondents neither disagreed nor agreed and a smaller percentage of the respondents (20.2%) strongly disagreed or disagreed with baby milk powder produced in developed countries is safer than milk powder made in developing countries. It can be concluded that parents, who prefer to buy baby milk powder made in developed countries are more confident in the safety of baby milk powder made in developed countries than milk powder made in developing countries. This view can be attributed to three factors: firstly, Chinese consumers are generally familiar with many types of foreign-made baby milk powder and consumption of a wide range of baby milk powder has been at a high level for a number of years; secondly, it is expected that concern about baby milk powder safety

increases as household income increases. With more incomes, parents may have more access to increased levels of information about baby milk powder safety problems; thirdly, there have been relatively few “food scares” involving the products of baby milk powder in China. It should be noted that this survey was conducted one year after the ‘Fu Yang Big Head Babies’ incident, when 12 babies died and many babies’ heads grew faster than their bodies because they were fed by ‘fake’ baby milk powder.

TABLE 4.15: THE RELATIONSHIP OF RE-PURCHASING AND THE PERCEPTION OF SAFETY

			If will buy imported baby milk powder again					Total
			Definitely	Possible	Not sure	Impossible	Definitely not	
Milk powder made in developed countries are safer than milk powder made in developing countries	Strongly disagree	Count	1	2	0	2	0	5
		% within Q20	20.0%	40.0%	.0%	40.0%	.0%	100.0%
		% within Q19	3.4%	2.5%	.0%	7.4%	.0%	2.5%
	Disagree	Count	7	14	16	4	2	43
		% within Q20	16.3%	32.6%	37.2%	9.3%	4.7%	100.0%
		% within Q19	24.1%	17.7%	29.1%	14.8%	14.3%	21.1%
	Neither disagree nor agree	Count	7	22	12	9	3	53
		% within Q20	13.2%	41.5%	22.6%	17.0%	5.7%	100.0%
		% within Q19	24.1%	27.8%	21.8%	33.3%	21.4%	26.0%
	Agree	Count	9	36	25	10	9	89
		% within Q20	10.1%	40.4%	28.1%	11.2%	10.1%	100.0%
		% within Q19	31.0%	45.6%	45.5%	37.0%	64.3%	43.6%
	Strongly agree	Count	5	5	2	2	0	14
		% within Q20	35.7%	35.7%	14.3%	14.3%	.0%	100.0%
		% within Q19	17.2%	6.3%	3.6%	7.4%	.0%	6.9%
Total		Count	29	79	55	27	14	204
		% within Q20	14.2%	38.7%	27.0%	13.2%	6.9%	100.0%
		% within Q19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Surprisingly, respondents, who stated that they are ‘not sure’, ‘impossible’ or ‘definitely not buy imported baby milk powder in the next six months’ also view baby milk powder from developed countries as being safer and of higher quality than those from less developed countries. Approximately 49.1% of the respondents who were not sure if they

would buy imported baby milk powder in the next six months strongly agreed or agreed that baby milk powder produced in developed countries is safer than milk powder produced in developing countries. Approximately 44.4% of the respondents who answered 'impossibly' and 64.3% of the respondents who answered 'definitely not' view imported baby milk powder produced in developed countries as being safer and of higher quality. There are two possible reasons why parents would not buy imported baby milk powder again. The first reason could be that these parents couldn't afford the high price all the time; they are more sensitive to higher prices. The second reason could be that concerns about baby milk powder safety and mistrust of baby milk powder production systems within developing countries, such as China, resulted in imported baby milk powder generally enjoying a higher reputation.

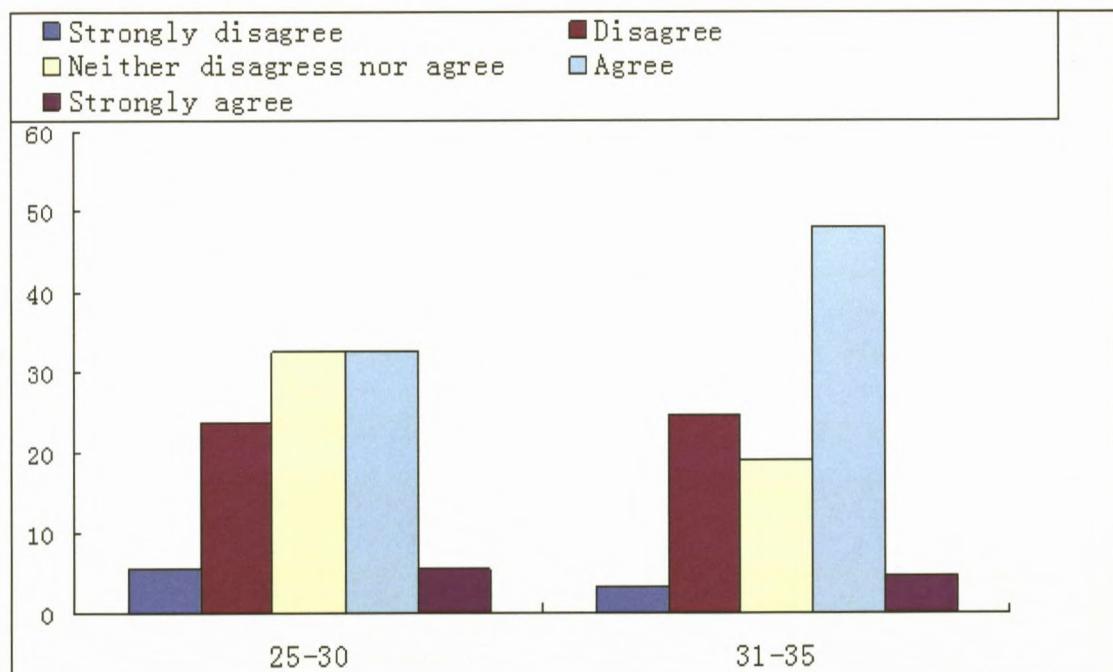
The Country-of-Origin/quality relationship with regard to baby milk powder also provides an interesting insight into Chinese consumption. Parents purchase baby milk powder for the only child in their families. The idea of 'I'd better choose the best one' reflects the impact of China's One-Child policy on parents' buying decisions. The results are also consistent with the face concept in section 2.4.2.1, which is very important in Chinese culture. For Chinese consumers, imported products are more expensive and prestigious than Chinese brands due to quality and tariff. The term 'expensive is good' tends to show how an individual succeeds economically in a fast-changing society. Imported product signals luxury and a socially well-off status, as Chinese society rearranges its participants by economic rules instead of political orientation. In China, which evolved from a long feudal society, position in the hierarchy is demonstrated through this concept and is related to the affordability to buy imported products.

4.4.3.3 The effect of age on the perception of Country-of-Origin/quality relationship

Chinese respondents were asked how they agreed about the reliability of Country-of-Origin without adequate product information of baby milk powder. There were five possible responses for this question, ranging from "strongly disagree" to "strongly agree". The age effect on the respondents' perceptions is revealed in Figure 4.9. Age appears to have a significant influence on the reliability of baby milk powder.

Approximately 52.7% of the older respondents agreed or strongly agreed that Country-of-Origin was used as a cue for them to evaluate product quality when other information was lacking, 19.3% of the respondents neither disagreed nor agreed and 28.0% strongly disagreed or disagreed. However, in the younger group, only 38.1% the respondents agreed or strongly agreed that Country-of-Origin served as an important variable when other information was lacking, 32.5% neither disagreed nor agreed and 29.4% strongly disagreed or disagreed. It can be concluded that older parents are more reliable on Country-of-Origin than younger parents. For older parents, the relationship between Country-of-Origin and product quality was stronger when Country-of-Origin was provided without other information, such as price and brand.

FIGURE 4.9: THE EFFECT OF AGE ON THE COUNTRY-OF-ORIGIN /QUALITY RELATIONSHIP



The results suggest that older parents may have access to more sources of information about baby milk powder hazards and may also be less trusting than younger parents. This indicates that younger parents believe that the baby milk powder they bought was safer and were relatively less concerned about food safety than older consumers. One possible reason is that younger parents may not be exposed to the same levels of information about

baby milk powder safety issues that older parents. This may mean that younger parents are less concerned about safety levels. The older consumers would be expected to have a higher level of concern about baby milk powder safety than the younger respondents.

4.4.4.4 Summary

Most of the respondents don't worry about high price if they are happy with other product attributes, they also associate high price with good quality. Respondents, who have their own preferred brand, are more brand loyal than parents who don't have a preferred brand. The traditional view of foreign brands is being changed. Parents prefer local products to comparable foreign goods. Parents have a positive attitude towards baby milk powder made in foreign countries. They also view that baby milk powder made in developed countries is safer and has a high quality.

4.5 OBJECTIVE FOUR: PARENTS' PRODUCT KNOWLEDGE OF NEWBORN BABY MILK POWDER

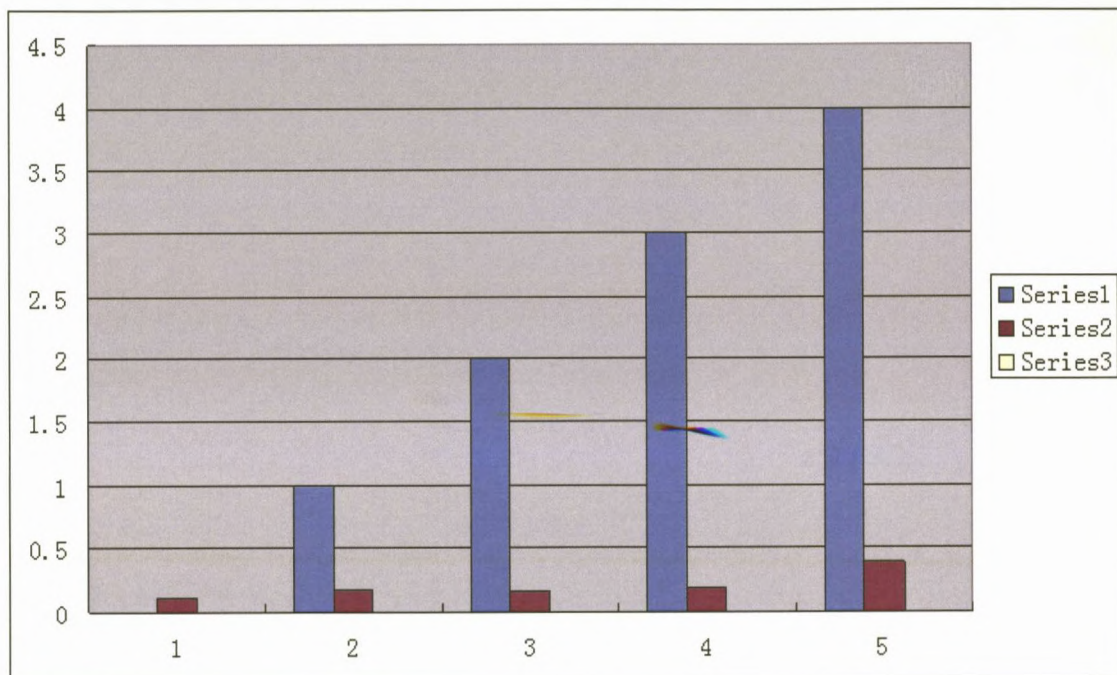
Parents' product knowledge was analysed from questions 22 to 25. Question number 22 is about which advertising medium parents prefer. The Respondents' objective and subjective product knowledge was tested by question 23 to question 25.

4.5.1 Preferred source of information

It can be observed from Figure 4.10 that the most popular source of information was word-of-mouth; with 35.2% of the respondents stating word-of-mouth were the most important source of information. Parents selected word-of-mouth information due to its credibility and reliability. When making a purchase of baby milk powder, parents want their source of information to be believable and trustworthy because of the One-Child policy. This is the reason why word-of-mouth information is so important. The second reason is that, in a collectivist culture like China, where great emphasis is placed on relationships, the emotional trust is more important than cognitive trust. It might have been expected that the importance of word-of-mouth would be even higher. Information from magazines was also quite popular. Information from magazines differs from

word-of-mouth in that magazines provide more in-depth details of professional information, e.g., nutrition. The most common reason for selecting magazine information was due to it being professional. Parents are educated and independent; they are likely to gain information in a comprehensible way. They may require a professional opinion to explain the nutritional aspects of baby milk and help them to obtain a product, which will perform as required.

FIGURE 4.10: THE PREFERRED SOURCE OF INFORMATION



Only a small number of the respondents enjoyed TV advertising. The possible reason may be that the respondents didn't believe TV advertising was dependable and reliable and it lacked understandable content. The results suggest that baby milk powder companies should provide a channel of some description for obtaining information about baby milk powder. Information from the Internet was not commonly perceived as an important source of information. This could be explained by three possible reasons: firstly, many people didn't have access to Internet. Secondly, the information on the Internet may not have the credibility that compares with word-of-mouth, TV advertising and magazines. Thirdly, salespeople were also not commonly believed to be an important source of information. Only a small number of the respondents usually got information

from salespeople. The reason is possibly due to salespeople being potentially biased and outside the respondent's trusted network. Thus, the respondents didn't believe that salespeople were helpful.

4.5.2 The comparison of subjective and objective product knowledge

Subjective product knowledge was measured by asking whether the respondents felt they had gathered enough selected product knowledge, i.e., brand, Country-of-Origin and nutrition, before purchasing baby milk powder. A substantial number of the respondents thought they had collected sufficient product knowledge to make their purchase decisions. The results in Table 4.16 indicate that 74.1% of the respondents thought they had gathered a lot or some knowledge of brand prior to making a purchase decision. The results in Table 4.17 show that 64.5% of the respondents thought that they searched a lot or had some information on Country-of-Origin. The results in Table 4.18 indicate that 82.9% of the respondents knew a lot or had some of knowledge of nutrition. The high subjective knowledge level indicated that parents had a high degree of confidence in making buying decisions on baby milk powder. The answer of having a little knowledge or no knowledge of a brand was only experienced by 26.1% of the respondents. 35.2% of the respondents indicated that they had knowledge of Country-of-Origin and 17.1% of the respondents had knowledge of nutrition.

TABLE 4.16: PARENTS' OBJECTIVE AND SUBJECTIVE KNOWLEDGE OF BRAND

			The knowledge of brand before making purchasing (subjective knowledge)				Total
			A lot	Some	A little	Nothing	
If know brand of baby milk powder that feeding your baby now (objective knowledge)	Yes	Count	39	162	61	2	264
		% within Q23-A	14.8%	61.4%	23.1%	.8%	100.0%
	No	Count	1	8	8	3	20
		% within Q23-A	5.0%	40.0%	40.0%	15.0%	100.0%
Total		Count	40	170	69	5	284
		% within Q23-A	14.1%	59.9%	24.3%	1.8%	100.0%

Objective product knowledge was measured by asking the respondents if they actually knew the selected knowledge of baby milk powder, i.e., brand Country-of-Origin and nutrition that they were feeding their babies (Table 4.16, 4.20 and 4.21). The results were consistent with the results of the respondents' subjective knowledge actually gathered on baby milk powder. 92.96% of the respondents knew the brand, 88.03% of respondents knew which country's manufacturer produced the baby milk powder and 84.62% of them knew the content of nutrition.

TABLE 4.17: PARENTS' OBJECTIVE AND SUBJECTIVE KNOWLEDGE OF COUNTRY-OF-ORIGIN

			The knowledge of Country-of-Origin before making purchasing (subjective knowledge)				Total
			A lot	Some	A little	Nothing	
If know the Country-of-Origin of baby milk powder that feeding your baby now (objective knowledge)	Yes	Count	35	138	70	7	250
		% within Q23-B	14.0%	55.2%	28.0%	2.8%	100.0%
	No	Count	0	11	18	5	34
		% within Q23-B	.0%	32.4%	52.9%	14.7%	100.0%
	Total	Count	35	149	88	12	284
		% within Q23-B	12.3%	52.5%	31.0%	4.2%	100.0%

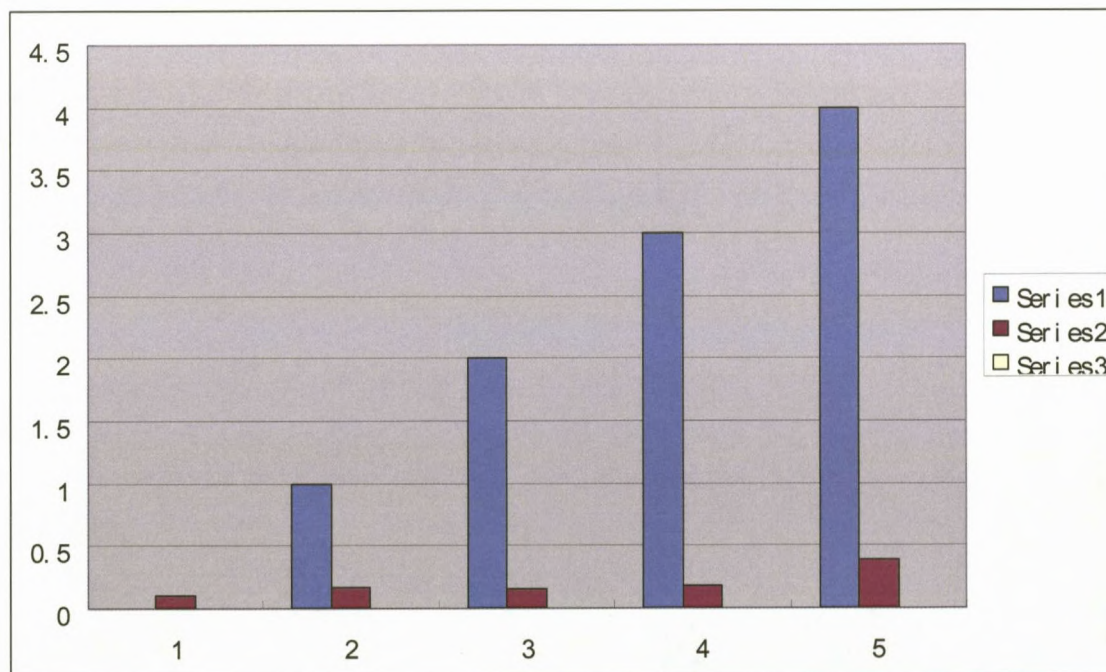
TABLE 4.18: PARENTS' OBJECTIVE AND SUBJECTIVE KNOWLEDGE OF NUTRITION

			The knowledge of nutrition before making purchasing (subjective knowledge)				Total
			A lot	Some	A little	Nothing	
If know nutrition of baby milk powder that feeding your baby now (objective knowledge)	Yes	Count	95	120	24	3	242
		% within Q23-C	39.3%	49.6%	9.9%	1.2%	100.0%
	No	Count	5	17	20	2	44
		% within Q23-C	11.4%	38.6%	45.5%	4.5%	100.0%
	Total	Count	100	137	44	5	286
		% within Q23-C	35.0%	47.9%	15.4%	1.7%	100.0%

4.5.3 The knowledge of brand names

The knowledge of different brands of baby milk powder was measured by an open Question number 24. Respondents were asked to indicate all the brand names of baby milk powder that they knew. The results in Figure 4.11 show that more than half of the respondents (57.37%) indicated three or more brand names of baby milk powder. An almost equal number of the respondents knew one or two brand names of baby milk powder. However, almost 10.00% of the respondents didn't answer this question. The results in Figure 4.11 indicate that parents spent a considerable time searching for information. They would make a considerable effort to search for information and would be willing to spend extra time shopping to get more information. Parents thought it was very important to be aware of all the alternatives before choosing baby milk powder.

FIGURE 4.11: THE NUMBER OF BRAND NAMES STORED IN PARENTS' MEMORIES



4.5.4 The relationship of demographic on information search behaviour

The results in Table 4.19 show that the best information source for both male and female is word-of-mouth. However, word-of-mouth recommendations from a relative or friend

are more convincing for the male respondents than for the female respondents. The reason could be that it is much easier to just follow suggestions of their family or friends. It can be concluded that male consumers' attitude and behaviour are greatly affected by others. The results also show that the male respondents make use of the Internet more than females. The results can be explained by the fact that males are generally more computer literate than females are and they have favourable attitudes towards high technology.

TABLE 4.19: THE RELATIONSHIP OF PREFERRED INFORMATION SOURCE AND GENDER

			The source of information					Total
			TV advertising	Word-of-mouth	Magazine	Internet	Salespeople	
Gender	Male	Count	20	51	33	19	2	125
		% within Q26	16.0%	40.8%	26.4%	15.2%	1.6%	100.0 %
	Female	Count	52	58	56	15	4	185
		% within Q26	28.1%	31.4%	30.3%	8.1%	2.2%	100.0 %
Total		Count	72	109	89	34	6	310
		% within Q26	23.2%	35.2%	28.7%	11.0%	1.9%	100.0 %

The results in Table 4.19 indicate that the female respondents searched information from TV advertising, magazine and salespeople more than the male respondents. TV advertising was selected by 28.1% of the female respondents as the preferred medium to get product information of baby milk powder, in comparison with 16% of males. Magazine information is more preferred by females than by males. The reason could be women are more careful of choosing baby milk powder than men; they spend more time on searching and compare information they get from different information sources before making their final buying decisions. Both the female and male respondents seldom accept information from salespeople.

4.5.5 Summary

Word-of-mouth is the most popular source of information by parents due to its credibility and reliability. Magazine is also preferred by parents due to its professional product knowledge. Parents don't accept information from salespeople because of the traditional

Chinese culture value. The high subjective and objective product knowledge indicates that parents have a high degree of confidence in purchasing decision for baby milk powder.

4.6 T-TEST ANALYSIS

T-test is also known as significance tests, measure the probability that a population value for the measure of interest could have led to the observed sample results. If the p value is less than or equal to 0.05 ($p \leq 0.05$), statistically there is significant difference between the different groups' opinions. If the p value is greater than 0.05 ($p > 0.05$), statistically there is no significant difference between the different groups' opinions.

In Table 4.20, the T-test shows that the p significance value is 0.294 for preferred shopping environment ($p > 0.05$), which reveals there is no significant difference between the preferred shopping environment and the two consumers' age groups (25-30 years old and 31-35 years old). In other words, consumers from younger and older age groups do not differ in their attitudes towards shopping environments, which is without a shop assistant. Therefore, there is no relationship between age and the preferred shopping environment.

TABLE 4.20: PREFERRED SHOPPING ENVIRONMENT BY THE TWO AGE SEGMENTS

	T-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-1.050	309	.294	-.052	.050	-.151	.046
Equal variances not assumed	-1.053	308.991	.293	-.052	.050	-.150	.046

In Table 4.21, the T-test results reveal that the p significance values ($p = 0.178$) is greater than 0.05. Statistically, there is no significant difference between different groups' opinions (Male and Female) towards the preferred shopping environments. Therefore, males and females have the same type of perceptions towards the shopping environment.

There is no relationship between the preferred shopping environment and gender groups.

TABLE 4.21: PREFERRED SHOPPING ENVIRONMENT BY THE DIFFERENT GENDER GROUPS

		T-test for Equality of Means						
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Q1	Equal variances assumed	-1.351	310	.178	-.069	.051	-.169	.031
	Equal variances not assumed	-1.329	250.729	.185	-.069	.052	-.171	.033

In Table 4.22, the T-test results indicate that the p significance value ($p=0.019$) is less than 0.05. Statistically, there is a significant difference between parents' shopping experiences and their perceptions towards baby milk powder manufactured in developed countries. That is, parents who bought or didn't buy baby milk powder produced in developed countries in the last six month, have different kinds of opinions on the quality of baby milk powder made in developed countries. There is relationship between buying experiences and the attitude towards baby milk powder from developed countries.

TABLE 4.22: THE EFFECT OF BUYING EXPERIENCE ON THE POST-PURCHASES

		T-test for Equality of Means						
		F	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference
								Lower Upper
Q18	Equal variances assumed	.659	-2.362	305	.019	-.270	.114	-.494 -.045
	Equal variances not assumed		-2.362	300.066	.019	-.270	.114	-.494 -.045

In Table 4.23, the T-test results shows that the p significance value ($p=0.003$) is less than 0.05. It reveals statistically that there is a significant difference between parents' brand

loyalty and parents who have their preferred brand or those who don't have their preferred brand. In other words, whether parents' have their preferred brand significantly affect their brand loyalty of baby milk powder; there is a significant relationship between whether parents have preferred brand and their brand loyalty.

TABLE 4.23: CONSUMERS' BRAND LOYALTY

	T-test for Equality of Means							
	F	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Q14 Equal variances assumed	.177	-2.974	306	.003	-.352	.118	-.585	-.119
Equal variances not assumed		-3.053	205.745	.003	-.352	.115	-.579	-.125

In Table 4.24, the T-test results show that the p significance values ($p=0.904$) is greater than 0.05. This value indicates that, statistically, there is no significant difference between the knowledge level of baby milk powder and gender groups. This finding means that males and females have almost a similar knowledge level of baby milk powder. There is no significant difference between male knowledge level and female knowledge level of baby milk powder.

TABLE 4.24: CONSUMERS' PRODUCTS KNOWLEDGE

	T-test for Equality of Means							
	F	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Q24 Equal variances assumed	3.671	.120	307	.904	.011	.089	-.165	.186
Equal variances not assumed		.124	286.796	.901	.011	.087	-.160	.181

4.7 CRONBACH ALPHA TEST

There are two interpretation rules for reliability test. The first rule is that if the Cronbach Alpha value is between 0.4 and 0.7, this value indicates that medium internal consistency and reliability. The second rule is if the Cronbach Alpha value is between 0.7 and 1.0, this value indicates high or good internal consistency and reliability.

TABLE 4.25: CRONBACH ALPHA TEST (15 ITEMS)

Cronbach's Alpha	Number of Items
0.425	15

In Table 4.25, the reliability analysis (15 items) of the questionnaires' continuous study variables reveal that the Cronbach's Alpha values is 0.425, which is between 0.4 and 0.7. This value indicates that this research instrument's (Questionnaire) continuous study variables have a marginal internal consistency and reliability.

TABLE 4.26: CRONBACH ALPHA TEST (10 ITEMS)

Cronbach's Alpha	Number of Items
0.626	10

In Table 4.26, the reliability analysis (Ten items) of the questionnaires' continuous study variables reveal that the Cronbach's Alpha values is 0.626, which is between 0.4 and 0.7. This value indicates that this research instrument's (Questionnaire) continuous study variables have a marginal internal consistency and reliability.

TABLE 4.27: CRONBACH ALPHA TEST (6 ITEMS)

Cronbach's Alpha	Number of Items
0.728	6

In Table 4.27, the reliability analysis (Six items) of the questionnaires' continuous study variables reveal that the Cronbach's Alpha values is 0.728, which is greater than 0.7. This

value indicates that this research instrument's (Questionnaire) continuous study variables have a high internal consistency and reliability.

Overall, the above Cronbach's Alpha findings indicate that this research instrument (Questionnaire) has a very satisfactory internal consistency and reliability of the questionnaire variables. That means this research findings can be repeated and will get the same results.

4.8 CONCLUSION

The results of the empirical study were presented and analysed in this chapter. The explanation of the results started with the discussion of the effect of demographic factors on the four research objectives. Descriptive statistics was used. The results found that different demographics do affect the consumers' buying decisions and the evaluation of products attributes. Followed by the T-test analysis, the results found that that there is no significant difference between the preferred shopping environment and the two consumers' age segments and gender groups. The past shopping experiences of imported baby milk powder and consumers' perceptions of imported baby milk powder are proved to be significant. Consumers' brand loyalty and their preferred brand are also found to be significant. Finally, the results of the Cronbach's Alpha test show that the research findings are reliable.

The next chapter contains the conclusions and recommendations in terms of these findings.

CHAPTER FIVE SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

In the previous chapter, the results of the empirical research were described on the basis of the four objectives that emanated from the main questions of this research. This study has explored some current practices and opinions of parents' buying behaviour toward baby milk powder. It was found that parents have a high demand for baby milk powder in the context of China's One-Child policy.

This chapter will provide the findings in relation to the theory to examine how selected factors influence the parents' attitudes towards baby milk powder. Based on the results obtained in the study, the achievement of this study is presented in this chapter. Recommendations of this study and directions for the future study are included.

5.2 SUMMARY OF THE STUDY

As discussed in chapter two, Chinese society is reflected in strong relationships among family members and within kinship systems. Thus, the Chinese tend to trust only the people within their social network. The strong emotional trust implies that informal channels of communication are important in Chinese society. Chinese consumers rely more on word-of-mouth communication. The economic boom period is driving a number of social environment changes in China. These changes concern the role that women play in a society, the increased income and the growing middle class. Mothers have less time to breastfeed their babies, since more women are developing their own professional careers. Consequently, they have to opt for baby milk powder. The continuing rise in income has increased to the extent that parents are able to shop for better baby milk powder. Parents spend more of their income on their children and are less likely to travel around and have fun. More people are moving into the middle class. The baby milk powder is one of the most popular products among the middle class. Consumers rely on

price as an important indicator of product quality. Chinese consumers are value buyers and informed buyers; not price buyers. They read product contents and compare quality and prices. Foreign brands are perceived to have better nutrition, quality and safety. However, with the growth of the economy and higher education, people are changing their outlook to brands. Chinese consumers now regard the brand as a less important factor. Country-of-Origin influences consumers' purchase decisions. Products produced in developed countries are perceived as better quality by consumers. Product knowledge depends on consumers' awareness or understanding about the product, or consumers' confidence about it.

As shown in chapter four, Chinese consumers enjoy shopping for baby milk powder with family and friends. They believe that family and friends are dependable and reliable. Chinese consumers also like shopping for baby milk powder without salespeople. However, they are starting to consider the advice from shop assistants. The results show that there are changes in socio-cultural expectations, which mean that the young Chinese consumers have different attitudes and responses to people without their social network and employ different consumption strategies than those of the old days. Parents don't have much time to raise their children. Consequently, the parents, who are often guilty about not spending enough time with the only child in their families, compensate by spending more money on baby milk powder with high quality. Parents don't consider their incomes and the families' other necessary demands when buying baby milk powder. Moreover, parents want to buy better baby milk powder if their incomes increase. Parents would rather buy the more expensive baby milk powder than the cheaper ones because they associate higher price with better quality. Female consumers are more concerned than males with variety of product attributes and the former appeared to be less price sensitive. The results show that the recent view of foreign brands is that they are not necessarily preferred. Younger consumers are more favourably inclined to purchase a different brand than the older consumers. Parents generally hold positive views of foreign-made baby milk powder. Country-of-Origin plays a significant effect on Chinese parents' buying decision. Chinese parents have high subjective and objective knowledge of baby milk powder concerning brand, Country-of-Origin and nutrition. They have high

degree of confidence in the knowledge of baby milk powder.

5.3 ACHIEVEMENT OF THE OBJECTIVES

The aim of this study was to investigate Chinese parents' buying decision towards baby milk powder within the context of China's One-Child policy. The influence of Chinese culture and social trends on parents' attitudes towards baby milk powder was analyzed. Parents' evaluation of different products' attitudes and the effect of subjective norms on buying behaviour were explored by the Theory-of-Reasoned-Action model. Parents' product knowledge was investigated on the basis of their objective and subjective product knowledge.

5.3.1 First objective

The first objective was to present how Chinese culture influences parents' shopping behaviour towards baby milk powder. Chapter two has researched literature and provided a clear understanding of Chinese culture and the differences between Chinese culture and the western culture, Chinese consumers' shopping behaviour are quite different from those in western countries. Chinese culture does affect consumers' buying decision. Therefore, the first objective has been achieved.

5.3.2 Second objective

The second objective was to gain insight into the influence of social trends on Chinese parents' attitudes towards baby milk powder, i.e., the changing women's role, the increased income and the growing middle-class. Chapter four has examined and concluded that consumers' shopping behaviour are not the same as the old days any more, since customers' lifestyles are fast-moving due to the fast growing economy. Therefore, the second objective has been fulfilled.

5.3.3 Third objective

The third objective was to determine parents' perceptions about the product information

provided by marketers: price, brand and Country-of-Origin were selected to identify this objective. The Theory-of-Reasoned-Action Model was used. Chapter four has provided practical findings from questionnaires. The results showed how parents perceive the above factors. Therefore, the third objective has been satisfied.

5.3.4 Fourth objective

The fourth objective was to identify parents' product knowledge of baby milk powder. Chapter two examined different measurements of product knowledge, the moderating role of subjective knowledge in customers' behavioural intentions and consumers' information search behaviour. Chapter four showed the results of parents' preferred source of product information and then parents' subjective and objective knowledge about baby milk powder was also provided. Therefore, the fourth objective was satisfied.

5.3.5 The goal of the study

In summary, four objectives were fulfilled and the goal of this study was accomplished.

5.4 RECOMMENDATIONS

Based on the results of the study, the following recommendations are made:

Sales people should not compel a consumer who has not made a buying decision; otherwise, the consumer will feel uncomfortable and leave quickly. Consequently, the proper way to service Chinese consumers is to keep a certain distance from them, but at the same time, shop assistants should make consumers aware that assistance is always available. Marketing managers should provide in-service training for sales people to improve their efficiency and effectiveness towards consumers.

Marketing managers should know that time has become a highly valued consumer resource, especially for parents with high qualifications. Retailers should attempt to help the time hurried Chinese parents to make product selections. Retailers may provide consumers with access to baby milk powder without difficulties in order to enhance the

quality of consumers' shopping experiences, i.e., easier entrance to the store location and easier access to parking.

Marketing managers should understand that the traditional Chinese value is to save money, but the fast growing economy compels the less-traditional consumers to acquire expensive products to demonstrate status. Marketers should offer affordable prices for the traditional price segment. Marketers also need to produce high-priced baby milk powder for the less-traditional consumers, because these consumers think that expensive baby milk powder imply social prestige.

Marketing managers should know that Chinese parents generally hold positive attitudes towards domestic brands of baby milk powder. Therefore, marketing managers should focus their message on the importance of 'buying Chinese' and emphasize the utilitarian aspects of products, such as product quality. Consumers perceive baby milk powder made in developed countries as safer than baby milk powder made in developing countries. Parents with positive attitudes towards imported baby milk powder are also more influenced by face-saving and group conformity. To take advantage of this cultural characteristic, marketers should recognise the strategic value of segmenting their potential customers into opinion leaders and opinion receivers. If the marketers can first direct their promotional messages at the more influential consumers, these consumers will then transmit the messages more persuasively to those who seek product advice. Likewise, marketers should also consider the possibility of creating opinion leaders by taking influential consumers and deliberately increasing their enthusiasm for the promoted products.

5.5 DIRECTIONS FOR FURTHER STUDY

China is a very large country and has regional differences, especially where climates and cultural environments differ. Thus, it is understandable that results for consumers researched in northern China, where Jinan is located, imply behaviour differences from consumers elsewhere in China. This diversity implies that the marketing strategies for one time period and region of a large, diverse country tends to be effective only for similar

consumers in similar regions and times. Future studies need to have a wider scope in geographic terms. Researchers must look beyond both of their own countries' theories and include respondents from other countries that live outside their home countries. It is essential to conduct research with the help of persons who thoroughly understand the language and culture of the country being researched. Knowledge of the culture is needed to understand the extent to which the same words have different meanings in different cultures. Western marketers should learn to use informal word-of-mouth communication in countries such as China.

5.6 CONCLUSION

In summary, this study highlighted parents' buying behaviour toward baby milk powder at Shandong University, China. Issues relating to Chinese culture, social trend, product information and product knowledge have been discussed. It is recognized that parents' buying decisions are affected by the Chinese culture and the changing social changes, parents' perceptions toward the three selected aspects of product information, i.e. price, brand and Country-of-Origin are affected by the One-Child policy and parents have higher product knowledge about baby milk powder. The recommendations and conclusions discussed in this chapter may represent some of actions that could possibly be taken by baby product marketers to enhance customer loyalty and improve the level of services.

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Appendix A: Questionnaire

Information and Consent Form

You are invited to participate in a research study investigating Chinese parents' buying behaviour towards newborn born baby milk powder in the context of China's One-Child policy. This study is being conducted by the author, a postgraduate student at Durban University of Technology under the supervision of Dr. S Penceliah, a faculty member from the Department of Marketing. You were selected as a possible participant in this study because you are a parent whose baby is under one year old and only have one child, thus you are a member of the study's target population.

Please read this questionnaire and ask questions before you agree to be in the study. Participation in this study is voluntary. If you decide to participate, you will be asked to answer 29 questions. This study will take approximately fifteen minutes. The study has no risks to you and your name will remain confidential. If you have any questions, please feel free to contact me. If you have other questions or concerns regarding the study and would like to talk to someone other than the researcher, you may also contact Prof. S Penceliah of Durban University of Technology, at 031-3735460

You are making a decision whether or not to participate.

I consent to participate in this study.

Signature of Participant and Date

PART ONE:

SECTION ONE

1. Have you been free shopping for baby milk powder without a shop assistant?
 - A. Yes
 - B. No

2. When shopping for baby milk powder I:
 - A. Prefer to do it alone
 - B. Prefer it to be part of a family activity
 - C. Like to go with friends
 - D. Don't mind whether to have a company to not

3. I would consult family or friends before I buy baby milk powder.
 - A. Strongly disagree
 - B. Disagree
 - C. Neither disagree nor agree
 - D. Agree
 - E. Strongly disagree

4. I don't try a baby milk powder just because the shop assistant suggests that I should buy.
 - A. Strongly disagree
 - B. Disagree
 - C. Neither disagree nor agree
 - D. Agree
 - E. Strongly agree

SECTION TWO

5. How many hours do you spend at work per day?

- A. Eight hours
- B. Nine hours
- C. Ten hours
- D. More than ten hours

6. Did you opt for a baby milk powder because your lifestyle is busy that you couldn't breastfeed your baby?

- A. Yes
- B. No

7. Do you think the number of parents who select baby milk powder is increasing because long working hours have left mothers with less time to breastfeed their babies?

- A. Yes
- B. No

8. During the past 6 months, how much did you spend on baby milk powder per month (% of monthly income)?

- A. Below 5%
- B. Between 5%-10%
- C. Between 11%-15%
- D. More than 15%

9. I would spend more on baby milk powder if my income increased.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

10. What is your purchasing sequence for the following items? _____

- A. Furniture/decoration
- B. Entertainment
- C. Books
- D. Tourism
- E. Baby products

11. I don't think much about my income when I buy baby milk powder for my baby like I do when buying other products for my family.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

SECTION THREE

12. I don't worry about the high prices of baby milk powder if I am happy with other product attributes, such as brand.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

13. I evaluate the quality of baby milk powder based on prices.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

14. I would not like to try new brands of baby milk powder if I am happy with what I am feeding my baby.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

15. Do you have your preferred brand of baby milk powder?

- A. Yes
- B. No

16. When I buy baby milk powder I prefer:

- A. Domestic brand
- B. European brand
- C. Never mind domestic brand or foreign
- D. Never consider brand

17. I think brand can reflect my personality.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

18. Did you buy imported baby milk powder in the last six weeks?

- A. Yes
- B. No

19. Would you like to buy imported baby milk powder in the next six months?

- A. Definitely
- B. Possible
- C. Not sure
- D. Impossible
- E. Definitely not

20. I think the baby milk powder made in developed countries are more safer than baby milk powder made in developing countries.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

21. I rely on Country-of-Origin to evaluate the quality of baby milk powder if I don't know other product information.

- A. Strongly disagree
- B. Disagree
- C. Neither disagree nor agree
- D. Agree
- E. Strongly agree

SECTION FOUR

22. From which media do you normally get product information?

- A. TV advertising
- B. Word-of-mouth
- C. Magazine
- D. Internet
- E. Salespeople

23. If you know the following product knowledge of baby milk powder?

- A. Brand equity ☐ Know ☐ Not know
- B. Country-of-Origin ☐ Know ☐ Not know
- C. Nutrition ☐ Know ☐ Not know

24. How much product knowledge do you have about baby milk powder?

- A. Brand equity ☐ A lot ☐ Some ☐ A little ☐ Nothing
- B. Country-of-Origin ☐ A lot ☐ Some ☐ A little ☐ Nothing
- C. Nutrition ☐ A lot ☐ Some ☐ A little ☐ Nothing

25. Please list all the brands of baby milk powder that you know:

_____.

PART TWO:

26. What is your gender?

- A. Male
- B. Female

27. What is your age?

- A. 25-30
- B. 31-35

28. Who pays for your baby's living expenses?

- A. Myself and my wife (husband)
- B. One of our parents
- C. Others

29. What is your qualification?

A. National Diploma

B. Bachelor Degree

C. Master Degree

D. Doctor Degree

THANK YOU!