Country-of-Origin (COO) Effect on Chinese Consumers' Evaluation of New Zealand Milk Powder

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning, except where due acknowledgement is made in the acknowledgements.

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Ethical Approval

AUT University Ethic Committee (AUTEC) approved my ethics application for this research study on 24 December 2011. Application Number 10/242 (see Appendix 5)

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Abstract

This is an empirical study of milk powder products in the Chinese dairy market which seeks to discover the effect of country-of-origin (COO) on Chinese consumers' evaluation of New Zealand milk powder. The study is grounded on past research which suggests that COO influences consumers' product evaluations more than it influences purchase intentions. The importance of antecedents and moderators of the COO are investigated. 200 Chinese consumers who purchase milk powder were surveyed using a structured self-completion questionnaire; 50 respondents were surveyed in each of four regions of China, north, south, east and west China. Chinese consumers have a positive image of New Zealand and this has an influence on their willingness to purchase milk powder from New Zealand. In addition, Chinese consumers are quality and brand conscious when evaluating dairy products. The extrinsic cues of brand name and price strongly influence Chinese consumers' dairy product evaluation. However, the study also finds that most Chinese consumers have a low level of knowledge of milk powder and rely considerably on a product's COO in their evaluation of this product category. The implications of this study's findings for New Zealand dairy organizations' marketing of milk powder are discussed.

Key words: Country-of-origin (COO), Chinese consumers, dairy product, milk powder, New Zealand, product evaluation

Chapter 1 - Introduction

In an era of business globalization, the competition between local and foreign brands has become more intensive. International organizations need to understand how local consumers evaluate their products as imported goods. All imported products or services carry a country-related message, which is the “made in” label. The “made in” label is seen as an intangible cue which can influence consumers’ product evaluation process, and this is termed the country-of-origin (COO) effect in a wide range of marketing and international business studies (Brodowsky, Tan & Meilich, 2004).

The increase in business globalization and emerging markets has complicated the COO phenomenon. International operations of a business today may involve the design of products in one country and the manufacture and assembly process may take place in another, using raw material or parts from worldwide locations. For example, in order to decrease production cost, many companies choose to make the products in developing countries because of the low labour cost (Hamzaoui & Merunka, 2006). Thus, bi-national products are a common phenomenon in today’s business environment.

1.1 Research background

China’s economy has grown rapidly since the open-door policy was initiated in 1978 (Delong, Bao, Wu, Chao & Li, 2004; Gao, Norton, To & Zhang, 2009; Tao, 2004). China has become the world’s fastest growing economy (Euromonitor-International-(a), 2010). As a result, household income has also increased, as well as the purchasing power of consumers. Thus, China has created the world's most dynamic investing host environment for multinational corporations (Euromonitor-International-(b), 2008; Gao et al., 2009).

The dairy market in China increased steadily from 2005 to 2008 but in 2009 the sales volume declined dramatically by nearly 13% (Datamonitor-(a), 2010). This phenomenon was caused by the "San Lu" scandal. San Lu is a Chinese milk powder brand, which held the largest share (18.26%) of the Chinese milk powder market in 2007. In 2005, New Zealand's leading dairy company Fonterra Co-operative Group and San Lu Group established a joint venture partnership with Fonterra having a 43% stake of San Lu (Chen, 2009). However, in 2008 San Lu's melamine-contaminated milk-powder and infant formula led to 300,000 babies becoming ill and the death of six infants (Chen, 2009).

The San Lu scandal caused a nationwide dairy-industry crisis. Products from 22 of the 175 dairy companies in China tested positive for contamination, including some leading brands (Chen, 2009). Thus, milk powder "made in China" became a big concern among Chinese consumers. The scandal destroyed Chinese consumers' trust in Chinese milk powder brands. Since then, Chinese consumers have become more willing to purchase premium or high quality milk powder and place more reliance on foreign brands. This phenomenon has resulted in a great opportunity for global dairy brands (Datamonitor-(b), 2010).

1.2 Research purpose

This research investigates the COO effect on Chinese consumers’ evaluation of New Zealand milk powder.

1.3 Research questions

To achieve the research purpose, a review of the COO literature led to the formulation of the following questions:

1. What is the country image of New Zealand held by Chinese consumers?

2. Do Chinese consumers have any stereotypes about New Zealand?

3. To what extent does Chinese consumer ethnocentrism influence the selection of domestic brands of milk powder over foreign brands?

4. Is there any animosity towards New Zealand by Chinese consumers?

5. How important is COO in Chinese consumers’ evaluations of milk powder, compared with the importance of price and brand?

6. Does a consumer’s level of involvement in purchasing milk powder moderate COO effect?

7. Do COO evaluations of New Zealand milk powder vary between regions of China?

1.4 Research methodology

In order to adequately answer the research questions and accomplish the aim of the research, the data was gathered in a real-world setting by surveying Chinese consumers' responses using both domestic and foreign milk powder products. This research design involved 200 respondents surveyed outside supermarkets. A sample of 50 respondents was obtained in four regions of China (north, south, east and west), by mall-intercept surveys at a Wal-Mart shopping centre in four cities (one in each region), using systematic sample selection.

1.5 Thesis structure

Five chapters follow this introduction. Chapter 2 discusses the evolution of the COO construct and surveys the existing research to identify the key antecedents and moderators which need to be considered when studying the COO effect. Chapter 3 presents in detail the methodology used in this research. Chapter 4 presents the findings followed by a discussion of the results in Chapter 5. The concluding Chapter 6 summarises the findings in relation to the research questions and makes suggestions for future research.

Chapter 2 - Literature Review

The literature on perceptions of nations and national stereotypes can be traced back to the 1930s (Roth & Diamantopoulos, 2009). The first empirical study of the country-of-origin (COO) effect by Schooler (1965) found that statistically significant differences exist in the evaluation of products by Guatemalan market participants on the basis of the national origin of products. Since then COO has become one of the most widely researched concepts in the marketing and international business contexts (Insch & McBride, 2004; Pereira, Hsu & Kundu, 2005; Suh & Smith, 2008). By the year 2005, over 700 COO studies had been published (Rosenbloom & Haefner, 2009).

Numerous studies confirm that a product's COO is used as an extrinsic cue in consumers' product evaluation (Cordell, 1992; Han, 1989; Hong & Wyer, 1989). Research suggests that the COO cue directly influences consumers' brand and product quality evaluations (Peterson & Jolibert, 1995; Pecotich & War, 2007). There are several variations but, broadly, perceived product quality is defined as consumers' evaluation of a product's overall excellence and superiority (Zeithaml, 1988). Although the COO effect influences consumers' product evaluations, previous studies suggest that purchase intention is not directly impacted by COO effects but is in fact moderated by several other factors (Chryssochoidis, Krystallis & Perreas, 2007; Peterson & Jolibert, 1995; Rahman, 2000).

The following review of the COO literature is structured into four sections. The first section discusses the definition and evolution of the COO concept. The antecedents of COO are discussed in the second section, while the factors moderating COO effects are surveyed in the third. The final section summarizes the literature review and outlines the purpose of this study.

2.1 Evolution of the COO construct

Schooler (1965) did not explicitly define the term COO effect in his paper, as it was possibly considered to be self-evident at that time. Today's world is very different however, with increasing globalization and organizations aiming to reduce their production costs by designing a product in one country and manufacturing it in another (Hamzaoui & Merunka, 2006). As a consequence, some researchers suggest that COO is not a single concept anymore because bi-national brands and products are an omnipresent phenomenon (Chowdhury & Ahmed, 2009). Studies on COO have become more complex and the construct has been decomposed into several specific dimensions: COD (country of design), COA (country of assembly), COP (country of parts), COM (country of manufacture) and COB (country of brand) (Chao, 2001; Chowdhury & Ahmed, 2009; Hamzaoui & Merunka, 2006; Insch & McBride 1998; Quester, Dzever & Chetty, 2000). For example, a car can be a Japanese brand (COB) and designed (COD) in Japan, but the car can be assembled (COA) in China. These dimensions or sub-constructs of COO are summarized in Table 1 below.

Table 1: Decomposing the COO construct

COD (country of design)	"The country where product was conceived and engineered" (Insch & McBride 1998, p.73).
COA (country of assembly)	"The country where the majority of the product's final assembly took place" (Insch & McBride 1998, p.73).
COP (country of parts)	"The country where the majority of the materials used in product come from and /or the components parts are made" (Insch & McBride 1998, p.73).
COM (country of manufacture)	"The country where the product is manufactured" (Hamzaoui & Merunka 2006, p.147).
COB (country of brand)	"The country in which the brand originated" (Bae & Lee 1999, p.344).

Insch and McBride (1998) discuss three dimensions (design, assembly and parts) which could influence the overall product quality evaluation and all three of these could originate in different countries. Chao (2001) found that COD, COA and COM all affect consumers' perception of product quality and that consumers differ in the weight that they give to the different dimensions. For example, some consumers may give more weight to COD than COM or COA.

Other perceived quality biases could impact on overall product quality evaluation, such as an unsatisfactory purchase experience in the past. For example, a consumer may have a negative purchasing experience with country A's product. This consumer may develop a negative or unfavourable attitude towards all products from country A. Therefore, as Insch and McBride (1998) suggest, a product's overall perceived quality (OPPQ) is combined or influenced by perceived design quality (PDQ), perceived manufacturing quality (PMQ) and other perceived quality biases (OPQB). Results of studies on COO sub-constructs also suggest that COO effects vary with different product categories. For example, COD image is more influential for cars than for televisions (Hamzaoui & Merunka, 2006).

The focus of COO research over time moved from evaluating differences in product evaluations and preferences based on just the COO of a product (i.e. Italy, Japan, USA) to trying to measure the country of origin image (COI) (Roth & Dimantopoulos, 2008). These perceptions or images of a country can influence consumer purchase processes either positively or negatively (Kumara & Canhua, 2010). There are a variety of country-related cues or information of which the simplest is the “made in” label (Brodowsky et al., 2004). Roth and Diamantopoulos (2008) suggest that there is no consensus on how to conceptualize and operationalize the COI construct. They analyze past studies and find that they have used three different definitions: overall country image (OCI), product-country image (PCI) and country-related product image (PI).

The first group of COI definitions i.e. OCI concentrates on the image of the country created by macro factors such as the level of economic and political maturity, culture, technological development, conflict with other countries, labour conditions and environmental issues (Allred, Chakraborty & Millert, 1999; Askegaard & Ger, 1998;

Bannister & Saunders, 1978; Desborde, 1990). The majority of past studies on COO have used this definition. However, a number of different words are used to explain the term “image”, including knowledge, perceptions, mental representations, impression, beliefs and association. Nevertheless, these studies are unified in their focus on measuring OCI based on macro factors.

The second definition, PCI, focuses on both the image of the country and its products. The focus of these studies is on stereotypical images of countries and also on the products made in these countries, on the basis that together these influence consumers’ product evaluation (Hooley, Shipley & Krieger, 1988; Papadopoulos & Heslop, 2003). Consumers associate a certain product quality with certain countries. Nebenzahl, Jaffe and Usunier (2003, p. 388) defined COO as “consumers’ perceptions of the attributes of products made in a certain country; emotions toward the country and resulting perceptions about the social desirability of owning products made in the country”.

Knight and Calantone (2000, p. 127) summarized past studies and proposed that COI “reflects a consumer’s perceptions about the quality of products made in particular country and the nature of people from that country”. They did not explain how COI is influenced by consumers’ perceptions about the nature of the people from that country, but they confirm that a product’s quality evaluations can be affected by consumers’ perceptions of the particular country where the product is made. Thus, this group of studies focuses on both “country image (stereotype)” and “product image from the particular country”.

The third definition, PI, focuses on the general image of the quality of products from a particular country (Bilkey, 1993; Han, 1989; Nagashima, 1970; Roth & Romeo, 1992; Strutton, True & Rody, 1995). The “product image” here is attached to consumers’ prior perceptions of the country’s products in general and this could influence consumers’ evaluation of a particular product. Roth and Romeo (1992, p. 480) state that “country image is the overall perception consumers’ form of products from a particular country, based on their perception of the country’s production and marketing strengths and weaknesses”. For example, there is now a general negative perception of dairy food products made in China after the 2008 San Lu scandal.

While studying the COO effect, the differing definitions of COO has resulted in different research designs and somewhat different measures being used, with relatively few findings in this area that can be agreed upon (Jaffe & Nebenzahl, 1984; Roth and Diamantopoulos, 2009).

2.2 Antecedents of COO evaluations

The confirmation of a COO effect also led to studies on how COO images are formed. Pharr (2005) reviewed past research and found that researchers concentrate on either *endogenous* or *exogenous* sources to explain the antecedents of COO evaluations.

Studies addressing endogenous antecedents of COO focus on the considerable traits *within* consumers, e.g. psychographic and values dimensions, to explain the discrepancy in COO evaluations. Literature on exogenous antecedents emphasizes the sources *outside* of consumers such as the structural dimensions of a particular country (e.g. a country's level of economic development) to explain the variance in COO evaluations.

Furthermore, as Pharr (2005) summarized, some researchers focus on cognitive determinants to study COO antecedents. Gurhan-Canli and Maheswaran (2000) find that motivational intensity and information processing goals could influence COO evaluations by taking the number and types of country-related cues into individuals. When consumers intentionally focus on the country-related cues, they are more likely to give positive COO evaluations. Alternatively, if consumers initially focus not on the COO cue but on other product attributes, COO information may not be used in their product evaluation. Pharr (2005) found that literature on endogenous antecedents is more plentiful than that on exogenous and cognition antecedents. Previous studies have revealed the following endogenous antecedents of COO: country image, country stereotypes, consumers' ethnocentrism, country-specific animosity and demographics.

2.2.1 Country image

Recent studies categorize country image into two dimensions: "macro" (technological, economic, and political) and "micro" (innovation, design, workmanship and reputation)

(Pappu, Quester & Cooksey, 2007) and both of these can directly affect a product's evaluation (Pappu et al., 2007; Roth & Romeo, 1992). Table 2 gives an example of the types of items which are commonly measured in country image studies, mostly using a semantic differential or Likert-type scale (Jaffe & Nebenzahl, 1984).

Table 2: Questionnaire items for country image

Expensive/ inexpensive
Technically backward/ technically advanced
Mostly domestic/ mostly worldwide distribution
Heavy industry/ light manufactured product
Reasonably/ unreasonably priced
Luxury/ necessary items
Unreliable/ reliable
Exclusive/ common
Modern/ conservative design
Handmade mass produced
High/ low quality
More concerned with appearance/ performance
Inventive/ imitative

(Source: Jaffe & Nebenzahl, 1984)

Previous studies agree that a favourable image held by consumers of a particular country increases the favourable perception of products from the same country (Amine, 2008; Chattalas, Kramer & Takada, 2008). Roth and Romeo (1992) showed that a positive and favourable country image increased consumers' willingness and desire to purchase. However, a country's image varies across product categories (Amine, 2008; Roth & Romeo, 1992). For example consumers may have a favourable image of clothing made in France, but not of France's high-tech products. As a consequence, the

COI effect for one particular product cannot be assumed to apply to all products from originating from the same country.

2.2.2 Country stereotypes

Past studies on country stereotypes posit that individuals are socialized into a particular culture and that their behaviour will be influenced by the culture (Fishman, 1956). Ehrlich (1973) proposes that stereotypes are part of a society's social heritage and every member of society internalized these stereotypes. Stereotypes are created by social groups through two processes, within (e.g. family) and outside (e.g. media) the society (Janda & Rao, 1997). Chattalas, Kramer and Takada (2008) emphasized the "beliefs" concept to define stereotype. They summarize past literature and define stereotypes as the beliefs of particular group, including behaviours, attributes, and characteristics. According to this definition, a country's stereotypes are the beliefs held by people of certain country.

Many studies suggest that a country's stereotype is one type of antecedent that can influence the COO effect (Chattalas et al., 2008; Janda & Rao, 1997; Khanna, 1986; Strutton et al., 1995). People's stereotypes of a particular country can be positive (favourable) or negative (unfavourable). Favourable stereotypes of a particular country might increase consumers' positive perceptions towards that country's product. In turn, negative or unfavourable stereotypes might cause negative perceptions in the product evaluation process (Holbrook, 1981).

Personal beliefs can moderate a particular country's cultural stereotype (Holbrook, 1981; Fishbein & Ajzen, 1975). There are two components of personal beliefs: direct experience (e.g. visiting the country, meeting people from the country) and inferential beliefs (e.g. past purchase experiences) (Holbrook, 1981; Fishbein & Ajzen, 1975). While a country's stereotype and the personal beliefs of its people can be either positive or negative, they can also be strongly or weakly held. For example, if a consumer holds a favourable stereotype of a particular country but he/she also holds a negative personal belief from his/her past purchase experience, then he/she will uses both the country's stereotype and her personal beliefs in the product evaluation. For example, consumer A is buying a car and has had a bad experience with Toyota car. At the same time, consumer A prefers Japanese-made cars. He ends up purchasing a Honda Civic. In this case the country's stereotype outweighed his personal experience. Another consumer, consumer B, might end up purchasing a German-made car, despite holding a positive country stereotype of Japan. Consumer B's personal belief overweighed her positive stereotype of the country. Thus, in the second situation strong personal beliefs influenced product evaluation more than a country's stereotype.

Janda and Rao (1997) suggest people's stereotypes of a particular country can be seen as a hierarchical structure consisting of different levels of specificity. Furthermore, a product's category could vary the evaluation of a particular country's stereotype (Eroglu & Machleit, 1989) (see Figure 1).

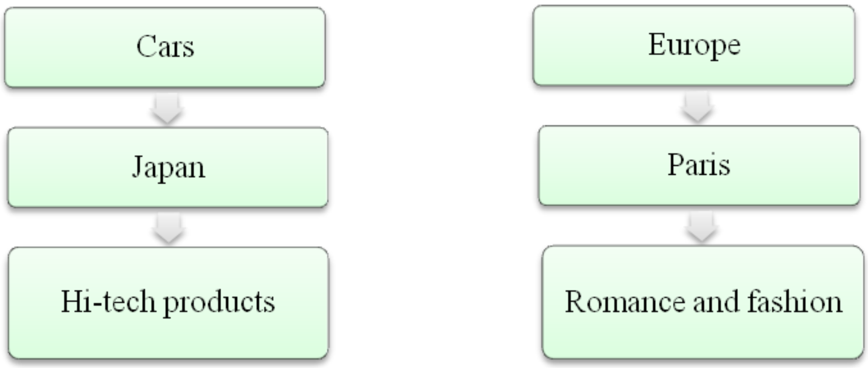

Figure 1: Levels of stereotype

2.2.3 Consumer ethnocentrism

The consumer ethnocentrism (CE) construct was initially introduced in 1906 and refers to an "in group" orientation (Chryssochoidis et al., 2007). This argues that people view their own group as the centre of everything, and other groups are evaluated with reference to it. Previous studies reveal that in the economic environment, CE is seen as antecedent knowledge of the consumer. Chryssochoidis et al. (2007) found in their study on food products that when a foreign country of origin is given, the COO effect on ethnocentric consumers leads to a negative bias in their evaluation of the product. In non-ethnocentric consumers, this negative bias is not apparent and specific product attributes appear to be more important in the evaluation. Thus ethnocentric consumers over-evaluate the quality of domestic products and under-evaluate products from foreign countries (Rawwas & Rajendran, 1996).

Shimp and Sharma (1987) proposed that the CE construct could explain why consumers favour domestic products rather than foreign products, even without any obvious reasons for such a preference (e.g. cheaper offer or better features). Additionally, consumers who are ethnocentric believe that purchase of imported products harms local business and leads to increases in unemployment in their own country (Shimp & Sharma, 1987).

Balabanis and Diamantopoulos (2004) suggest that though CE leads consumers to prefer domestic products, it does not necessarily lead to the rejection of all foreign products. Their research found that CE effects on COO perceptions vary significantly across product categories. Piron's (2000) findings suggest the same, with the influence of CE becoming more important as the product category grew less important.

Wang and Chen (2004) observed that consumers from developing countries are less ethnocentric in their purchase behaviour. In developing countries, consumers' perception of foreign products is superior to their perception of domestic products. On the other hand, consumers from developed countries have been observed to have a high level of ethnocentrism, preferring domestic products to imported ones. In addition, Chryssochoidis et al. (2007) suggest that CE is directly related to the age of consumers. In a study involving Greek consumers, the authors found that consumers who were below 35 years old were less ethnocentric compared to older consumers. They showed that younger consumers (26–35 years old) are less prejudiced when they evaluate foreign products. Moreover, Hsu and Nien (2008) demonstrated that level of education can also influence consumers' level of ethnocentrism and that consumers with lower education levels are relatively more ethnocentric.

2.2.4 Country-specific animosity

Animosity is relatively new construct in marketing and COO literature. Animosity is defined as the "remnants of antipathy related to previous or ongoing military, political, or economic events" which could influence consumers' desire of purchasing imported products from other countries (Klein, Ettenson & Morris, 1998, p. 90). Animosity is a country-specific construct, involving interactions of both cognitive and affective processes, which can impact on consumers' response towards a specific country's products.

Amine, Chao and Arnold (2005) argue that there are several dimensions to animosity, such as "war animosity" and "economic animosity". Klein et al. (1998) cite as a typical example of these types of animosity the Chinese consumers' attitude towards Japan because of the events of World War II and past unfair trade practices with China. They found that war animosity is more strongly related to reluctance to purchase products from the country which is the object of the animosity. Economic animosity is more likely to constrain and disrupt the flow of trade between those nations (Baughn & Yaprak, 1993). Ang, Jung, Kau, Leong, Pornpitakpan and Tan (2004) classified animosity into four types: stable, situational, personal and national. Stable animosity is normally derived from historical relationships between countries which can be passed on to the next generations. Situational animosity is more likely to relate to recent economic or political issues. Negative personal experiences may cause personal animosity towards a foreign country, and national animosity towards a foreign country arises from how foreign countries treat consumers' home country.

Amine et al. (2005) also suggest that there are several factors that can affect the degree of animosity, such as regional geographic differences; demographic variables; unusual economic conditions; and competitive market factors. Overall, consumers having any type of animosity towards a specific country could lead to a negative impact on willingness to purchase products from that country (Klein et al., 1998).

This COO antecedent of animosity can be related to the CE antecedent. Nijssen and Douglas (2004) suggest that animosity enhances feelings of ethnocentrism. In the area of product choice, animosity is more likely to play a predictive role while ethnocentrism is more likely play a product choice role (Amine et al., 2005). The focus of CE is on consumers' willingness to purchasing foreign products, whereas animosity is a country-specific construct (Klein et al., 1998). Nijssen and Douglas (2004) proposed that country-specific animosity can affect preference judgement and willingness to buy.

2.3 Factors moderating the COO effect

Pharr's (2005) summarizes past research and categorizes the moderators of COO effect on product evaluation into two types: product-based and individual-based. The product-based moderators are price, brand name, product type and product complexity. The individual-based moderators are involvement level, involvement type, product familiarity and product importance.

Product-related cues can be divided into *intrinsic* and *extrinsic* cues affecting consumers' product evaluation or choice preference (Chao, 2001; Insch & McBride, 1998; Srinivasan, Jain & Sikand, 2004). Intrinsic cues involve a product's physical characteristics such as performance, quality, flavour, colour and durability. Extrinsic cues, by contrast, refer to the external or product's non-physical compositions such as price, brand and country label (COO, COA, COP, COD, COM, and COB) (Insch & McBride, 1998; Srinivasan et al., 2004; Wall, Liefeld & Heslpo, 1991). Intrinsic cues cannot be changed or experienced without changing the physical characteristics of the product (e.g. quality and flavour) (Srinivasan et al., 2004). Thus, intrinsic cues are relatively difficult for consumers to use in evaluating a product's quality prior to consumption and they normally use a product's extrinsic cues to evaluate product quality before purchase (Insch & McBride, 1998).

2.3.1 Product-based moderators

2.3.1.1 Price

Price is an extrinsic cue which is employed heavily by consumers in their product evaluation process (Veale & Quester, 2009). Many studies have found a strong relationship between price and perception of product quality (Erikson & Johansson, 1985; Monroe, 1982). Lee and Lou (1996) found that consumers have a “value for money” perception whereby higher quality relates to higher price, and lower quality relates to lower price. Consumers see price as a predictor of product quality, and they strongly rely on price when other product categories’ information is limited or not offered (Veal and Quester, 2009).

In the COO context, Aqueveque (2008) found there is a positive bias towards developed countries. For example, they showed that consumers are willing to pay a higher price for products from developed countries, such as the USA. In an earlier study, Cordell (1991) had proposed that there is a preference bias against products from less developed countries. Cordell’s (1991, p.123) findings suggest that “consumers are more wary of products from less developed countries when the financial risk is higher and when they are seeking a product with superior tangible attributes”.

2.3.1.2 Product categories

Numerous studies confirm that COO effects vary among different product categories (Amine, 2008; Fetscherin & Toncar, 2010; Roth & Remeo, 1992; Veal & Quester, 2009). Although a consumer may hold a negative image of a particular country, the effect of this negative perception can vary by product categories (Bae & Lee, 1999). Bae and Lee (1999) provide the example of American consumers generally having a negative country image towards Iraq but still highly valuing Iraqi rugs. Thus, product categories could act as a moderating variable in the COO effect on product evaluation.

Researchers find single-country images and stereotypes can be varied among different product categories (Amine, 2008; Eroglu & Machleit, 1989; Roth & Romeo, 1992). Lee, Kim and Miller (1992) found that buyers prefer technology products from South Korea (e.g. personal computers) but not wall clocks. Hamzaoui and Merunka (2006) showed that a product's country of manufacture (COM) and country of design (COD) effects differ depending on the product categories. For example, consumers care more about where a high-tech product is designed than where it is made.

2.3.1.3 Brand name

Branding is one of the most important marketing tools which influence consumers' product evaluation and purchasing behaviour (Bae & Lee, 1999; Fetscherin & Toncar, 2010). Brand name is an important extrinsic product cue which may influence the consumer decision-making process, especially for a novice who has little or no knowledge of the product (Han, 1989; Szybillo & Jacoby, 1974).

In the context of COO research, many studies have focused on "foreign branding" (Thakor & Lavak, 2003). The spelling and pronunciation of a foreign brand in a target country may influence consumers' perception and evaluation of that brand. Harris, Farner-Ear, Sprick and Carroll (1994) found that English-language brand names were generally preferred over foreign-language brand names by American consumers, although the results varied by product categories.

Liu, Li and Murphy (2008) conducted an empirical study of the effects of COO on foreign brand name wine evaluations in China. Their findings showed that COO effect was greater when bilingual labelling rather than monolingual labelling was used. “It found that the COO effect was significant in wine evaluations in China. However, this effect was moderated by the language used in labels. Bilingual labelling, as compared to monolingual labelling, intensified the positive effect of COO for Chinese wines” (Liu et al., 2008, p.7). Chinese wine consumers were more willing to purchase foreign wine brands with labels that have also been translated into Chinese.

Nevertheless, the language effects were mixed for imported wines. Bilingual labelling in Liu et al.’s (2008) study meant that the wine was labelled in both Chinese and the language of the country of manufacture, such as French or English. They also found that bilingual labelling had a favourable COO impact on attitudes towards French wines but not Australian wines (Liu et al., 2008). The authors also showed that Chinese wine consumers prefer European-sounding (e.g. French) wine brand names more than English-sounding brand names.

Brand image is consumers’ perception, feelings and attitude towards a particular brand and it strongly influences consumers’ decision making and even their loyalty towards that particular brand (Gardner & Levy, 1955). According to Biel (1992), there are three dimensions to brand image: corporate image, social image and product image.

Corporate image relates to consumers' image of the manufacturer of the product. Social image relates to a brand's social acceptance.

Product image involves consumers' associations with a product (Biel, 1992). Bae and Lee (1999) proposed that a product's brand origin directly affects brand image, suggesting that a favourable perception of the brand's COO could positively influence the perception of brand image. On the other hand, brand image can also counter the effects of negative COO evaluations (Jo, Nakamoto & Nelson, 2003).

With the increasing appearance of hybrid products and bi-national brands, there are now numerous studies on the relationship between image of bi-national brands and the COO construct (Bae & Lee, 1996; Fetscherin & Toncar, 2010; Sierra, Heiser, Williams & Taute, 2010; Thakor & Lavack, 2003). The relationship between the overall image of the manufacturing country (CMOI) and the country manufacturing product image (CMPI) could be seen as category and sub-category, meaning that CMPI is part of CMOI (Bae & Lee, 1996) (see Figure 2).

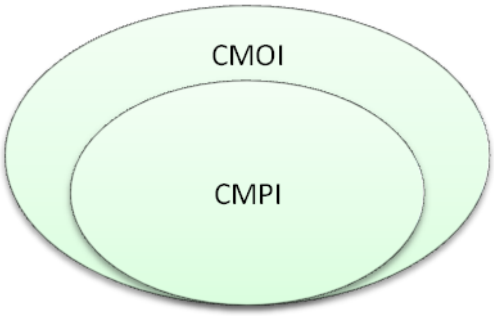

Figure 2: The relationship between CMOI and CMPI

Prior studies have showed that when the country name in a product label creates a poor image, the evaluation of a bi-national brand could be unfavourable (Cordell, 1992; Roth & Romeo, 1992; Wall et al., 1991). Thus, previous research has confirmed that both CMOI and CMPI have a positive relationship with evaluation of a bi-national brand (EBB). This means that when consumers have a good perception of CMOI and CMPI, they will tend to make relatively positive EBB (Bae & Lee, 1996). CMPI has also been shown to act as a mediator of CMOI on the effects on EBB. Moreover, brand image (BI) could act as a mediator of COB in the effects on EBB. This means that when consumers hold a high image or perception of a particular brand, this could positively influence their EBB (Bae & Lee, 1996) (see Figure 3).

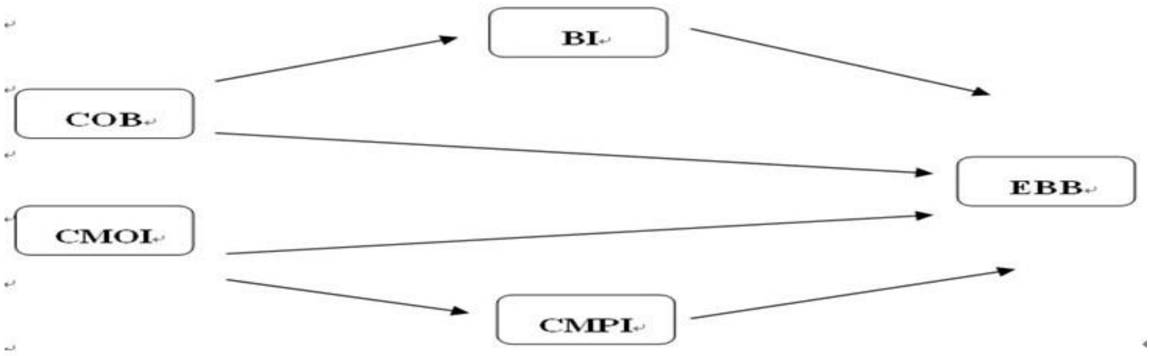

Figure 3: Model of evaluation of a bi-national brand (EBB)

(Source from: Bae and Lee (1996))

Bae and Lee (1999) also found that the BI effect on EBB is stronger than the CMPI effect. In sum, to better evaluate consumers' perception of bi-national brand it is necessary to take more than one sub-construct of COO (e.g. COB) into account and to include others such as COM and COA.

Jo, Nakamoto, Nelson (2003) suggested that a brand with a premium quality image may establish a positive brand attitude, even if where the product is made is associated with lower quality production or negative COO evaluations. Hsieh's (2004) findings also found the relationship between COO evaluation and brand attitude was significant. Hsieh (2004) suggested that when the availability of international brands is low, the COO cue is more significant.

2.3.2 Individual-based moderators

2.3.2.1 Product familiarity and product knowledge

From the overall COI point of view, when a consumer is unfamiliar with a country and the product, their initial perception of the country may be a spillover perception derived from other products associated with the country (Baughn & Yaprak, 1993). In other words, under conditions of less product familiarity, consumers' perception of products from a specific country is derived from their overall perception and beliefs of the country's overall production.

Research has found that level of product knowledge can affect consumers' information processing of COO cues. Lee and Lee (2009) showed that consumers were less likely to use COO cues in their product evaluation when they have a high level of product knowledge. In contrast, when consumers have a low level of product knowledge, they are more likely to rely on COO cues in their product evaluation. In short, consumers are less influenced by COO cues in their product evaluation when they have high level of product knowledge. Lee and Lee (2009) found that consumers prefer Japanese laptops over Korean ones because they have less product knowledge about Korean ones (Lee & Lee, 2009).

Consumers build up their perceptions towards a particular country, brand or product through their direct and indirect experience, such as advertising, shopping experience, interaction with salespersons, word-of-mouth communications, and so on (Tam, 2008). Familiarity reflects consumer's perception of a particular brand or product category derived from his/her direct or indirect experience (Matthiesen & Phau 2005; Robert & Chirs, 1994). Previous studies suggest that country image can be developed by consumers through familiarity with foreign products (Douglas & Nonaka, 1985; Roth & Romeo, 1992). There are two dimensions from which consumers' perception and knowledge about a country can be derived: the macro and the micro. The micro dimension includes innovation, design, workmanship and reputation (Pappu et al., 2007).

The level of product familiarity can influence consumers' willingness to purchase and the extent to which they apply COO cues when making their judgement. Heimbach, Johansson and MacLachlan (1989, p. 467) state that "the correlation between product familiarity and use of the country-of-origin cue is relatively high and significantly positive". Ahmed and d'Astous (2008) confirmed the moderator role of product familiarity in the evaluation of COO. Previous research suggests that the contribution of COO to product evaluation, when the amount of attribute information presented is low (low familiarity), is higher than when the amount of product attribute information is high (high product familiarity) (Jimenez and Martin, 2010; Li & Wyer, 1994). Han's (1989) study manipulated the case of products from the USA and Korea and found that respondents are most familiar with US products and least familiar with products from Korea. Han (1989) concluded that under conditions of low product familiarity, country image acts as a halo from which consumers infer product attributes. In contrast, when consumers are familiar with a country's products, country image may be formed by the sum of consumers' perceptions of attributes of products from that country.

Ahmed and d'Astous (2008) suggested that the greater the level of familiarity with a country and its products, the more objective consumers' product perceptions are. Animosity may increase consumers' rejection of imported products and increase their preference of local products (ethnocentrism), under the condition of unfamiliarity (Russell & Russell, 2006). Russell and Russell (2006) also found that product and brand familiarity may override the effects of animosity and ethnocentrism.

2.3.2.2 Product involvement level

Consumers' level of involvement is one of the most researched constructs in the marketing field (Bearden, Richard & Mobley, 1999), because of its impact on consumer behaviour (Prendergast, Tsang & Chan, 2010), purchasing process (Henderson & Hoque 2010) and marketing communication (Laczniak, DeAnna & Meuhling, 1999). The recent study of Prendergast et al. (2010) summarized previous studies and classifies "involvement" into three categories: advertising involvement, product involvement and purchasing involvement. Of interest to this study is the role of product involvement in the COO effects on evaluations. Product involvement is defined as consumers' concern and contribution to products (Prendergast et al., 2010). Traylor (1981) defined involvement as consumers' recognition and understanding of a specific product. Consumers with low levels of knowledge relevant to the product category are more susceptible to the influence of a trusted extrinsic cue (Veale & Quester, 2009).

Numerous studies confirm the moderating role of product involvement in the COO effects on product evaluations (Aboulnasr, 2007; Henderson & Hoque, 2010; Prendergast et al., 2010). Veale and Quester (2009) stated that COO is more important for the evaluation of high involvement products and less important when consumers are evaluating low involvement products. Thus, COO effects influence consumers' perception of luxury products more strongly than their perception of everyday products. Many studies have confirmed that in the case of high involvement products, consumers pay more attention to product evaluation by carefully assessing all product attribute information. However, for low involvement products, consumers examine the product in a limited way (Aboulnasr, 2007; Henderson & Hoque, 2010; Prendergast et al., 2010). In the case of high involvement products, Hamzaoui and Merunka (2006) argue that under certain conditions (e.g. high financial risk); sub-constructs of COO (e.g. COD and COM) may strongly influence consumers' perception and evaluation. In contrast, for lower involvement products, consumers may only focus on the COM.

2.3.2.3 Demographics

Consumers' demographics such as age and level of education could also play moderator roles in the evaluation of the COO effect (Chao & Rajendran, 1993; Insch & McBride, 2004). Insch and McBride (2004) found a positive relationship between level of education and COO cues in their study of Mexican consumers' attitudes to mountain bikes. They found that Mexican consumers with higher levels of education were more likely to synthesize the various product cues such as a product's COO cue in their product quality evaluations (Insch & McBride, 2004). On the other hand, the significant relationship between level of education and COO evaluation was not applicable to all range of product evaluations, which also varied by product categories (Insch & McBride, 2004). Insch and McBride (2004) did not find this relationship among American consumers. Again it appears that the impact of the level of education on the COO cue also varies in countries. (Insch & McBride, 2004). In addition, Hsu and Nien (2008) found consumers with lower levels of education are comparatively more ethnocentric. Thus some studies suggest that the influence of age and level of education and age on consumers' level of ethnocentrism can then indirectly impact on COO effect on consumers' product evaluations (Hsu & Nien, 2008; Chryssochoidis et al., 2007).

2.4 The research gap

As the single global COO measurement has decomposed into several sub-constructs and there is so much more COO information to process in the 21st century, researchers have begun to question if the COO effect is still an important cue for consumers in today's world of global brands (Pharr, 2005). Recent research into natural (non-laboratory) conditions suggests that consumers' knowledge of products' origins is now quite low and thus COO is becoming less important in consumers' product evaluations (Liefeld 2004; Madden 2003; Samiee, Shimp, & Sharma 2005). Pharr (2005) suggested more research is needed into the antecedents of COO effects and that there is a greater need for more holistic research because of the increasing number of moderators which can influence the COO effect.

New Zealand’s economy relies heavily on exports, especially exports of agricultural products. Exports, including meat, meat products and dairy products, accounted for 22.2% of GDP in 2010. Dairy products make up a huge 33.8% of the country’s total exports (Euromonitor-International-(c), 2011). New Zealand and China signed a free-trade agreement in 2008 which helped to boost exports to China (Euromonitor-International-(c), 2011). New Zealand dairy products (milk powder, butter and cheese) account for the biggest percentage of goods exported to China (NZD 4 million in 2010) (Statistics New Zealand, 2011). However, the impact of the COO effect on Chinese consumers’ evaluation of New Zealand milk powder remains uncertain. Thus, the aim of this research is to examine the COO effects (if any) for Chinese consumers in their evaluation of New Zealand dairy products and most specifically in their evaluation of milk powder.

The above literature review informed the creation of a model of the COO effect (Figure 4) which is used as the basis for the design of this research and is discussed in more depth in Chapter 3.

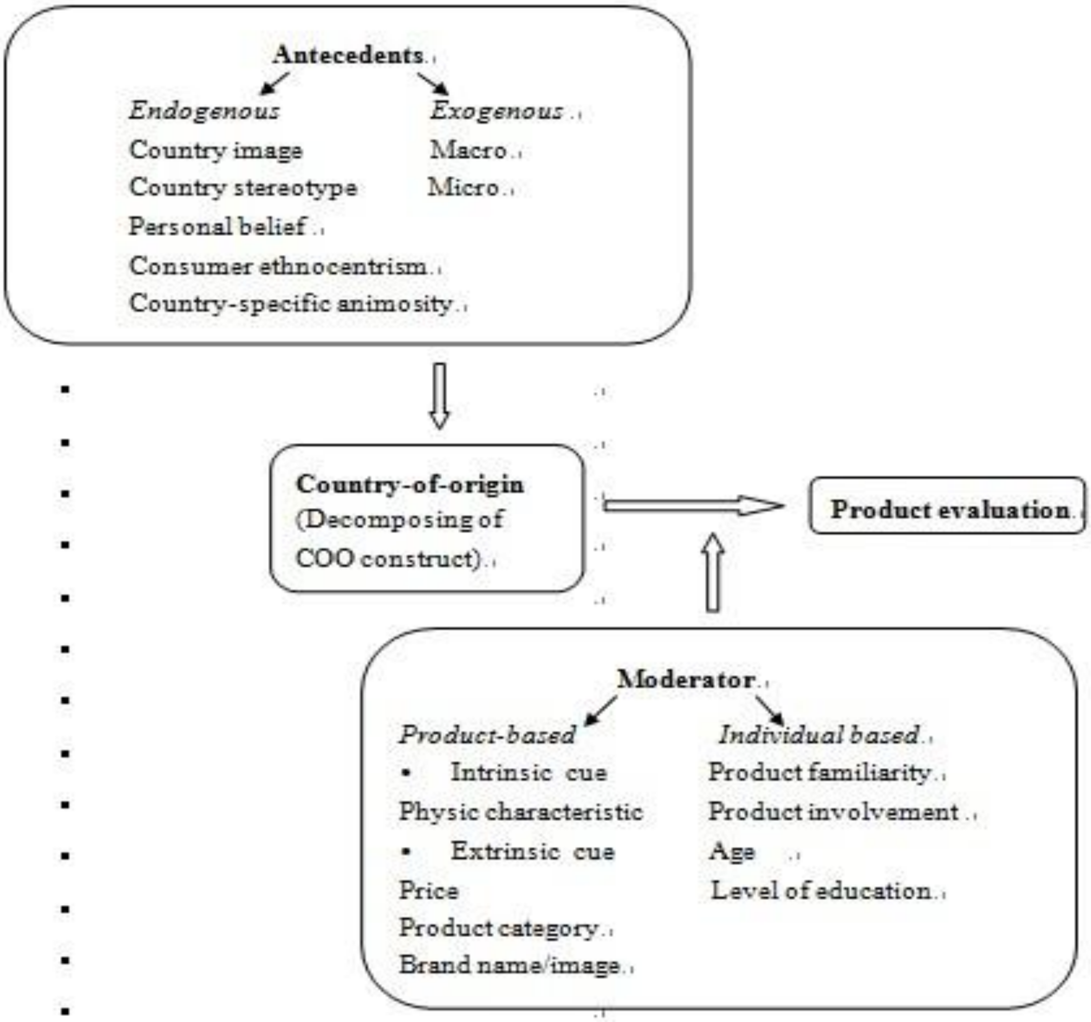

Figure 4: Model of the country-of-origin (COO) effect

Chapter 3 - Research Methodology

This chapter describes the methodology for this research; it covers the units of analysis and the justification for the methodology chosen. The design of the questionnaire survey is fully described. This chapter also outlines the data sources and procedures for collecting data. Lastly, it explains how the data were analyzed.

3.1 Research questions

The aim of this research is to investigate the COO effect on Chinese consumers' evaluation of New Zealand milk powder. To achieve the research purpose a review of the COO literature led to the foundation of the following questions:

1. What is the country image of New Zealand held by Chinese consumers?

2. Do Chinese consumers have any stereotypes about New Zealand?

3. To what extent does Chinese consumer ethnocentrism influence the selection of domestic brands of milk powder over foreign brands?

4. Is there any animosity towards New Zealand by Chinese consumers?

5. How important is COO in Chinese consumers' evaluations of milk powder, compared with the importance of price and brand?

6. Does a consumer’s level of involvement in purchasing milk powder moderate COO effect?

7. Do COO evaluations of New Zealand milk powder vary between regions of China?

3.2 Research design

In order to answer the research questions, research was conducted in a real-world setting by surveying Chinese consumers’ evaluation of both domestic and foreign milk powder products. This included New Zealand brands. With the development of the Chinese economy, many large domestic and foreign supermarkets, such as Wal-Mart and Carrefour, have established outlets in Chinese cities. A large variety of domestic and foreign milk powders are available on the shelves of these supermarkets. Additionally, because of the high cost of foreign milk powder, consumers are not normally able to buy these products from small local convenience stores. As a consequence, the majority of foreign milk powder purchased by consumers is purchased from big supermarkets. For this reason, supermarket consumers of dairy products were selected as the sample for this research.

China is a very large heterogeneous market with many regions, and there are differences in consumers’ income, education level, and even culture across these regions (Euromonitor-International-(b), 2008; Zhang, Grigoriou & Li, 2008; Gao et al., 2009). Thus, consumers from different regions may have different attitudes towards products and brands and varying buying behaviours. To survey dairy consumers from a single city in China would not adequately answer the research questions. Therefore, this research investigates consumers from four regions in China, north (Beijing), south (Shen Zhen City, in Guang Zhou Province), east (Qiqihar City) and west China (Gui Lin City). Figure 5 shows a map of China with the cities the researcher visited circled in red.

Figure 5: Map of China with cities visited

(Source: http://www.google.com/imgres?imgurl=http://index-china)

3.3 Sample description

Data was gathered from 200 respondents (50 respondents from each of the four regions). As females normally do the shopping for families, all 200 respondents were female and all were over 20 years old.

3.4 Construction of questionnaire

The questionnaire survey consisted of 15 questions which were composed in English and translated by a Chinese English lecturer from Qiqihar University (see Appendices 1 and 2). The survey instrument includes valid rating scale measures of constructs such as the Consumer Ethnocentric Tendencies Scale (CET-SCALE) and other rating scale items as detailed below. The survey instrument is designed to gather the following information on each of the 200 respondents.

3.4.1 Antecedents of COO

3.4.1.1 New Zealand's country image

As discussed in Chapter 2, country stereotypes and image can influence COO evaluations (Roth & Romeo, 1992). An open ended question (question 4) was designed to find out New Zealand's country image perceptions of Chinese consumers.

> 4. When you think about New Zealand, what is/are the best word(s) to describe your impression of New Zealand? Please state your opinion on the lines below:
>
> ____

Another open ended question discovered the Chinese perceptions about food products in general from New Zealand.

6. What do you think of food products that come from New Zealand?

____

3.4.1.2 Ethnocentrism

The CET-SCALE was first developed by Shimp and Sharma (1987). They conducted a study to gain insight into consumers' thoughts about foreign-made products (Shimp & Sharma, 1987). In their preliminary study, over 800 consumers gave their opinion on products from foreign countries. Shimp and Sharma (1987) generated 180 items expressing consumers' opinions. They then completed a process of scale purification and reduced the 180 items down to 117 Likert-type statements. Finally, they tested the reliability of those statements and found only 17 items satisfied the 0.05 reliability criterion. Thus, these 17 items represent the final CET-SCALE (see Table 3).

Table 3: The 17 items of the CET-SCALE

Item	Reliability[b]
1. American people should always buy American-made products instead of imports.	.65
2. Only those products that are unavailable in the U.S. should be imported.	.63
3. Buy American-made products. Keep America working.	.51
4. American products, first, last, and foremost.	.65
5. Purchasing foreign-made products is un-American.	.64
6. It is not right to purchase foreign products, because it puts Americans out of jobs.	.72
7. A real American should always buy American-made products.	.70
8. We should purchase products manufactured in America instead of letting other countries get rich off us.	.67
9. It is always best to purchase American products.	.59
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.	.53
11. Americans should not buy foreign products, because this hurts American business and causes unemployment.	.67
12. Curbs should be put on all imports.	.52
13. It may cost me in the long-run but I prefer to support American products.	.55
14. Foreigners should not be allowed to put their products on our markets.	.52
15. Foreign products should be taxed heavily to reduce their entry into the U.S.	.58
16. We should buy from foreign countries only those products that we cannot obtain within our own country.	.60
17. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.	.65

[a]Response format is 7-point Likert-type scale (strongly agree = 7, strongly disagree = 1). Range of scores is from 17 to 119.
[b]Calculated from confirmatory factor analysis of data from four-areas study.

(Source: Shimp & Sharma, 1987, p. 282)

Chryssochoidis et al. (2007) summarized past studies and suggested that the validity of the CET-SCALE has been frequently established in both developed and less developed countries. Consequently, Question 8 in the questionnaire was designed to investigate Chinese consumers' level of ethnocentrism, which was measured using the CET-SCALE. The CET-SCALE consists of 17 Likert-type questions with end-points "1 = totally agree" and "7 = totally disagree". However, not all previous studies have applied all 17 items to measure the level of consumer ethnocentrism (CE) (Klein et al., 1998; Russell & Russell, 2006). Thus, 10 items which have been frequently used in previous studies (Klein et al., 1998; Russell & Russell, 2006; Hsu & Nien, 2008) to measure Chinese consumers' level of ethnocentrism were incorporated into Question 8 of the questionnaire.

8. Please give your opinion on each of the following statements. Circle the option you choose.

1=strongly agree, 2=agree, 3=rather agree, 4=neither, 5=rather disagree, 6=disagree, 7=strongly disagree

A. Chinese people should buy China-made products instead of imports
1 2 3 4 5 6 7

B. Only those products that are unavailable in China should be imported
1 2 3 4 5 6 7

C. Purchasing foreign-made products is anti-China
1 2 3 4 5 6 7

D. We should purchase products manufactured is China instead of letting other countries get rich out of us
1 2 3 4 5 6 7

E. There should be very little trading or purchasing of goods from other countries unless out of necessity
1 2 3 4 5 6 7

F. Chinese should not buy foreign products, because this hurts Chinese business and cause unemployment
1 2 3 4 5 6 7

G. It may cost me in the long-run but I prefer to support Chinese product
1 2 3 4 5 6 7

H. Foreigners should not be allowed to put their products in our markets
1 2 3 4 5 6 7

I. Foreign products should be taxed heavily to reduce their entry into China
1 2 3 4 5 6 7

J. We should buy from foreign countries only those products that we cannot obtain within our own country
1 2 3 4 5 6 7

3.4.1.3 Animosity

There are several scenarios that have been used in business field research to test consumers' animosity towards a specific country (Klein, et al., 1998; Russell & Russell, 2006) (see Table 4).

Table 4: Animosity items from past studies

Economic Animosity

Japan is not a reliable trading partner.
Japan wants to gain economic power over China.
Japan is taking advantage of China
Japan has too much economic influence in China
The Japanese are doing business unfairly with China
(Source from Klein et al., 1998, p99)

Animosity

1. France is not a reliable trade partner
2. France is taking advantage of the U.S.
3. France has too much economic influence in the U.S.
4. France is violating free trade at the expense of the U.S.
5. I will never forgive France for not respecting the U.S.'s positions.
6. France conducts business unfairly with the U.S.

(Source: Russell & Russell, 2006, p330)

Thus, Question 9 of the questionnaire was designed accordingly to investigate whether or not there is any animosity towards New Zealand by Chinese consumers:

9. Please give your opinion on each of the following statements. Circle the option you choose.

1=strongly agree, 2=agree, 3=rather agree, 4=neither, 5=rather disagree, 6=disagree, 7=strongly disagree

1. New Zealand is not a reliable trade partner

   1 2 3 4 5 6 7

2. New Zealand is taking advantage of China

   1 2 3 4 5 6 7

3. New Zealand has too much economic influence in China

   1 2 3 4 5 6 7

4. New Zealand is violating free trade at the expense of China

   1 2 3 4 5 6 7

5. I will never forgive New Zealand for not respecting Chinese positions

   1 2 3 4 5 6 7

6. New Zealand conducts business unfairly with China

   1 2 3 4 5 6 7

3.4.2 The factors moderating the COO effect

3.4.2.1 Product based cues

Question 3 in the questionnaire was designed to compare the importance of the intrinsic (quality, packaging, ease of use and taste) and extrinsic (brand, COM, COB and price) cues in the evaluation of milk powder by Chinese consumers.

3. If you purchase milk powder for any of these people, which product characteristics do you think are important when you purchase milk powder? Write the number 1 beside the MOST IMPORTANT characteristic, 2 beside the SECOND most important characteristic, 3 beside the THIRD most important.

	Quality	Brand name	Price	Country of manufacture (COM)	Country of brand (COB)	Packaging	Ease of use	Taste
For children								
For teenager/ student								
For mid-old aged people								
For pregnant women								
For ladies								
For family nutrition								

3.4.2.2 Individual based cues

Involvement

This research defines "involvement in milk powder" in two different ways: knowledge of milk powder and frequency of purchase of milk powder for children. Question 1 and 5 are designed to investigate these issues.

1. How often do you purchase milk powder?

	Every week	Every month	Every few months	Once a year
For children				
For teenager/student				
For mid-old aged people				
For pregnant women				
For ladies				
For family nutrition				

5. Do you see yourself as someone who is knowledgeable about milk powder? Please circle the number that indicates your level of knowledge about milk powder:

1	2	3	4	5
I know a great deal about milk powder	I know quite a lot	I know some things	I know little	I know very little about milk powder

Demographics

Furthermore, a number of demographic questions (i.e. respondents' age, level of education, level of income and which part of China they were originally from) were asked (see Appendix 1and 2 for the full text of the questionnaire).

3.5 Data collection

Data collection lasted one month (1 November to 2 December 2010). Data was collected first from Shen Zhen City, followed by Gui Lin City, Qiqihar City and Beijing City. A sample of 50 respondents was gained in each of the four regions from mall-intercept surveys at a Wal-Mart shopping centre in each of the four cities, using systematic sample selection. Potential respondents were approached as they left the supermarket in the Wal-Mart centre. The purpose of the research was explained to them and their cooperation sought to complete the written survey form. Before participants began filling out the survey a "Participant Information Sheet" was provided in order to let respondents fully understand the purposes of the research (see Appendices 3 and 4). A systematic sampling procedure was used to minimize selection bias: after each completed survey form, every third female to exit the supermarket was approached to participate in the research. The questionnaires were filled in by the respondents which it usually took them 10–15 minutes. A token gift, a chocolate bar was given to each respondent to thank them for their cooperation.

To improve the clarity and validity of the survey questions, a pre-test of the questionnaire was conducted with 20 Masters students from Qiqihar University. The results from the pre-test pointed out some changes needed in the wording and the questionnaire was modified accordingly.

3.6 Data analysis

Data gathered from the questionnaires were then entered into an SPSS file for analysis. A univariate summary of each variable was first presented using appropriate tables and graphs (see Chapter 4). To answer the research questions, relationships between variables were tested using bivariate and multivariate statistical tests, including chi-square tests, t-tests, analysis of variance, correlation, and regression analysis (see Chapter 5).

Chapter 4 - Research Findings

This chapter reports the main findings from the survey. Data gathered from the questionnaires were entered into an SPSS file for analysis. A univariate summary of each variable is presented in this chapter using appropriate tables and graphs. The findings presented here will be discussed more fully in relation to the research questions and literature in Chapter 5.

4.1 Profile of respondents

Two hundred consumers were surveyed, 50 from each of the four regions of China selected. Table 5 presents a socio-demographic profile of the respondents.

- *Age* – 61.5% were aged 20–30 and 31.5% were aged 31–40.
- *Education* – 35% of participants had a diploma and 34% had a degree, meaning that. 69% of respondents had a diploma or a degree.
- *Income* – 34% of participants had a salary below 2000 RMB per month and 35.5% had a salary 2000–2999 RMB per month (approximately 600 NZD per month).
- *Adults in household* – 58.5% of households had 2 adults and 29% had 3 adults.
- *Children in household* – 80.5% of households had 1 child. As China has a “one-child” policy, the majority of Chinese families have only one child (see Table 5).

Table 5: Social-demographic profile of respondents

Demographics	***%***
Age	
20-30	61.5
31–40	31.5
4150	5.5
5160	1.5
60+	0
Education level	
Primary school	1.5
Junior high school	8.0
High school	14.0
Diploma	35.0
Degree	36.0
Masters	5.0
PhD	0.5
Average salary (RMB) per month	
2000 below	34.0
2000–2999	35.5
3000–4999	14.0
5000–6999	7.5
7000–9999	5.0
10000–14999	3.0
15000 & above	1.0
Number of adults in household	
1	1.5
2	58.5
3	29.0
4	8.5
5	2.5
Number of children in household	
0	10.5
1	80.5
2	7.0
3	2.0

4.2 Purchase of milk powder products

Participants were questioned about milk powder products (Questions 1–3 of the questionnaire); which household members they purchase milk powder for; how often they purchase milk powder; the brands of milk powder they purchase and how they evaluate the characteristics of milk powder.

Table 6 shows that 175 participants bought milk powder for children. Only 13 respondents bought milk powder for pregnant women; four participants bought milk powder for teenagers; five participants bought milk powder for middle-aged/old people; and only three participants bought milk powder for ladies. No respondents said they bought milk powder for family nutrition (see Table 6).

Table 6: Purchase of milk powder for selected groups of people

	For children	***For teenagers /students***	***For middle-age d/old people***	***For pregnant women***	***For ladies***	***For family nutrition***
Valid	175	4	5	13	3	0

Table 7 shows how often participants purchased milk powder for children. The majority of respondents (62.9%) purchased milk powder monthly, and 22.9% of respondents purchased milk powder for children every week.

Table 7: How often milk powder is purchased for children

		Frequency	*Valid %*
Valid	Every month	110	62.9
	Every week	40	22.9
	Every few months	25	14.3
	Total	175	100.0
Missing		25	
Total		**200**	

The participants bought 14 different brands of milk powder for children. The most popular brands of milk powder purchased for children were Dumex (22.0%), Mead Johnson (12.6%), Beingmate (10.9%), Yashily (9.1%), Sheng Yuan (8.6%) and ABBOTT (8.6%). Only 7.4% of respondents bought the New Zealand milk powder brand Wyeth. Another New Zealand milk powder, Karicare, was bought by only one respondent (0.6%) (see Table 8).

Table 8: Milk powder brands bought for children

	Brand	*Country of brand (COB)*	*Frequency*	*Valid %*
Valid	Dumex	France	44	25.1
	Mead Johnson	USA	22	12.6
	Beingmate	China	19	10.9
	Yashily	China	16	9.1
	Syrutra	China	15	8.6
	ABBOTT	US	15	8.6
	Wyeth	New Zealand	13	7.4
	Meiji	Japan	9	5.1
	Scient	China	7	4.0
	YiLi	China	5	2.9
	Ausnutria	Australia	3	1.7
	Nestel	Switzerland	3	1.7
	Wondersun	China	3	1.7
	Karicare	New Zealand	1	.6
	Total		175	100.0
Missing			25	
Total			**200**	

As Table 8 shows, the 14 brands are from many different countries. However, for some milk powder brands' country of manufacture (COM) is not as same as the country of brand (COB). The country of parts (COP) is defined as "The country where the majority of the materials used in product come from and/ or the components parts are made" (Insch & McBride 1998, p. 73). In the case of milk powder, the COP is the country which provides the raw milk to produce the milk powder (see Table 9).

Table 9: Profile of milk powder brands bought for children

Brand	***Chinese name***	***COM***	***COB***	***COP***
Dumex	Duo Mei Zi	Europe/ China	France	Europe
Mead Johnson	Mei Zan Chen	New Zealand/ China	USA	New Zealand
Beingmate	Bei Yin Mei	China	China	China
Yashily	Ya Shi Li	China	China	Imported without stating the exporting country's name
Syrutra	Sheng Yuan	China	China	New Zealand/ Europe
ABBOTT	Ya Pei	China	USA	New Zealand
Wyeth	Hui Shi	New Zealand	New Zealand	New Zealand
Meiji	Ming Zhi	Japan	Japan	Japan/ Australia
Scient	Shi En	China	China	New Zealand/ China
YiLi	Yi Li	China	China	China
Ausnutria	Ao You	Australia	Australia	Australia
Nestel	Que Chao	China	Switzerland	Europe/ New Zealand/ China
Wondersun	Wan Da Shan	China	China	China
Karicare	Karicare	New Zealand	New Zealand	New Zealand

The four supermarkets across the country did not carry all the brands mentioned by the respondents. Therefore, milk powder prices were recorded by the researcher from the supermarkets and online shopping websites (e.g. www.taobao.com). The price of milk powder given in Table 10 below indicates the average price from all the suppliers of a 900g can of first-stage infant milk powder. In the case of Karicare the price was taken from www.taobao.com because it is not available through supermarkets and is normally bought through the Internet.

Table 10: Price of milk powder (900g/per can)

Brand	***Price***
Wyeth	378 RMB (approximately 75NZD)
Ausnutria	306 RMB (approximately 60NZD)
Dumex	248 RMB (approximately 50NZD)
Beingmate	248 RMB (approximately 50NZD)
Mead Johnson	232 RMB (approximately 46NZD)
Yashily	228 RMB (approximately 45NZD)
Scient	223 RMB (approximately 44NZD)
ABBOTT	221 RMB (approximately 44NZD)
Nestel	203 RMB (approximately 40NZD)
Meiji	190 RMB (approximately 38NZD)
Yi Li	184 RMB (approximately 37NZD)
Wondersun	180 RMB (approximately 36NZD)
Karicare	170 RMB (approximately 34NZD)
Syrutra	150 RMB (approximately 30NZD)

The top five most expensive brands are Wyeth (378 RMB), Ausnutria (306 RMB), Dumex (248 RMB), Beingmate (248 RMB) and Mead Johnson (232 RMB). New Zealand brand Wyeth and Australia brand Ausnutria are the most expensive. The most expensive Chinese brand is Beingmate (248 RMB), followed by Yashily (228 RMB) and Scient (208 RMB). The Chinese brand Syrutra (150 RMB) and New Zealand's Karicare (170 RMB) are the two cheapest brands.

4.3 Evaluation of product characteristics of milk powder

The researcher asked the 175 participants who purchased milk powder for children to evaluate the importance of the product characteristics of milk powder (Question 3). This question used the following Likert-type scale: 1=most important, 2=second most important, 3=third most important. When the researcher asked what the most important characteristics of milk powder were for children, 100% of respondents said “quality”; 68.5% said “brand name”; 66.3% said “taste”; 37.7% said “country of manufacture”; 26.9% said “country of brand”; 24% said “ease of use”; 10.2% said “packaging”; and 7.8% said “price”.

Table 11 displays the mean rating for product characteristics. From the results we can see that quality plays the most important role in evaluation of milk powder for children. Chinese consumers seem to see the brand name and the taste of milk powder as more important than COM or COB. Interestingly, compared to other characteristics listed, price was the least important to participants.

Table 11: Evaluation of the characteristics of milk powder

Characteristic	***Mean***
Quality	1.00
Brand name	1.32
Taste	1.36
COM	1.76
COB	1.93
Ease of use	2.04
Packaging	2.32
Price	2.40

4.4 Country image of New Zealand and stereotypes about food products from New Zealand

Question 4 of the questionnaire asked participants what were the best words to describe their impressions of New Zealand (see Table 12). Eighty-three of the 200 respondents said “beautiful”; 33 said “sheep”; 28 said “cow”; 19 said “travelling”; and 18 said “green country”. There were 14 respondents who said they did not have any impressions of New Zealand. From the results we can see that virtually all the respondents’ impressions of New Zealand are positive.

Table 12: Country image of New Zealand

Beautiful	Sheep	Cow	Tourist country	Green country	Natural	Clean	None	Nice weather	Milk	Wine	Small	Sailboat	Nice beef	Immigration country	Maori
83	33	28	19	18	16	15	14	9	8	8	4	3	2	2	2

The researcher also asked participants what they thought of food products from New Zealand. Ninety-eight respondents said food products from New Zealand are "healthy and natural" ("*Lv Se Jian Kang*" in Chinese); 32 said "hygienic"; and 27 said "safety" (see Table 13). However, 56 respondents (28% of respondents) had no impressions of New Zealand food products. They were not knowledgeable about any food products from New Zealand.

Table 13: Participants' stereotypes of New Zealand food products

Healthy and natural	None	Hygienic	Safety	Expensiv e	Reliable	Good quality	Clean	Nice taste
98	56	32	27	6	6	2	2	1

4.5 Knowledge about milk powder

When participants were asked: "Do you see yourself as someone who is knowledgeable about milk powder?" 52% said they knew something; 27% said they knew a little; and 7.5% said they knew very little. Only 12% said they knew quite a lot and just 1% said they knew a great deal. Thus the large majority of respondents were not very knowledgeable about milk powder products (see Figure 6).

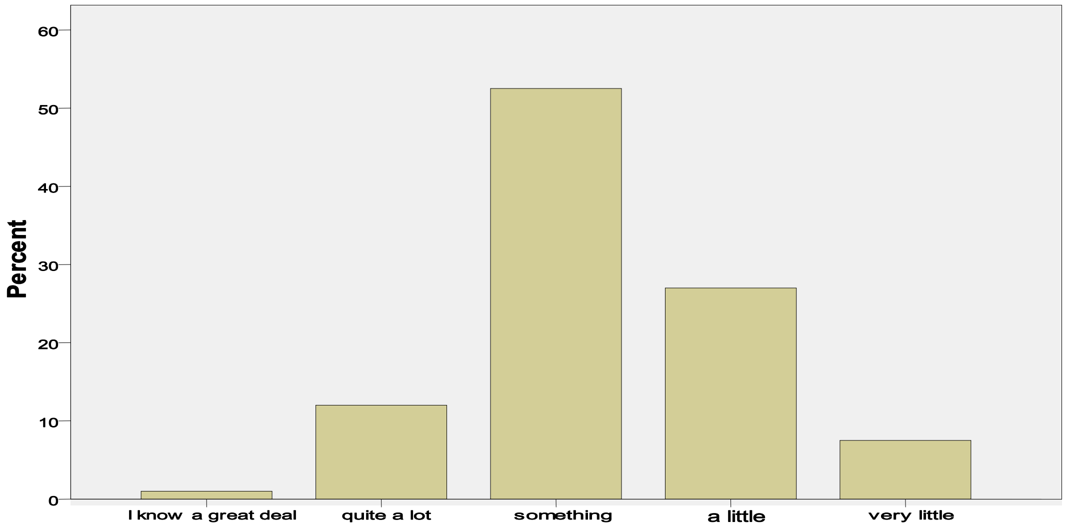

Figure 6: Participants' knowledge about milk powder

4.6 Comparison of milk powder from different countries

Twelve statements regarding milk powder were provided in Question 7 and participants were asked to give their opinion on each of the statements for each major source country (Australia, Holland, USA, New Zealand, France and China). This question consisted of a Likert-type scale, with end-points "1 = totally agree" and "7 = totally disagree". All the respondents answered this question. The statements are listed below:

A. Milk powder from this country is of good quality
B. Milk powder from this country is reliable (i.e. quality of ingredients, production process)
C. Milk powder from this country has good performance (i.e. taste)
D. Milk powder from this country has good appearance (i.e. packaging)
E. Using milk powder from this country gives prestige
F. Milk powder from this country has a good reputation
G. Milk powder from this country is expensive
H. Milk powder from this country offers attractive features (i.e., more natural and healthy ingredients)
I. Milk powder from this country offers value for money
J. I prefer milk powder from this country
K. I am likely to purchase milk powder from this country
L. When two unknown milk powder brands are offered to me, I will purchase the one from

For statement A, participants gave milk powder from Australia and Holland the highest quality ratings. The USA, New Zealand and France followed; with milk powder from China being rated as having the lowest quality (see Table 14). This may be explained by referring to previous studies which have found that in developing countries, consumers' perception of foreign products is superior to their perception of domestic products (Wang & Chen, 2004) – or it may be the result of the recent San Lu scandal (see Chapter 1).

Table 14: Milk powder: "good quality" by country

Country	***N***	***Mean***
Australia	200	1.91
Holland	200	2.38
USA	200	2.53
NZ	200	2.62
France	200	3.50
China	200	5.27
Valid	**200**	

In terms of reliability, Australia and New Zealand were rated the highest and once again Chinese products were seen as the least reliable (see Table 15). These results suggest that Chinese consumers have greater trust in milk powder products from developed countries.

Table 15: Milk powder: "reliable" by country

Country	***N***	***Mean***
Australia	200	2.13
NZ	200	2.39
Holland	200	2.49
USA	200	2.89
France	200	3.23
China	200	5.45
Valid	**200**	

With regard to performance in terms of taste, milk powder from Australia and Holland rated the highest, with milk powder from China being rated as having the worst performance (see Table 16).

Table 16: Milk powder: "good performance (taste)" by country

Country	*N*	*Mean*
Australia	200	2.40
Holland	200	2.66
NZ	200	2.78
USA	200	3.26
France	200	3.52
China	200	5.23
Valid	**200**	

American and Australian milk powders were rated the highest for good appearance (e.g. packaging), with the appearance of milk powder from New Zealand being rated lowest (see Table 17).

Table 17: Milk powder: "good appearance (packaging)" by country

Country	*N*	*Mean*
USA	200	2.61
Australia	200	2.77
China	200	2.96
Holland	200	3.12
France	200	3.24
NZ	200	3.36
Valid	**200**	

Participants said that buying milk powder from Australia and Holland gave them the most prestige and they did not think buying Chinese milk powder conferred any prestige at all (see Table 18).

Table 18: Milk powder: "prestige" by country

Country	*N*	*Mean*
Australia	200	2.13
Holland	200	2.70
USA	200	2.76
NZ	200	2.87
France	200	3.01
China	200	4.96
Valid	**200**	

Respondents considered milk powder from Holland and Australia to have the best reputation, followed by NZ milk powder. Chinese milk powder does not have a good reputation (see Table 19).

Table 19: Milk powder: "good reputation" by country

Country	*N*	*Mean*
Holland	200	2.36
Australia	200	2.51
NZ	200	2.62
USA	200	3.07
France	200	3.45
China	200	5.19
Valid	**200**	

Milk powder from the USA and New Zealand is viewed as the most expensive among the six countries and Chinese milk powder is seen as the least expensive (see Table 20).

Table 20: Milk powder: "expensive" by country

Country	*N*	*Mean*
USA	200	2.77
NZ	200	2.81
Holland	200	2.82
Australia	200	2.85
France	200	3.09
China	200	4.88
Valid	**200**	

Australia and Dutch milk powders were perceived as having the most attractive features (e.g. natural healthy ingredients), followed by New Zealand milk powder. China milk powder does not have as many attractive features as other countries' products (see Table 21).

Table 21: Milk powder: "attractive features" by country

Country	*N*	*Mean*
Australia	200	2.32
Holland	200	2.42
NZ	200	2.54
USA	200	3.03
France	200	3.11
China	200	5.08
Valid	**200**	

Milk powder from Holland and Australia were seen as offering the best value for money, followed by NZ milk powder. Milk powder from China was not seen as being value for money (see Table 22). Table 14 above shows that Chinese consumers think milk powder from Australia and Holland has the best quality, and Table 21 shows that they also think milk powder from Holland and Australia are the best value for money compared to other countries. Clearly the quality of milk powder is seeing taken into accounts when Chinese consumers assess the "value" of the product.

Table 22: Milk powder: "value for money" by country

Country	***N***	***Mean***
Holland	200	2.32
Australia	200	2.42
NZ	200	2.68
USA	200	3.13
France	200	3.18
China	200	5.23
Valid	**200**	

Participants most preferred milk powder from Holland and Australia and preferred milk powder from China least compared with other countries' products (see Table 23).

Table 23: Milk powder: "preferred" by country

Country	***N***	***Mean***
Holland	200	2.27
Australia	200	2.69
NZ	200	2.91
USA	200	3.41
France	200	3.57
China	200	5.32
Valid	**200**	

Participants were most likely to purchase milk powder from Holland and Australia, followed by NZ milk powder. They were least likely to purchase milk powder from China (see Table 24).

Table 24: Milk powder: "likely to purchase" by country

Country	***N***	***Mean***
Holland	200	2.36
Australia	200	2.55
NZ	200	2.70
USA	200	2.95
France	200	3.16
China	200	5.33
Valid	**200**	

When offered two unknown brands, participants were mostly likely to purchase the one from Holland or New Zealand. They were least likely to purchase milk powder from China (see Table 25).

Table 25: Milk powder: "when asked to choose one of two unknown brands" by country of origin

Country	*N*	*Mean*
Holland	200	2.20
NZ	200	2.57
Australia	200	2.80
France	200	3.02
USA	200	3.20
China	200	5.18
Valid	**200**	

4.7 Chinese consumers' ethnocentrism (CE)

Table 26 shows the level of Chinese consumers' ethnocentrism (CE). The mean of all the statements is between 5.50 and 5.70. From the results we can see that most participants mildly disagree with all of the ethnocentric statements.

Table 26: CET-SCALE of CE

	N	***Mean***
Only those products that are unavailable in China should be imported	200	5.50
Chinese should not buy foreign products, because this hurts Chinese business and cause unemployment	200	5.51
We should purchase products manufactured in China instead of letting other countries get rich out of us	200	5.55
There should be very little trading or purchasing of goods from other countries unless out of necessity	200	5.57
Foreign products should be taxed heavily to reduce their entry into China	200	5.59
Foreigners should not be allowed to put their products in our markets	200	5.61
Purchasing foreign-made products is anti-China	200	5.67
Chinese people should buy China-made products instead of imports	200	5.67
We should buy from foreign countries only those products that we cannot obtain within our own country	200	5.69
It may cost me in the long-run but I prefer to support Chinese product	200	5.70
Valid	**200**	

4.8 Animosity towards New Zealand

The researcher asked participants' opinion on each of seven statements to investigate if there was any animosity felt by Chinese people towards New Zealand (Question 9 of the questionnaire). Most participants mildly disagreed with statements 2–7 (the mean was between 4.62 and 4.74). The mean of the first statement ("I will never forgive New Zealand for not respecting Chinese positions") was 3.62, and this figure shows that on average participants mildly agreed with this statement. Overall, we can see from the results that Chinese people do not have animosity towards New Zealand (see Table 27).

Table 27: Animosity towards New Zealand among Chinese consumers

	N	*Mean*
I will never forgive New Zealand for not respecting Chinese positions	200	3.62
New Zealand is taking advantage of China	200	4.62
New Zealand is not a reliable trade partner	200	4.69
New Zealand conducts business unfairly with China	200	4.70
New Zealand is violating free trade at the expense of China	200	4.73
New Zealand has too much economic influence in China	200	4.74
Valid	**200**	

Chapter 5 - Results and Discussion

This chapter discusses the findings presented in Chapter 4 in relation to previous country-of-origin (COO) research. It begins by discussing the extent to which Chinese buyers of milk powder are affected by antecedents of COO such as country stereotype/image, ethnocentrism, and country-specific animosity. A discussion of the importance of extrinsic product cues (COO, price and brand) and intrinsic product cues (as taste, ease of use, packaging, quality) in study participants' product evaluation then follows. The chapter ends with a discussion of the effect of product knowledge and involvement on Chinese buyers' milk powder evaluation, as well as the effect of certain demographics such as age and education.

5.1 Influence of antecedents

5.1.1 Chinese consumers' country image/stereotypes of New Zealand and New Zealand food products

Chinese consumers have an overall positive country image of New Zealand ("beautiful", "lots of sheep and cows", "tourist country", "green country", "clean", etc.), as Table 12 (p. 64) shows.

Most respondents had positive stereotypes ("healthy and natural", "hygienic", "reliable", etc.) of New Zealand milk powder. However, there were 56 (28%) respondents who had no knowledge about New Zealand food products (see Table 13, p.65).

Overall, the findings show that Chinese consumers have a positive image of New Zealand. Participants thought New Zealand was a beautiful country with a natural environment and good weather. In addition, when participants were asked about their image of New Zealand, they most commonly said things like “sheep”, “cows” and “milk”. Thus, some Chinese people’s image of New Zealand is derived from New Zealand’s famous agriculture industry.

In addition, participants also held positive stereotypes about food products from New Zealand. Participants in general thought New Zealand food products were healthy and natural. Some participants thought they were hygienic and safe. However, over a quarter of respondents (N=56) had no impressions of New Zealand food products, suggesting they were unaware of New Zealand food product. Those who did have knowledge of New Zealand food product thought they were reliable and had good quality and performance.

Some researchers define the COO construct by concentrating on country and product image (Allred et al., 1999; Askegaard & Ger, 1998; Banniser & Saunder, 1978; Desborde, 1990) and past studies agree that a positive and favourable country product image increases consumers’ willingness and desire to purchase products from that country (Roth & Romeo, 1992). The findings from this research support those of previous studies. This contributed to the participants’ positive country image of New

Zealand and its food products. New Zealand was ranked as the third most preferred milk powder (behind Australia and Holland) (see Table 23, p. 72).

5.1.2 Chinese consumer ethnocentrism (CE)

The literature suggests that one of the antecedents of COO is ethnocentrism. Country-specific animosity and the country stereotype and image can have an influence on the COO. This research finds that overall the respondents were only mildly ethnocentric. The mean score in response to ethnocentric statements was 5.61 (5 = rather disagree, 6 = disagree, 7 = strongly disagree) and the higher the score, the lower the level of ethnocentrism (see Figure 7).

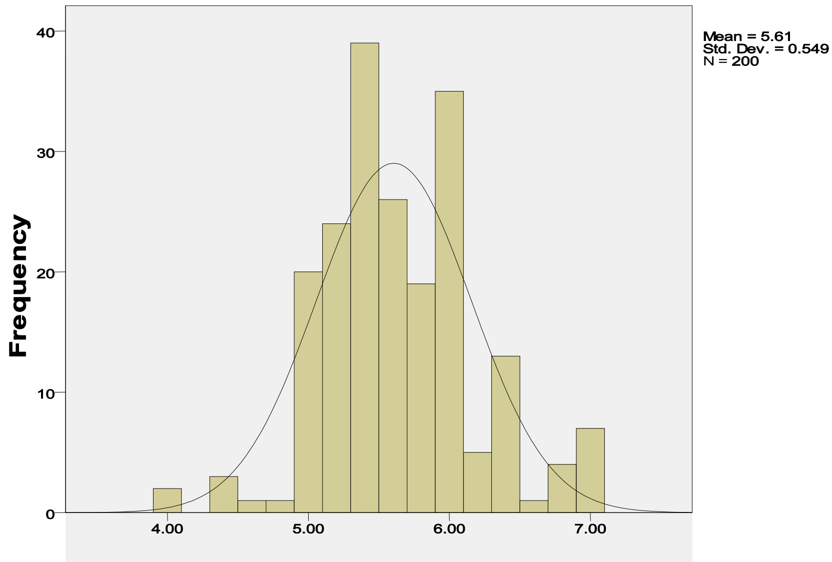

Figure 7: Participants' level of ethnocentrism

In response to the question about which milk powder brands they bought for their children, 32.5% of respondents bought Chinese brands and 67.5% bought foreign brands (see Table 28).

Table 28: Purchase of Chinese brands versus foreign brands

		Frequency	*%*	*Valid %*	*Cumulative %*
Valid	China brands	65	32.5	32.5	32.5
	Foreign brands	135	67.5	67.5	100.0
	Total	200	100.0	100.0	

To examine the extent to which Chinese CE influences the selection of domestic brands of dairy products over foreign brands, the average ethnocentrism score for the 65 participants who bought Chinese brands was compared to the ethnocentrism of the 135 who bought foreign brands. Those who bought Chinese brands were significantly more ethnocentric (mean= 5.47 vs. mean= 5.67, t= -2.51, df= 198, p= 0.013) (see Table 29)

Table 29: Purchasing Chinese brands or foreign brands

	Brands	*N*	*Mean*	*Std. deviation*	*Std. error mean*
Ethnocentrism	Chinese brands	65	5.4677	.51085	.06336
	Foreign brands	135	5.6726	.55536	.04780

The Pearson correlation statistic was calculated between ethnocentrism scores and rating of Chinese milk powder. The more ethnocentric respondents were more likely to say they preferred milk powder from China (r= -0.173, n= 200, p= 0.014); and more likely to purchase milk powder from China (r= -0.169, n= 200, p= 0.016); when offered two unknown brands, they were more likely to purchase the one made in China (r= -0.188, n= 200, p= 0.008) (see Table 30).

Table 30: Correlation between ethnocentrism score and purchasing of local brands

		Ethnocentrism	Prefer milk powder from China	Likely to purchase from China	When offer two unknown brands, will purchase from China
Ethnocentrism	Pearson correlation	1	-.173*	-.169*	-.188**
	Sig. (2-tailed)		.014	.016	.008
	N	200	200	200	200
Prefer milk powder from China	Pearson correlation	-.173*	1	.515**	.508**
	Sig. (2-tailed)	.014		.000	.000
	N	200	200	200	200
Likely to purchase from China	Pearson correlation	-.169*	.515**	1	.741**
	Sig. (2-tailed)	.016	.000		.000
	N	200	200	200	200
When offered two unknown brands, will purchase one from China	Pearson correlation	-.188**	.508**	.741**	1
	Sig. (2-tailed)	.008	.000	.000	
	N	200	200	200	200

* Correlation is significant at the 0.05 level (2-tailed).

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

The results show that overall Chinese consumers are not very ethnocentric. The findings of previous studies are supported: those consumers from less developed countries are less ethnocentric in their product evaluation (Wang & Chen, 2004). In developing countries, consumers' perceive foreign products to be superior to domestic products. Dumex (France) and Mead Johnson (American) were the most frequently purchased milk powder brands by participants. As noted above, two-thirds of respondents bought foreign milk powder brands and only one-third bought Chinese brands. The results show that the lower the CE, the greater the preference for foreign brands in this product category.

5.1.3 Country-specific animosity towards New Zealand

Consumers having any type of animosity towards a specific country can lead to a negative impact on their willingness to purchase products from that country (Klein et al., 1998). Of the six items measuring animosity towards New Zealand, only one item indicated mild animosity: "I will never forgive New Zealand for not respecting Chinese positions". Thus, in general there is no animosity towards New Zealand by Chinese consumers (see Table 27, p. 75) and they do not hold any negative country-specific perceptions when evaluating milk powder from New Zealand.

5.2 Product based moderators

5.2.1 Extrinsic product cues (brand, COO and price)

Chinese consumers consider brand as the most important extrinsic product cue in milk powder evaluation. Brand name is an important extrinsic product cue which may influence the consumer decision-making process, especially for a novice who has no or little knowledge of the product (Han, 1989; Szybillo & Jacoby, 1974). The spelling and pronunciation of a foreign brand in a target country may influence consumers' perception and evaluation of that brand. This study found that Chinese consumers favour English-language brand names. "America" is translated into Chinese as "Mei

Guo". "Guo" means country in Chinese and "Mei" means "America". Dumex, Mead Johnson and Beingmate's Chinese names are "Duo Mei Zi", "Mei Zan Chen" and "Bei Yin Mei" respectively. All the three brand names in Chinese include the word "Mei", which is easily associated with America. The top selling brand, Dumex, is actually a French brand. Interestingly, participants did not evaluate French milk powder as well as those from other developed countries (see Table 14, p. 68). As the majority of consumers are not knowledgeable about milk powder, it is possible they easily associate Dumex with American brands because it has "Mei" in its Chinese name. Mead Johnson is an American brand. Beingmate is a Chinese brand, however its Chinese name is pronounced like its English name. The three most purchased milk powder brands account for about half of the respondents' milk powder consumption. It may be that the brand name suggests the English origin of the milk powder to these Chinese buyers.

In the 21st century, studies on COO have become more complex and the construct has been decomposed into several specific dimensions: COB, COP and COM (Insch & McBride, 1998; Cha, 2001; Chowdhury & Ahmed, 2009; Quester et al., 2000; Hamzaoui & Merunka, 2006). Moreover, a product's brand origin directly affects brand image, suggesting that a favourable perception of the brand's COO could positively influence the perception of brand image (Bae & Lee, 1999). The COO dimensions COM and COB were the second most important of the extrinsic product cues in Chinese consumers' evaluation of milk powder (see Table 11, p. 64). The COB cue plays an important role Chinese consumers' milk powder evaluation. Participants bought 14 milk powder brands and two-thirds of those were from foreign countries. The COM of three of these brands is NZ; and the COB of two brands is NZ.

Participants in this study evaluated price as the least important cue in their product evaluations of milk powder, where as the literature suggests that price is an extrinsic cue which is employed heavily by consumers in their product evaluation process (Veale & Quester, 2009; Lee & Lou, 1996). Of the 14 milk powder brands listed, the five most expensive brands were Wyeth (378 RMB), Ausnutria (306 RMB), Dumex (248 RMB), Beingmate (248 RMB) and Mead Johnson (232 RMB). The results show some indication that the higher the price of milk powder the more willing consumers are to purchase the brand. The three most frequently purchased brands (Dumex, Mead Johnson and Begingmate) were more expensive compared with the other brands, excepting Wyeth and Ausnutria. The most expensive Chinese brand was Beingmate (248 RMB) followed by Yashily (228 RMB) and Sheng Yuan (208 RMB). Out of the Chinese brands, participants bought Beingmate most (19), followed by Yashily (16) and Sheng Yuan (15).

Participants thought milk powder from America and New Zealand were the most expensive compared with those from other countries. Participants also thought that milk powder from Australia and Holland has the most attractive features (e.g. natural healthy ingredients). Thus, they evaluate milk powder from Holland and Australia as better value for money compared to milk powder from other countries.

5.2.2 Intrinsic product cues (taste, ease of use, packaging, quality)

As shown in Chapter 4, 100% of participants said "quality" was the most important criteria used in evaluating milk powder (Table 11, p. 64). Taste was the third most important (after brand). East of use and packaging came in at 6th and 7th place out of a total of 8 options.

The intrinsic product cues of quality and taste were of greater importance in their milk powder evaluation than the extrinsic product cues of COO or price.

5.3 Individual based moderators

5.3.1 Product knowledge and involvement

Over half (62.9%) of the respondents purchased milk powder on a monthly basis and yet Chinese consumers in general are not very knowledgeable about milk powder products: 52% of participants said they knew something; 27% said they knew a little; and 7.5% said they knew very little. Only 12% said they knew quite a lot and just 1% said they knew a great deal.

Studies have shown that when consumers have a low level of product knowledge, they rely more on COO cues in their product evaluation (Lee & Lee, 2009). Results from this research suggest that the participants had a relatively low level of product knowledge about milk powder and therefore their greater reliance on extrinsic product cues such as brand and COO.

This study defines "involvement in milk powder" in two different ways: Knowledge of milk powder and frequency of purchase of milk powder. To evaluate whether the level of involvement in milk powder moderates COO effect, knowledge of milk powder was correlated with COM/COB and frequency of purchase of milk powder was compared with COM/COB using ANOVA. Table 31 shows that there is a significant relationship between product involvement (as defined by knowledge of milk powder) and COB (r= 0.188, n= 167, p= 0.015), however the relationship between product involvement and COM is not significant (r= 0.045, n= 167, p= 0.564).

Table 31: Correlation between knowledge of milk powder and COM/COB

		Knowledgeable?	***(Purchased for children) COM***	***(Purchased for children) COB***
Knowledgeable?	Pearson correlation	1	.045	.188*
	Sig. (2-tailed)		.564	.015
	N	200	167	167
(Purchased for children) COM	Pearson correlation	.045	1	.379**
	Sig. (2-tailed)	.564		.000
	N	167	167	167
(Purchased for children) COB	Pearson correlation	.188*	.379**	1
	Sig. (2-tailed)	.015	.000	
	N	167	167	167

* Correlation is significant at the 0.05 level (2-tailed).

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

Frequency of purchase was not related to COM (F=1.289, df= 2, p= 0.278). Frequency of purchase was not related to COB (F=1.087, df = 2, p= 0.340) (see Table 32).

Table 32: Relationship between frequency of purchase of milk powder and COM/COB

(Purchased for children) COM					
	Sum of squares	df	Mean square	F	Sig.
Between groups	1.183	2	.591	1.289	.278
Within groups	75.237	164	.459		
Total	76.419	166			
(Purchased for children) COB					
	Sum of squares	df	Mean square	F	Sig.
Between groups	1.009	2	.505	1.087	.340
Within groups	76.129	164	.464		
Total	77.138	166			

Usually it is consumers with low levels of knowledge and involvement who rely more on extrinsic product cues such as COO or brand (Veale & Quester, 2009). The relationship between product involvement and COO effect is inverse in this study, which finds that the higher the involvement in milk powder the higher consumers' evaluation of the importance of COB.

5.3.2 Consumer demographics (age and education)

Previous studies have shown that age and level of education can the moderate the COO effect (Chao & Rajendran, 1993; Insch & McBride, 2004). A direct relationship between consumers' age and level of education and COO cue was not found in this study.

However, there was a variance evaluation for New Zealand milk powder between the four different regions of China which was calculated using ANOVA (see Table 33). Five items showed significant differences between regions:

1. Good quality NZ (F=18.047, df=3, p=0.000)
2. Reliable NZ (F=5.667, df=3, p=0.001)
3. Expensive NZ (F=4.564, df=3, p=0.004)
4. Value for money NZ (F=3.830, df=3, p=0.011)
5. Prefer milk powder from NZ (F=2.878, df=3, p=0.037)

Table 33: Evaluation of NZ product by region

		Sum of squares	***df***	***Mean square***	***F***	***Sig.***
Good quality NZ	Between groups	41.800	3	13.933	18.047	.000
	Within groups	151.320	196	.772		
	Total	193.120	199			
Reliable NZ	Between groups	11.620	3	3.873	5.667	.001
	Within groups	133.960	196	.683		
	Total	145.580	199			
Expensive NZ	Between groups	8.540	3	2.847	4.564	.004
	Within groups	122.240	196	.624		
	Total	130.780	199			
Value for money NZ	Between groups	6.840	3	2.280	3.830	.011
	Within groups	116.680	196	.595		
	Total	123.520	199			

Prefer milk powder from NZ	Between groups	6.295	3	2.098	2.878	.037
	Within groups	142.900	196	.729		
	Total	149.195	199			

Participants from the eastern region (mean=2.04) rated the quality of New Zealand milk powder higher than those from the southern region (mean=3.26) (see Table 34).

Table 34: Is NZ milk powder good quality?

Tukey HSD[a] region of China		N	Subset for alpha = 0.05		
			1	2	3
Dimension 1	East	50	2.04		
	North	50	2.38	2.38	
	West	50		2.80	
	South	50			3.26
	Sig.		.217	.082	1.000

Means for groups in homogeneous subsets are displayed.
[a] Uses Harmonic Mean Sample Size = 50.000.

Eastern participants (mean=2.06) rated the reliability of New Zealand milk powder higher than western participants (mean=2.74) (see Table 35).

Table 35: Is NZ milk powder reliable?

Tukey HSD[a] region of China		N	Subset for alpha = 0.05	
			1	2
Dimension 1	East	50	2.06	
	North	50	2.36	2.36
	South	50	2.40	2.40
	West	50		2.74
	Sig.		.171	.102

Means for groups in homogeneous subsets are displayed.
[a] Uses Harmonic Mean Sample Size = 50.000.

Southern and eastern participants (mean=2.64, mean=2.68) thought New Zealand milk powder was more expensive than western participants (mean=3.16) (see Table 36).

Table 36: Is NZ milk powder expensive?

Tukey HSD[a]				
region of China		N	Subset for alpha = 0.05	
			1	2
Dimension 1	South	50	2.64	
	East	50	2.68	
	North	50	2.76	2.76
	West	50		3.16
	Sig.		.872	.058

Means for groups in homogeneous subsets are displayed.
[a] Uses Harmonic Mean Sample Size = 50.000.

Eastern participants (mean=2.44) rated New Zealand milk powder as value for money more than southern participants (mean=2.86) (see Table 37).

Table 37: Is NZ milk powder value for money?

Tukey HSD[a]				
region of China		N	Subset for alpha = 0.05	
			1	2
Dimension 1	East	50	2.44	
	North	50	2.56	2.56
	West	50		2.86
	South	50		2.86
	Sig.		.865	.213

Means for groups in homogeneous subsets are displayed.
[a] Uses Harmonic Mean Sample Size = 50.000.

Northern and eastern participants (mean=2.74, mean=2.80) preferred milk powder from New Zealand more than southern participants (mean=3.20) (see Table 38).

Table 38: Do you prefer milk powder from NZ?

Tukey HSD[a]				
region of China		N	Subset for alpha = 0.05	
			1	2
Dimension 1	North	50	2.74	
	East	50	2.80	2.80
	West	50	2.88	2.88
	South	50		3.20
	Sig.		.845	.092

Means for groups in homogeneous subsets are displayed.

[a] Uses Harmonic Mean Sample Size = 50.000.

In conclusion, Chinese consumers in general thought milk powder from NZ was good quality, reliable but slightly expensive. The differences between the regions are summarized below:

- Eastern participants rated the quality and reliability of New Zealand milk powder higher than those from the western region.
- Southern participants thought New Zealand milk powder was more expensive than western participants did.
- Eastern participants rated New Zealand milk powder as value for money more than southern participants.
- Northern participants preferred milk powder from New Zealand more than southern participants.

The findings illustrate there are variances between regions. It seems like eastern people evaluate milk powder products more differently than people from other regions. Consumers from the east of China evaluate milk powder from New Zealand slightly more favourably than those from other parts of China. Consumers from the south of China seem to evaluate New Zealand milk powder less favourably than those from other parts of China.

Chapter 6 - Conclusion and Implications

This chapter summarizes the answers to the research questions which guided this study and discusses their implications for the marketing of New Zealand milk powder. It concludes with a discussion of the limitations of the study and directions for future research.

6.1 Summary of findings

COO has been one of the most widely researched concepts in the marketing and international business context for nearly half a century (Insch & McBride, 2004; Pereiare et al., 2005; Schooler, 1965; Suh & Smith, 2008). Previous studies have found that COO cues do not directly affect purchase intentions but act as an extrinsic cue which directly influences consumers' brand and product quality evaluations (Pecotich & War, 2007; Peterson & Jolibert, 1995).

The aim of this research was to discover COO effect on Chinese consumers' evaluation of New Zealand milk powder. This research also investigated the nature of the COO construct and the antecedents and moderators which could affect consumers' information processing when COO cues were presented. To achieve the research aim, a questionnaire survey of 200 consumers from four different regions of China was conducted. A summary of the answers to the original research questions is presented below.

What are the Chinese consumers' stereotypes and country image of New Zealand and its food products? Chinese consumers hold favourable country image and perception of New Zealand and of New Zealand food products in general. The image relates mainly to the natural and agricultural base of New Zealand and the general perception of food products from New Zealand was that they were of good quality and safe. However there were a fairly large number (56 or 28%) of respondents who had no impressions or knowledge of New Zealand food products.

To what extent does Chinese consumer ethnocentrism influence the selection of domestic brands of milk powder over foreign brands? Participants were not very ethnocentric and they were more likely to purchase foreign milk powder brands than Chinese ones. Chinese consumers evaluate milk powder from foreign countries as more reliable, of better quality and more value for money than Chinese milk powder. However, the respondents with relatively higher levels of ethnocentrism were more likely to buy Chinese milk powder than the foreign brands.

Is there any animosity towards New Zealand by Chinese consumers? Chinese consumers have virtually no animosity towards New Zealand. Thus, there is no country-specific negative bias against New Zealand milk powder among Chinese consumers and they objectively evaluate a product's COO cue in their product judgement. They have a positive perception of milk powder from New Zealand and are willing to purchase milk powder from there.

How important is COO in Chinese consumers' evaluations of milk powder, compared with the importance of price and brand? Chinese consumers are quality and brand conscious. They view brand and COO as the most important extrinsic product cues in the evaluation of milk powder. In terms of the sub-constructs of COO, COB was more important in their evaluation than COM. The majority of Chinese consumers purchase foreign milk powder brands rather than Chinese ones.

Participants evaluated price as the least important product cue in milk powder evaluations and did not mind paying high prices for milk powder. The prices of the three most purchased brands were higher than the other brands, except for New Zealand brand Wyeth and Australian brand Ausnutria. Chinese consumers are also value-for-money conscious. Participants thought milk powders from foreign countries were more value for money than those from China.

Does a consumer's level of involvement in purchasing milk powder moderate COO effect? The level of involvement in this study was analysed on the basis of purchase frequency and the level of product knowledge. Participants mostly purchased milk powder regularly on a monthly basis. However, the large majority of participants were not very knowledgeable about milk powder. Previous studies have found that the lower the level of product knowledge the greater the reliance on the product's COO cue (Lee & Lee, 2009; Li & Wyer, 1994; Jimenez & Martin, 2010). In this study, however, the higher the level of involvement, the more the participants considered COO (COB and COM) as important in their product evaluations.

Do COO evaluations for New Zealand milk powder vary between regions of China? Overall, Chinese consumers from the four different regions positively evaluated milk powder from New Zealand. There were variances between regions and these need further research to focus in on the key differences in perception and what may be causing them.

6.2 Implications

As discussed in the previous section, positive and favourable country image of a specific country could increase consumers' willingness to purchase products from that country. Chinese consumers hold a positive and favourable country image of New Zealand, and favourable stereotypes about New Zealand food products. However, there are still a large number of people who have no impressions about New Zealand food products.

Participants thought milk powder from New Zealand was reliable, had good quality and good performance, but they also thought it was expensive. Respondents did not strongly agree that milk powder from New Zealand had a good appearance (packaging) (see Table 39).

Table 39: Evaluation of milk powder from New Zealand

Characteristic	***N***	***Mean***
Reliable	200	2.39
Good quality	200	2.62
Good performance (taste)	200	2.78
Expensive	200	2.81
Good appearance (packaging)	200	3.36
Valid	**200**	

This study suggests that the awareness levels of New Zealand food products needs to be raised. Possibly New Zealand dairy companies need to increase their advertising, especially TV advertising, and associate this with the positive COO image of New Zealand. Chinese consumers strongly focus on the quality of milk powder and New Zealand brands could leverage off the Chinese consumers' perception of food products from New Zealand being healthy and natural. The COP of many other foreign milk powders being sold in China is New Zealand and this could also be used to better educate Chinese consumers about New Zealand.

Chinese consumers evaluate the appearance of New Zealand milk powder as being the worst of the six countries in this study. Thus this study suggests New Zealand companies should modify or re-design the packaging of their milk powders to better meet the expectations of Chinese consumers.

This study found that in the Chinese dairy industry bilingual labelling is more effective than monolingual labelling and that Chinese consumers prefer English-sounding brand names. The majority of foreign milk powder brand names are translated into similarly pronounced Chinese names. The New Zealand brand Karicare is an exception. Therefore, this study suggests that New Zealand dairy brands should be translated into similarly pronounced Chinese names which are easy for Chinese consumers to pronounce and remember.

Participants listed 14 milk powder brands, including two New Zealand brands: Wyeth and Karicare. The price of Wyeth was higher than the other brands and though Karicare was the cheapest brand, it is not available through supermarkets in China. The sales volume of both brands is not very high compared with other brands, such as Dumex, Mead Johnson, Beingmate, Yashily and Sheng Yuan. This study suggests New Zealand dairy companies need to re-examine their pricing and distribution strategies in China in order to compete more effectively with other foreign brands.

There are variations in the evaluation on New Zealand milk powder between the four Chinese regions. The indications from this study are that consumers from the eastern region evaluate milk powder from New Zealand as being of better quality, more reliable and more value for money than participants from the other regions. This suggests that New Zealand milk powder brands may achieve faster adoption by targeting the eastern Chinese market for launches before entering other parts the China.

6.3 Limitations and future research

The present study focused on the COO effect on product evaluation of New Zealand milk powder by Chinese consumers. It would be challenging for future research to establish whether the findings of this research apply to a broader set of New Zealand products. In future studies, an improved design would measure level of involvement in greater depth through the use of an established scale like the 20 item Persona Involvement Inventory (PII) (Zaichkowsky, 1985). Follow up qualitative research would be useful to investigate further the interaction between brand name and the COO cue, including the COO sub-constructs.

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Appendix 1 – Survey Questionnaire

SURVEY ON MILK POWDER

We are surveying housewives/ female over 20 years old who shop for food for their household. This survey requests your opinion about milk powder. This survey will take around 15 minutes to complete. The participants' responses are anonymous and no individual response will be identifiable. Completion of this questionnaire indicates your consent to participate.

---

1. How often do you purchase milk powder?

	Every week	Every month	Every few months	Once a year
For children				
For teenager/student				
For mid-old aged people				
For pregnant women				
For ladies				
For family nutrition				

2. Please indicate which brands of milk powder do you buy for the following groups of people?

For Children	
For teenager/student	
For mid-old aged people	
For pregnant women	
For ladies	
For family nutrition	

3. <u>If you purchase milk powder for any of these people</u>, which product characteristics do you think are important when you purchase milk powder? Write the number 1 beside the MOST IMPORTANT characteristic, 2 beside the SECOND most important characteristic, 3 beside the THIRD most important.

	Quality	Brand name	Price	Country of manufacture	Country of brand	Packaging	Ease of use	Taste
For children								
For teenager/ student								

For mid-old aged people								
For pregnant women								
For ladies								
For family nutrition								

4. When you think about New Zealand, what's (are) the best words to describe your impression of New Zealand? Please state your opinion on the lines below.

   ……………………………………………………………………………………………

   ……………………………………………………………………………………………

5. Do you see yourself as someone who is knowledgeable about milk powder? Please circle the number that indicates your level of knowledge about milk powder:

1	2	3	4	5
I know a great deal about milk	I know quite a lot	I know some things	I know little	I know very little about milk

powder				powder

6. What do you think of food products that come from New Zealand?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

7. To what extent do you agree with the following statements (please circle the answer)?

1=strongly agree, 2=agree, 3=rather agree, 4=neither, 5=rather disagree, 6=disagree, 7=strongly disagree

(Milk powder from the following countries means milk manufactured in the following countries)

A. Milk powder from this country is of good quality

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

B. Milk powder from this country is reliable (i.e. quality of ingredients, production process)

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7

Holland	1	2	3	4	5	6	7

C. Milk powder from this country has good performance (i.e. taste)

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

D. Milk powder from this country has good appearance (i.e. packaging)

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

E. Using milk powder from this country gives prestige

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

F. Milk powder from this country has a good reputation

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7

New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

G. Milk powder from this country is expensive

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

H. Milk powder from this country offers attractive features (i.e., more natural and healthy ingredients)

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

I. Milk powder from this country offers value for money

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7

Holland	1	2	3	4	5	6	7

J. I prefer milk powder from this country

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

K. I am likely to purchase milk powder from this country

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

L. When two unknown milk powder brands are offered to me, I will purchase the one from

China	1	2	3	4	5	6	7
USA	1	2	3	4	5	6	7
New Zealand	1	2	3	4	5	6	7
Australia	1	2	3	4	5	6	7
France	1	2	3	4	5	6	7
Holland	1	2	3	4	5	6	7

8. Please give your opinion on each of the following statements. Circle the option you choose.

1=strongly agree, 2=agree, 3=rather agree, 4=neither, 5=rather disagree, 6=disagree, 7=strongly disagree

K. Chinese people should buy China-made products instead of imports

1 2 3 4 5 6 7

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

1 2 3 4 5 6 7

M. Purchasing foreign-made products is anti-China

1 2 3 4 5 6 7

N. We should purchase products manufactured is China instead of letting other countries get rich out of us

1 2 3 4 5 6 7

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

1 2 3 4 5 6 7

P. Chinese should not buy foreign products, because this hurts Chinese business and cause unemployment

1 2 3 4 5 6 7

Q. It may cost me in the long-run but I prefer to support Chinese product

1 2 3 4 5 6 7

R. Foreigners should not be allowed to put their products in our markets

1 2 3 4 5 6 7

S. Foreign products should be taxed heavily to reduce their entry into China

1 2 3 4 5 6 7

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

1 2 3 4 5 6 7

9. Please give your opinion on each of the following statements. Circle the option you choose.

1=strongly agree, 2=agree, 3=rather agree, 4=neither, 5=rather disagree, 6=disagree, 7=strongly disagree

A. New Zealand is not a reliable trade partner

a. 1 2 3 4 5 6 7

B. New Zealand is taking advantage of China

a. 1 2 3 4 5 6 7

C. New Zealand has too much economic influence in China

a. 1 2 3 4 5 6 7

D. New Zealand is violating free trade at the expense of China

a. 1 2 3 4 5 6 7

E. I will never forgive New Zealand for not respecting Chinese positions

a. 1 2 3 4 5 6 7

F. New Zealand conducts business unfairly with China

a. 2 3 4 5 6 7

10. How old are you (please tick)?

20-30_____

31-40_____

41-50_____

51-60_____

61+ _____

11. What is your education level (please tick)?

Primary School ______

Junior high School ______

High School ______

Diploma ______

Degree ______

Masters ______

PHD ______

12. What is your average salary per month (please tick)?

2000 below ______

2000-2999 ______

3000-4999 ______

5000-6999 ______

7000-9999 ______

10000-14999 ______

15000 above ______

13. How many adults live in your household (please state on the line below)?

…………………………………………………………………………………….............

14. How many children live in your household (please state on the line below?

………………………………………………………………………….............................

15. If you have lived in this city for less than three years, then please name the city/area you originally come from (please state on the line below)

……………………………………………………………………………………………......

Thanks you for your time for participating in this survey.

Appendix 2 – Survey Questionnaire (Chinese version)

奶粉产品市场调查

这是一份针对为家庭购买食品的家庭主妇或超过 20 周岁的女性进行的调查。此调查征求您对奶粉产品的看法。此调查大约需要 15 分钟时间完成。参与者的回答是匿名的，且不会问及参与者的个人信息。完成这份问卷表明您同意参加调查。

1. 您多久买一次奶粉 （清划勾）？

	每周一次	每月一次	每几个月一次	每年一次
儿童奶粉				
青少年/学生奶粉				
中老年奶粉				
孕妇奶粉				
女士奶粉				
营养奶粉				

2. 请写出当您为以下人群购买奶粉时会选择的品牌

儿童奶粉	
青少年/学生奶粉	
中老年奶粉	
孕妇奶粉	
女士奶粉	
营养奶粉	

3. 如您为以下任何一类人群购买奶粉，您认为哪种产品特征比较重要？“1”代表最重要的产品特征，“2”代表第二重要的产品特征，“3”代表第三重要的产品特征 （请划勾）

	质量	品牌	价格	生产国	来自哪个国家的品牌	包装	使用方便	口感
儿童奶粉								
青少年/学生奶粉								
中老年奶粉								
孕妇奶粉								
女士奶粉								
营养奶粉								

4. 当您联想到新西兰的时候，请写出您对新西兰的印象的最恰当描述

……………………………………………………………………………………

……………………………………………………………………………………

5. 您认为您了解奶粉产品吗？请在数字上画圈，表示您对奶粉产品的了解及认知度：

1	2	3	4	5
我非常了解奶粉产品	我比较了解奶粉产品	我了解一些奶粉产品	我了解一点奶粉产品	对奶粉产品我了解的很少

6. 您对来自新西兰的食品有何看法？

……………………………………………………………………………………

……………………………………………………………………………………

7. 您对下面的陈述持有何种程度的赞同（请在数字上画圈）
1=非常赞同，2=赞同，3=比较赞同，4=不赞同也不反对，5=比较不赞同，6=不赞同，7=非常不赞同

（来自以下国家的奶粉所指奶源来自以下国家）

A. 来自此国家的奶粉质量非常好

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

B. 来自此国家的奶粉值得信赖（如，成分质量，生产过程）

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

C. 来自此国家的奶粉有很好的特性，成绩（如，口感，味道）

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

D. 来自此国家的奶粉有精美的外包装

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7

新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

E. 食用来自此国家的奶粉给我一种优越感

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

F. 来自此国家的奶粉有很好的声誉

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

G. 来自此国家的奶粉价格昂贵

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

H. 来自此国家的奶粉有非常吸引人的特点 （如，更自然更健康的成分）

中国	1	2	3	4	5	6	7

美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

I. 来自此国家的奶粉性价比比较高

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

J. 我更喜欢奶粉来自这个国家

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

K. 我更有可能购买奶粉来自这个国家

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

L. 当给我两个我并不认知的奶粉品牌进行选择时，我会购买其中一个来自：

中国	1	2	3	4	5	6	7
美国	1	2	3	4	5	6	7
新西兰	1	2	3	4	5	6	7
澳大利益	1	2	3	4	5	6	7
法国	1	2	3	4	5	6	7
荷兰	1	2	3	4	5	6	7

8. 对于以下的陈述，请指出您的看法。请在数字上画圈。

1=非常赞同，2=赞同，3=比较赞同，4=不赞同也不反对，5=比较不赞同，6=不赞同，7=非常不赞同

A. 中国人只应该购买中国制造的产品而不是进口产品

1 2 3 4 5 6 7

B. 我们应该只进口那些在中国买不到的产品

1 2 3 4 5 6 7

C. 购买外国的产品是反对中国的表现

1 2 3 4 5 6 7

D. 我们只应该购买在中国制造的产品而不是让其他国家从我们这里夺取利益

1 2 3 4 5 6 7

E. 如非必需或必要情况下，我们应该较少的与其他国家进行贸易行为或购买其他国家的产品

1 2 3 4 5 6 7

F. 中国人不应该购买外国产品，因为这样会伤害中国企业和引发失业

1 2 3 4 5 6 7

G. 从长远来看，可能会花费我多些，但我宁愿支持国货

1 2 3 4 5 6 7

H. 我们不应该允许外国人将他们的产品投入中国市场

1 2 3 4 5 6 7

I. 外国产品应该被征收重税，来减少他们进入中国市场

1 2 3 4 5 6 7

J. 只有在国内无法获得某些产品的情况下，我们才能购买外国产品

1 2 3 4 5 6 7

9. 您对下面的陈述持有何种程度的赞同（请在数字上画圈）

1=非常赞同，2=赞同，3=比较赞同，4=不赞同也不反对，5=比较不赞同，6=不赞同，7=非常不赞同

A. 新西兰不是可信任的贸易合作国家

1 2 3 4 5 6 7

B. 新西兰正在利用中国谋取利益

1 2 3 4 5 6 7

C. 新西兰对中国有太多的经济影响

1 2 3 4 5 6 7

D. 新西兰在以牺牲中国的利益为前提违反自由贸易

1 2 3 4 5 6 7

E. 我不会原谅新西兰不尊重中国的国际地位

1 2 3 4 5 6 7

F. 新西兰与中国的贸易行为不公平

1 2 3 4 5 6 7

10. 您的年龄是（请划勾）？

20-30_____

31-40_____

41-50_____

51-60_____

61+ _____

11. 您受教育的程度（请划勾）？

小学 ______

初中 ______

高中 ______

大专 ______

大学 ______

硕士 ______

博士 ______

12. 您的收入情况（请划勾）？

2000 以下 ______

2000-2999 ______

3000-4999 ______

5000-6999 ______

7000-9999 ______

10000-14999 ______

15000 以上 ______

13. 您家里有多少个成年人？

………………………………………………………………………………………

14. 您家里有多少个小孩？

………………………………………………………………………………………

15. 如果您在这个城市居住少于三年，请写出您最初来自哪个城市？

………………………………………………………………………………………

谢谢您参与此问卷调查。

Appendix 3 – Participant Sheet

Participant Information Sheet

Date Information Sheet Produced:

20 September 2010

Project Title

Country-of-Origin (COO) effects on Chinese consumers' evaluation of New Zealand dairy products

An Invitation

I am LUO Ming Ming, a Master of Business student from AUT University in Auckland, New Zealand. I am conducting research to understand Chinese consumers' evaluation of New Zealand dairy products. My supervisor is Dr. Sushma Bhat. I would be happy if you would please agree to participate in my research. This would involve sharing your opinions on statements in a questionnaire. Your participation is entirely voluntary.

What is the purpose of this research?

This research forms part of my Master of Business degree. The purpose of the research is to understand consumers' evaluation of New Zealand dairy products.

How was I chosen for this invitation?

You have been selected to participate in the research on the basis that you are female over 20 years old shops for groceries for your household.

What will happen in this research?

You will be requested to complete a self-administered questionnaire regarding your evaluation of dairy products. The questionnaire is to be answered objectively without any pressure or fear. Should you feel at any point that you do not wish to continue participating, you may of course withdraw from the research at any point.

What are the discomforts and risks?

The design of this research will not cause any discomfort or personal risk. There will be absolutely no pressure to respond to any particular question, and should you feel at any point that you do not wish to continue participating, you may withdraw at any point.

How will these discomforts and risks be alleviated?

This request is voluntary in nature. If at any stage you do not feel like answering any questions, you have the right to withdraw.

How will my privacy be protected?

This is an anonymous questionnaire. You are not required to identify yourself in any manner.

What opportunity do I have to consider this invitation?

Agreeing to participate does not remove your right to withdraw from the research. You may view the questionnaire and if you are not comfortable – you can end your participation.

How do I agree to participate in this research?

Completion of this questionnaire will be deemed to amount to your consent to participate in the research.

Will I receive feedback on the results of this research?

Summary results of this survey will be made available to you should you wish to see them. Please remember that these results will be based on aggregation of the data recorded from all the participants to ensure the anonymity of each participant. If you would like to see the findings, please send an email to grace25mm@yahoo.co.nz.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr. Sushma Bhat, *sushma.bhat@aut.ac.nz*, +649-921-9999 ext 5819.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Madeline Banda, *madeline.banda@aut.ac.nz* , +649-921-9999
ext 8044

Whom do I contact for further information about this research?

Researcher Contact Details:

LUO Ming Ming, grace25mm@yahoo.co.nz

Project Supervisor Contact Details:

Dr. Sushma Bhat, *sushma.bhat@aut.ac.nz*, +649-921-9999 ext 5819

Approved by the Auckland University of Technology Ethics Committee on

24 December 2011

AUTEC Reference number 10/242

Appendix 3 – Participant Sheet (Chinese version)

参与者须知

参与者须知的发行日期：
2010 年 9 月 20 日

项目标题
中国消费者对新西兰奶制品原产国的评估

邀请函
我是罗明明，是一名坐落于新西兰，奥克兰市，“奥克兰理工大学”的经济硕士学位的硕士研究生。我正在进行一项关于中国消费者对新西兰奶制品原产国的评估的市场调查。我的研究生导师是 Sushma Bhat 博士。如果您同意参与此调查我将倍感荣幸。这将包括分享您对问题陈述的观点。您的参与是完全出于自愿的。

此份调查的目的是什么？
此份调查是我的经济硕士学位的一部分。此份调查的目的是了解中国消费者对新西兰奶制品的评估。

我怎样被这份邀请选中？
您被选择了参与这份调查，因为您是 20 岁以上为您家庭购买食品的女性。

此调查将会发生什么？
您将被请求独立完成这份关于您对奶制品评估的问卷调查。此份问卷征求您的客观回答，并不夹杂任何的压力与顾虑。您如在任何情况下不想继续参与，您有权随时终止此调查。

有什么不方便和风险？
此份调查的目的不会引起任何不方便或个人风险。此调查绝不会给您压力去回答任何一个问题，而且您在任何情况下不想继续参与，您有权随时终止此调查。

怎样减少不方便和风险？
这项请求是自愿的性质. 在任何步骤下，如您不想回答任何问题，您有权立即终止。

我怎样保护我的隐私权？
这是一份匿名的问卷。您不会被要求以任何形式证明您的身份。

在什么机会情况下我不得不考虑这份邀请？
在不撤去您终止调查的权利情况下赞同参加。您可以先预览问卷，如果您对问卷感觉不舒服或不佳，您可以终止参与。

我怎样同意参加此调查？
完成这份问卷将被视为您同意参与此调查。

我将会收到调查结果的回馈吗？
这项统计调查的结果摘要是可以向您提供的。请记住这些结果是所有参与者数据的聚合以确保每个参与者都是匿名的。 如果您想看这些结果请发送邮件到 grace25mm@yahoo.co.nz.

当我对此调查有疑虑的时候我该怎样?
如您有任何关于这一项目的性质的问题或疑虑，请第一时间通知项目导师 Sushma Bhat 博士：sushma.bhat@aut.ac.nz， 电话：00649-921-9999 转 5819。

关于调查执行的问题和疑虑请通知行政秘书，AUTEC， Madeline Banda, *madeline.banda@aut.ac.nz* ， 电话：00649-921-9999 转 8044。

关于此调查今后更多的问题我应该联系谁？

调查者联系方式：

罗明明，grace25mm@yahoo.co.nz

项目导师联系方式：

Sushma Bhat 博士，*sushma.bhat@aut.ac.nz*，电话 00649-921-9999 转 5819

奥克兰理工大学道德委员会于 2010 年 12 月 24 日批准,
AUTEC 参考号 10/242.

Appendix 4 – Ethical Approval

M E M O R A N D U M

Auckland University of Technology Ethics Committee (AUTEC)

To: Sushma Bhat
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 7 April 2011
Subject: Ethics Application Number 10/242 **Country-of-Origin (COO) effects on Chinese consumers evaluation of New Zealand dairy products.**

Dear Sushma

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 7 October 2010 and that on 24 December 2011, I approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 9 May 2011.

Your ethics application is approved for a period of three years until 24 December 2013.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 24 December 2013;
- A brief report on the status of the project using form EA3, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. This report is to be submitted either when the approval expires on 24 December 2013 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee