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THE COMPARATIVE ORDERED INFLUENCE OF BRAND EQUITY'S EXPERIENTIAL AND FUNCTIONAL ANTECEDENTS AND DIMENSIONS, AND ITS CONSEQUENCES ON U.S. AND MAINLAND CHINESE CONSUMERS

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As said by many others before, now it is my turn to take what I have learned from each of these wonderful mentors, and use it to make worthwhile contributions to academia, students, and practitioners.

ABSTRACT

Drawing from various social science literatures, this dissertation put forth and examined a theoretical model addressing the question of whether brand equity's functional and experiential elements (antecedents, dimensions, consequences) have differential influence on Americans and Chinese. The significance of this study is reflected in the fact that various U.S. firms have attempted, often unsuccessfully, to market their brands in China and other countries. This effort at internationalization reflects mounting pressure from ever-increasing competition, and thus the need to find new markets for their brands. A number of researchers have suggested this lack of success is the result of U.S. firms not understanding the cultural differences that exist between American and Chinese consumers.

At best, the findings from this dissertation study reflect mixed results, suggesting that the U.S. and Chinese cultural differences do not necessarily lead to the degree of brand equity dissimilarities that various literatures suggest. Because this study employed only two brands (i.e. Coca-Cola and KFC), and respondents in each culture were undergraduate business students, this study's findings has very limited generalization to other brands/products, or people in other age groups and cultures. However, enough significant differences between U.S. and Chinese respondents emerged from the data to indicate that continued research is needed to facilitate both theoretical and empirical progress in better understanding the role of brands in other cultures.

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CHAPTER 1

INTRODUCTION

Introduction

Brands have long been recognized as valuable business assets that are associated with firms' profitability and market capitalization values (Aaker 1991; Keller 2003). One example is Aaker's (1991) discussion of firms with strong brands having returns-on-investment that exceed 30%; nearly double that of firms with weaker brands. A second example is a study sponsored by Interbrand and Citigroup found that 59% of Coca-Cola's, 77% of Nike's, and 64% of McDonald's market capitalization values were attributable directly to their brands (Aaker and Joachimsthaler 2000).

Brand equity is viewed by many as a key determinant of brands' success (Aaker 1991, 1996; Keller 1993, 2000, 2003; Erdem 1998; Kerin and Sethuraman 1998). Brand equity has been defined as "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firms' customers" (Aaker 1991, p. 15). Keller (2003) suggests that brand equity "…relates to the fact that different outcomes result from the marketing of a product or service because of its brand than if that same product or service had not been identified by that brand" (p. 42). Interestingly, various researchers define brand equity differently, with some viewing it from the perspective of benefits received by a firm, and others from the perspective of benefits received by a consumer (Aaker 1991, 1992, 1996; de Chernatony, Harris, and Riley 2000; Erdem 1998; Keller 1993, 2000, 2003; Lassar, Mittal, and Sharma 1995). However, it appears that from either approach there is relative

agreement that brand equity stems from consumers' perceptions of the value of a brand to them (Aaker 1991; Benezra 1996; Bengtsson 2002; de Chernatony and Riley 1997; Keller 2000).

The value facet of brand equity is significant because of its motivational function (Erdem 1998). The value of something represents it having enough meaning to a person such that they are motivated to acquire, retain or increase possession of it, in order to satisfy their needs, desires, wants, or purposes (Munsterberg 1909; Urban 1909; Picard 1920; Perry 1926; Hilliard 1950; Rokeach 1973). Thus, brand equity is likely a key determinant of consumers' behaviors towards a brand, including their purchase intent.

While many recognize the importance of brands and brand equity, they are also aware that brands are increasingly under pressure, and need to be protected (Aaker 1996). A number of pressures exist. First, there are an increasing number of retailer brands that typically are priced lower, but often of equal or superior quality to national brands (Gordon 1994; Hoch 1996). Second, consumers are increasingly skeptical and less willing to pay premium prices for national brands (Zaltman 2003; Aaker 1991). Third, there is an incursion of international products that are increasingly similar to U.S. brands into markets that were once dominated by American brands (Ligas and Cotte 1999; Shell 1997). Fourth, the fragmenting media and markets make it difficult for firms to reach consumers (Aaker and Joachimsthaler 2000). Finally, the Internet provides consumers access to a wide variety of lower priced alternatives (Berthon, Holbrook, and Hulbert 2003). Today's corporations must find means to offset these growing pressures.

As one solution, U.S. firms often turn to international markets (Rapoport and Martin 1994), with China increasingly targeted (Dolven 2003) because of its huge

population and strong economic growth (Lawrence 1990). Examples of U.S. firms that pursue selling their brands to China include: Coca-Cola (Rongxia 2000), KFC (O'Keefe 2001), Microsoft (Meredith 2003), and GE (Christoffersen 2003). Unfortunately for these and other U.S. firms, Chinese business leaders have learned about brand concept management and brand equity, having acquired brand skills and knowledge in American and European educational institutions (Saludo 1996). These leaders have taken these skills and knowledge back to China, and led the effort to produce Chinese brands that are often of equal quality of Western brands (Khermouch, Einhorn, and Roberts 2003; Madden 2003a). They aggressively market their brands in China, and increasingly focus on exporting them to the U.S. and other international markets (Gilmore and Dumont 2003). Haier, a Chinese manufacturer of home appliances, provides an excellent example of this. As a result of their focus on manufacturing quality products and aggressive marketing efforts, Haier has become the number 1 appliance brand in China, and 6th among the world's top manufacturers of white appliances (Gilmore and Dumont 2003).

Adding further complexity to the situation, Chinese appear to be quite willing to manufacture counterfeit brands, and market them at much cheaper prices than the genuine brands (Behar 2000; Swift and Yaeger 2003). Counterfeiting poses a serious threat to U.S. brands, and is estimated to cost the U.S. $200 billion annually in trade (Freedman 1999). China's role in this situation is reflected in the fact that 66% of the counterfeits currently seized each year in the U.S. come from China (Varchaver 2005). The combined Chinese focus on producing and marketing both high quality Chinese and counterfeit non-Chinese brands, increases the challenges for U.S. brands in their home

market, in China, and in other international markets (Behar 2000; Swift and Yaeger 2003; Gilmore and Dumont 2003).

In marketing their brands in China (Dolven 2003), U.S. firms must not only cope with these Chinese brands and counterfeits, they must also contend with consumers that are quite dissimilar from their U.S. counterparts. Research from cognitive and affective psychology, cultural anthropology, and sociology indicates that the efforts of U.S. firms to market their brands in China will likely be impacted by the dissimilar cultural values, modes of thought, and emotional experiences and expressions that exist between American and Chinese consumers. Drawing from research in these disciplines, this dissertation theorizes that the dissimilar U.S. and Chinese cultural values, modes of thought, and emotional experiences and expressions may lead to a differential relative influence of the two types of antecedents (i.e. experiential and functional) of brand equity and its resulting consequences (Firat 1995; Inglehart and Baker 2000; Inglehart 2000, 2001). Specifically, this dissertation theorizes that brand equity's experiential antecedents and the experiential dimension of brand equity is likely more influential with American consumers than with Chinese consumers. In contrast, brand equity's functional antecedents and the functional dimension of brand equity is likely more influential with Chinese consumers that with American consumers. As a result, Chinese and American consumers are likely to have dissimilar responses to brands and brand strategies, including opinions, attitudes, feelings, cognitions, and purchase behaviors (Inglehart 2001; Briley and Wyer 2001; Broyles, Schumann and Woodruff 2004).

In addition to research from the various disciplines mentioned, this dissertation's theory also draws from work conducted by Hirschman (1982), which indicates that the

experiential and functional aspects of consumption are differentially important with Chinese and Western consumers. However, Hirschman clearly states that her findings are "…obviously exploratory in nature and should be regarded only as suggestive evidence…" (p. 233) that such differences exist. This dissertation's theory also appears to be supported by Holbrook and Hirschman (1982), who indicate that consumption motives vary among cultures. They state: "Research…in experiential consumption has already found contrasts among…nationalities in the types of entertainment preferred, hedonic motives for engaging in leisure activities, and resulting levels of enthusiasm expressed" (p. 136).

The reasons why this dissertation's theory should be explored are numerous. First, brand equity is a strategically important determinant of the level of profitability and market capitalization value that many U.S. firms attain (Aaker 1991; Keller 2003). Thus, brand equity should be perceived as a key source of competitive advantage, which Woodruff (1997) indicates is needed by U.S. firms for their long-term success. Second, we have long known that brand equity serves to motivate consumers' brand behaviors, such as their acquisition, retention, or increased possession of a brand (Munsterberg 1909). Thus, brand equity should be viewed as a determinant of consumers' brand purchase behaviors, which is clearly requisite for any brand to be successful. Third, many U.S. firms need to strengthen their sales in foreign markets such as China, in order to help offset the increasing pressures on their brands, and to realize growth opportunities those foreign markets represent (Aaker 1992; Rapoport and Martin 1994). Fourth, in the marketing efforts of their brands in the U.S., China, and other foreign markets, many U.S. firms must deal with Chinese firms that are beginning to produce and market higher

quality Chinese brands, as well as counterfeit non-Chinese brands (Gilmore and Dumont 2003). Fifth, as indicated earlier, literature indicates that the dissimilar cultural values, modes of thought, and emotions that exist in the U.S. and China, may result in the experiential and functional antecedents of brand equity having dissimilar influence on brand equity and its consequences (Nisbett et al. 2001; Firat 1995; Inglehart 2000; Hirschman 1982; Holbrook and Hirschman 1982). We need to understand if such differences do exist between U.S. and Chinese consumers, in order to figure out how to successfully market American brands in China.

Finally, trade between the U.S. and China is increasingly shifting in China's favor. For example, from 1985 to 2002, U.S. exports of goods to China grew at an average annual rate of 10.82% (from $3.856 billion to $22.128 billion). In contrast, Chinese exports of goods to the U.S. grew at an average annual rate of 22.71% (from $3.862 billion to $125.193 billion). As a result, Chinese exports of goods to the U.S. as compared to their imports from the U.S. now produce a surplus for China in excess of $100 billion. To further demonstrate this growing trade imbalance: from 1985 to 2000 the U.S. share of goods that are imported annually by China fell from 10.1% to 7.5%. In contrast, China's share of goods that are imported annually by the U.S. increased from 1.1% to 8.2 (statistics from Business Statistics of the United States 2002, and the International Financial Statistics Handbook 2002). Higgins (2003) indicates that the degree to which U.S. and China trade favors China is producing tension that has led to various American business leaders beginning to push the U.S. government to "…curb the 'China threat'" (p. A1). Any knowledge that we can provide to practitioners that helps

them develop strategies that lead to more successful marketing of U.S. brands in China may serve to help offset this growing imbalance, and would surely be welcomed.

Although brand equity exists with respect to products and services (Keller 2003), this dissertation's focus is on products. While this dissertation does not address factors that would be reflective of services (e.g. intangibility), it is believed that the knowledge that will be generated by this study may offer insights that would potentially benefit marketers of both products and services. Another point which should be discussed is that some may view China as a mass of market segments, because of its multiple provinces and vast array of socio-economic levels. However, literature suggests that although China consists of multiple provinces, consumers across those provinces may be fundamentally similar. Fried (1976) and Chang (1983) indicate that China's provinces evolved along similar paths, such that there are strong parallels among Chinese across the vast empire today, which brings into question if/how market segments exist in China. Because a key goal of this dissertation is to build a foundation for future research, it will focus on the macro-level of American and Chinese consumers, and will not explore market segments, which is beyond its scope.

International brand marketing

International brand marketing is of strategic importance for U.S. firms because it is one means by which they achieve growth (Aaker 1992). This growth helps firms realize economies of scale in production and distribution and increase their marketing efficiency and reduce their marketing costs though uniformity of packaging, advertising,

promotion, and other marketing communication activities (Aaker 1992; Keller 2002). International marketing of brands also helps firms communicate credibility to consumers, because being recognized as an international marketer may help a firm be viewed as having more expertise and acceptance (Aaker 1992; Barwise 1993). It also helps firms leverage good ideas quickly and efficiently in diverse markets, which can help a firm strengthen its sustainability (Aaker 1992; Barwise 1993). Each of these is vital for helping firms increase their profitability and market capitalization value (Aaker 1992; Batey 2001; Goldfinger 1997; Heberden 2002).

As noted earlier, marketing their brands into international markets helps U.S. firms offset some of the many growing pressures they face. Research indicates that these various pressures make it challenging for U.S. firms to successfully market their brands (Aaker 1996; Aaker and Joachimsthaler 2000). For example, these pressures have contributed to consumers being increasingly skeptical, more sophisticated, more assertive, more value-conscious, and less willing to pay premium prices for national brands (Aaker 1991; Zaltman 2003). The impact of such results is shown in research that found the number of consumers who buy only well-known brands declined from 77% in 1975, to 62% in 1990 (Mela, Gupta, and Lehmann 1997).

In their attempts to offset these pressures and strengthen their brands, many U.S. firms market their brands in foreign markets (Rapoport and Martin 1994), with China a key target because of its huge population and strong economic growth (Lawrence 1990; Dolven 2003). Therefore, this dissertation posits that U.S. brand marketers would welcome any research that strengthens our understanding of Chinese consumers.

China is a key international market for U.S. brands

Due to its huge population of 1.3 billion people and being one of the fastest growing economies in the world, China is a key international market that many U.S. firms target (Meredith 2003; Zhou and Hui 2003; Inglehart and Baker 2000). Many U.S. firms are investing substantial sums of money in China for the manufacturing and/or marketing of their brands (Gilmore and Dumont 2003). This is likely to continue into the foreseeable future due to predictions that China's GDP will sustain its strong 7+% average annual growth rate for the next 20-30 years (Country Commerce 2003).

There are some who view that the relatively low annual income of Chinese consumers (estimates range from $370 to $2500 annually) limits their ability to purchase brands (Piturro 1994). However, because of their subsidized housing, health care, transportation, and education, only 13% of Chinese consumers' income goes towards those items (Piturro 1994). As a result, most of their income is essentially discretionary and available for consumption. In addition, it is estimated that Chinese consumers have $209 billion in personal savings, which could be used for potential pent up demand for consumer products (Piturro 1994). With their growing affluence, Chinese consumers are demanding quality, and frequently turn to renowned brand names for it, perceiving that leading brands are more credible than the often-inferior quality products that are produced by some Chinese firms (Sellers and Michels 1993; Saludo 1996).

As a result of these factors, many U.S. firms increasingly focus on marketing their brands into China, as reflected in the following examples. Microsoft is forming joint ventures with Chinese firms, training students, supporting and performing public deeds, buying game consoles from Chinese firms, and donating money to help pay teachers

(Meredith 2003). Although KFC only began marketing in China in 1987, their focus on understanding Chinese consumer preferences has contributed to their ability to build 1,000 restaurants in China, with plans to continue building (O'Keefe 2001; Novak and Boorstin 2004; Liang and Zhixian 2004). General Electric opened a $64 Million technology center in Shanghai, China in 2003, in order to tap the intellectual capital of the world and help the firm achieve their stated goal of $5 Billion in both sales to, and purchases of materials from China by 2005 (Christoffersen 2003). Finally, Coca-Cola employs 15,000 Chinese workers and purchases most of their raw materials and packaging from Chinese firms. These strategies have been part of an overall plan that has helped Coke achieve a 43% market share (Rongxia 2000), and an 81% brand awareness among Chinese consumers in major Chinese cities (Beatty 1997). These examples indicate that it is evident that various U.S. firms increasingly view China as a key international market that may help them offset the growing pressures faced by their brands, as well as help them secure the growth that is needed to strengthen their profitability and market capitalization.

Alternative ways U.S. brands can enter China

There are various ways by which U.S. firms can enter the Chinese, and other foreign markets with their brands. However, it is important to recognize that whichever their method of entry, the firm faces "…a tradeoff between control and the cost of resource commitments, often under conditions of considerable risk and uncertainty" (Anderson and Gatignon 1986, p. 3). Risks that a firm must consider in deciding which way to enter their brands into any foreign market includes: "…macroeconomic risks

which are completely outside its control. These include cataclysmic events such as wars and natural calamities…policy risks…from policy actions of national governments… competitive risks arising from the uncertainties of competitors' responses…resource risks…that the adopted strategy will require resources that the firm does not have, cannot acquire, or cannot spare" (Ghoshal 1987, p. 430). It is important that firms understand and evaluate the risks associated with entering China, or any other foreign market, before they decide on an entry method.

Some ways that a firm can enter into China with their brands are through acquisitions, joint ventures, greenfield investments (Kogut and Singh 1988), and licensing agreements (Kim and Hwang 1992). "Acquisitions refer to the purchase of stock in an already existing company in an amount sufficient to confer control…A joint venture is the pooling of assets in a common and separate organization by two or more firms who share joint ownership and control over the use and fruits of those assets. A greenfield investment is a start-up investment in new facilities. Such an investment can be wholly owned or a joint venture" (Kogut and Singh 1988, p. 412). Licensing agreements is a non equity agreement (Anderson and Gatignon 1986) in which one grants rights to another firm to use and/or market their technology, trademarks, patents, copyrights, know-how, or trade secrets, and the other firm's obligations in exchange for those rights (Limpert and Ayorinde 2002).

Kogut and Singh (1988) indicate that the way a firm selects to enter a foreign market is influenced by various factors. For example, they discuss that the greater the cultural distance between the market a firm is entering, and their home market, the greater the chance they will enter the market through a joint venture instead of through

acquisition. They also discuss that characteristics of a firm are associated with the way they will enter a foreign market. For example, 1) the greater the experience a firm has with the culture of a foreign market due to previous experience with that market, the lower the likelihood they will subsequently enter through joint ventures, but the greater the likelihood they will enter the market through acquisitions 2) the greater the size of a firm's foreign assets, the greater the likelihood they will enter a foreign market through acquisitions, 3) the lower the level of a firm's international experience, the higher the likelihood that they will enter foreign markets through joint ventures in order to share the risk and management, and 4) the greater the tendency for a firm to avoid uncertainty, the lower the likelihood they will enter a foreign market through acquisitions "…due to the organizational risks of integrating foreign management into the parent organization" (p. 423). Kogut and Singh (1988) further indicate that industry-level variables are related to the typical way through which a firm will enter a foreign market. For example,

> "Joint ventures are relatively more frequent in pharmaceuticals… Acquisitions occur primarily in natural resources, financial services, and…Chemical and electrical machinery are especially attractive industries for greenfield investments. At a higher level of aggregation, acquisitions tend to be relatively more common than other modes of entry in nonmanufacturing sectors of the economy" (p. 418).

Coca-Cola and Eastman Kodak are exemplar of dissimilar methods for entering the Chinese market. Having first entered China in 1909 by exporting their American-manufactured products to China, Kodak established a subsidiary organization in China in 1927. It was not until 1994 that Kodak set up a joint venture with Xinhui K.H. Optical Co. that was established to begin manufacturing products in China. Their next step came in 1998, when Kodak coordinated their efforts various Chinese state-owned enterprises,

provincial and city governments, ministries, and commissions, to invest $1.2 billion in China for manufacturing and distribution facilities (Eastman Kodak 2004). In contrast, Coca-Cola first entered the China market in 1979 through joint ventures with various state-owned enterprises. Because of Chinese restrictions on foreign ownership, and their limited funds, Coca-Cola invested the money to build manufacturing and distributions operations, and then transferred ownership of the operations to the state-owned enterprises. These enterprises manufactured and distributed the product in China, with Coca-Cola essentially acting as a wholesaler, and only making profit by selling concentrate to the enterprises. Beginning in 1990, Coca-Cola's next step was to acquire management rights of the operations in order to control them and use their management expertise to capitalize on the Chinese market opportunities. They then formed joint ventures with private Chinese firms to act as franchisers for Coca-Cola in China, which increased Coca-Cola's ability to penetrate the market more strongly (Mok et al. 2002).

An item that firms should consider when entering the Chinese market is the brand name of their product. While it is often not something that they are accustomed to doing, it may be that firms might have to adopt innovative brand marketing strategies in China. Some U.S. firms now market products in China with local brand names, as opposed to the brand names that are used in the U.S. and other markets (Zhou and Hui 2003). For example, Maytag now sells washing machines in China under the brand "Kelon", and use their Chinese partner's name "Rongshida" in their marketing efforts. Another example is Unilever, who bought a Chinese tea-manufacturing firm, but market the products in China under the traditional Chinese brand name, instead of using their globally known Lipton tea brand (Zhou and Hui 2003).

While there is a multiplicity of ways by which a U.S. firm can enter China, there are various factors that must be considered in deciding how to enter the China market. However, regardless of the way that a firm enters China, or any other foreign market, the insights that will be produced by this study are expected to yield knowledge that will be beneficial to brand marketers.

Differences between U.S. and Chinese consumers

Although various researchers recognize the importance of China as an international market for U.S. brands, they also are beginning to understand that there are potentially significant dissimilarities between consumers in these two cultures. This dissertation contends that the cultural values (Briley and Wyer 2001; Firat 1995); modes of thought (Nisbett et al. 2001), and emotional experiences and expressions (Markus and Kitayama 1991; Elfenbein et al. 2002; Scherer and Wallbott 1994) of Chinese and U.S. consumers are so sufficiently dissimilar that a brand strategy appropriate in the U.S. may not be suitable in China. Specifically, it posits that these dissimilarities may result in the experiential and functional antecedents of brand equity having differential influence on brand equity and its consequences for consumers in these two cultures.

Dissimilar cultural values

As indicated, one difference between U.S. and Chinese citizens relates to their fundamentally dissimilar cultural values (Firat 1995; Inglehart 2001). Consumers in the individualistic culture that exists in the U.S. have post-materialistic values and want to be immersed participants in their experiences (Firat 1995). They need to express their

feelings and emotions, create and communicate their self-identity and self-image, and improve their emotional and psychological lives through marketable experiences and consumptions (Inglehart and Baker 2000; Inglehart 2000; Triandis 1989). This includes valuing self-expression, self-improvement, self-satisfaction, feeling good inside, experiencing pleasure, quality of life, aesthetics, associations with others and oneself, and leading enriched lives (Briley and Wyer 2001; Firat 1995; Inglehart and Baker 2000; Inglehart 2000).

These values stem from our level of economic development, higher levels of education, diffusion of the media, the rising welfare state, as well as from the historical philosophies and beliefs of Socrates, Aristotle and Plato (Inglehart and Baker 2000; Inglehart 2000; Zaltman 2003). These ancient philosophers emphasized independence, subordination of group needs and goals to one's own personal goals and promotion of self-expression and the impact of their teachings continues to exist in our modern society (Gilmore and Dumont 2003; Friedman 1994).

In contrast, individuals in the collective culture that exists in China have materialistic values and are more utilitarian oriented than U.S. consumers (Firat 1995). Chinese want to be detached observers who avoid feelings and emotions, avoid self-expression, want economic and physical security, and even repress symbolic phenomena in order to improve their physical lives (Firat 1995; Inglehart and Baker 2000; Inglehart 2000; Inglehart 2001). The foundations for these values stem from the ancient Confucian, Buddhist, and Taoist philosophies and beliefs that emphasized interdependence, social responsibility, emotional self-control, subordination of personal needs to the needs of one's group (e.g. family, social group, society), group goals, and

maintaining harmonious relationships with group members (Briley and Wyer 2001; Hofstede 1984; Iyengar and Lepper 1999; Matsumoto 1999). These ancient teachings continue to dominate the Chinese cultural values (Leclerc1984). In addition, the education system, cultural institutions, and religious traditions that exist in China, pass these values down through subsequent generations (Inglehart and Baker 2000).

While some view that globalization's transnational flow of goods, capital, technology, people, information, and ideas will converge cultural values around the world, others indicate that the fundamental values of a culture will change slowly and will retain their basic identity over generations (Appadurai 1990; Liu and McClure 2001; Belk 2002; Firat 1995; Rosaldo 1989; Dunning 1989). Thus, although China's economic advancement will produce changes in their values, their fundamental values are expected to remain intact, because they provide a foundation and heritage upon which an individual can rely to orient them to the world (Occhionero 2000; Huntington 1993; Dallmayr 1996; Bauman 1973). Therefore, the fundamental differences between U.S. and Chinese consumers are likely to retain their basic dissimilarities for generations to come.

Dissimilar modes of thought

The U.S. and Chinese populations have been found to differ in their modes of thought (Nisbett et al. 2001), i.e. the process or style that an individual uses to process information and their experiences (Sternberg 1994; Zhang, 2002a, 2002b; Cano-Garcia and Hughes 2000). These differences stem from the dissimilarity of the cultural values (Bernardo, Zhang, and Callueng 2002), economic levels (Matsumoto 1999), arts and sciences (Horton 1973; Huntington 1993), educational (Finnegan 1973), religion

(Huntington 1993), and legal systems (Nakamura 1960; Nisbett et al. 2001), language and published works (Nakamura 1960), literacy levels (Finnegan 1973), and philosophical, historical, ecological and sociological backgrounds (Choi et al. 2003; Colby and Cole 1973; Tweed and Lehman 2002).

The traditional mode of thought that exists in China is one that emphasizes interdependence, emotional self-control, subordination of personal needs to the needs of one's group (e.g. family, social group, society), and maintaining harmonious relationships with group members (Horton 1973; Iyengar and Lepper 1999; Kitayama et al. 1997; Matsumoto 1999; Nisbett et al. 2001; Tweed and Lehman 2002). In contrast, the individualistic mode of thought that is typically found in the U.S. is one that emphasizes independence, subordination of group needs and goals to one's own personal goals, and promotion of self-expression (Horton 1973; Nisbett et al. 2001; Tweed and Lehman 2002).

These dissimilar modes of thought may produce different responses to brand and brand marketing strategies, including dissimilar affective states, cognitions, and behaviors (Broyles, Schumann, and Woodruff 2004). These different responses would likely include consumers' market choices; attitudes, beliefs, and intentions toward a brand; and feelings of satisfaction and loyalty. As an example of the potential differences that may exist, a U.S. consumer's response might include freely comparing brand alternatives to their expectations, and making a brand choice that meets those expectations, satisfies the consumer's needs and is in one's own best self-interest. In contrast, a Chinese consumer's response may include focusing on making the brand

decision that is in the best interest of one's group (i.e. family, social group, or society), and that meets one's group's standards and expectations.

Dissimilar emotional experiences and expressions

Another fundamental dissimilarity between U.S. and Chinese consumers are their emotional experiences and expressions. Although researchers view emotional experiences and expressions as significant elements underlying individuals' behaviors, the concept of emotional experience and expression is sufficiently puzzling that we don't have widely accepted criteria for the concept (Russell 2003). This dissertation relies on Oatley's (1993) discussion, because it appears representative of various views, while still being concise and easily understood. Oatley (1993) indicates that emotional experiences and expressions are "…complex syndromes, episodic dispositions to behave in a certain way" (p. 342). For example, "When we are in love or are angry, we become, during that period, disposed to act in a way appropriate to that emotion as understood in our society" (Oatley 1993, p. 342).

Literature indicates that emotional experiences and expressions vary across cultures, with each culture having distinctive experiences and expressions that stem from societal practices, and convey meanings and effects to members of that culture (Oatley 1993). Support of the view that differences exist across cultures was found by Briggs' (1970) research which found that in situations (such as the vicissitudes of Artic life, as well as other situations) in which Westerners would be incited to outrage and anger, Inuit (Eskimo) do not express anger, talk about feeling angry, or use anger in their child rearing practices. Further support of emotional experiences and expressions across

cultures is found in the findings of cultural anthropology studies (Saarni 1993). One insight into the significance of these differences is evidenced in Saarni's (1993) statement that: "Emotional expression is meaningful and informative to interactants, and emotional experience permits the verbal description and exchange of emotional processes to others" (p. 438).

With respect to American and Chinese consumers, Elfenbein et al. (2002) indicates that their fundamentally dissimilar cultures lead to dissimilar emotional experiences and expressions. Markus and Kitayama (1991) discuss these dissimilarities. For example, they indicate that people in individualistic cultures, such as exists in the U.S., typically have ego-focused emotional experiences and expressions that promote an independent view of ones-self, such as anger, frustration and pride. In contrast, people in collective cultures, such as exists in China, typically have other-focused emotional experiences and expressions that promote an interdependent view of ones-self, such as sympathy, shame, and feelings of interpersonal communion (Markus and Kitayama 1991). An example of the American and Chinese dissimilarities is found in the view that while "Americans may experience anger when they perceive a threat to their autonomy. For many Asians such threats may not occur, since they neither believe in nor depend on any such concept" (Oatley 1993, p. 341).

Interestingly, literature discusses that there is correlation between one's emotional experiences and expressions, cognitions, and behaviors. For example, Russell (2003) indicates that there is correlation between emotional experiences and expressions and cognitions, and Srinivasan (1987) indicates that cognitions lead to emotional experiences and expressions, which lead to behaviors. Holbrook (1986) and Dichter (1947) indicate

that one's emotional experiences and expressions play a central role in their consumptive behaviors, by serving to motivate them. Holbrook (1986) indicates that one's emotional experiences and expressions are reflective of how they appraise (i.e. evaluate) and feel about something, which results in an action tendency either toward or away from it, and Bagozzi, Gopinath, and Nyer (1999) indicate that emotional experiences and expressions reflect one's cognitive appraisal of something. Interestingly, Srinivasan (1987) discusses that consumers have both experiential/emotional and functional/utilitarian dimensions, and indicates that consumers' cognitive limitations result in emotional experiences and expressions being a vital element in their processing of information, making evaluations, dealing with complexities, decision-making, and behaviors.

Based on these various views on the dissimilar U.S. and Chinese values, modes of thought, and emotional experiences and expressions, it appears that they are likely to lead to different opinions, attitudes, intentions, norms, market choices, and behaviors (Occhionero 2000; Pitts and Woodside 1983; Broyles, Schumann, and Woodruff 2004). Thus, consumers in these two cultures are likely to have dissimilar responses to brand and brand marketing strategies, and may even value brand differently (Broyles, Schumann, and Woodruff 2004). Therefore, this paper contends that the experiential and functional attributes of brand may have different levels of significance to consumers in these two cultures.

As indicated earlier, Hirschman (1982) conducted an exploratory study that provides early insight into this phenomenon. Her study was conducted with student respondents (New York University) from various Western culture nationalities, including Greek, English, Jewish, Italian, as well as respondents with a collective Chinese cultural

background. Her findings gave early insight that, as compared to respondents from Western cultures, the functional aspect of consumption is more important with Chinese, while the experiential aspects are typically more important with respondents from Western cultures.

Brand equity for consumers

This dissertation addresses questions of differential brand equity perceptions with American and Chinese consumers, and seeks to examine the relative influence of brand equity's functional and experiential antecedents, and its consequences. This focus hinges around the view of various researchers that brand equity (e.g. its value for consumers) is a strategic source of competitive advantage for U.S. businesses (Aaker 1991; Keller 2003; Woodruff 1997). Because U.S. firms increasingly seek competitive advantage opportunities (Woodruff 1997), any research that strengthens our understanding of brand equity for Chinese consumers is of potential significance to U.S. firms that market their brands in China.

Brand equity's dimensional components

Literature indicates that brand equity has four (4) components representing two dimensions. Drawing from literature, this dissertation posits that two of these components reflect a functional dimension, and two reflect an experiential dimension (see Figure 1-1 for brand equity's dimensions and components). Interestingly, Hirschman and Holbrook (1982) indicate that these two dimensions may be representative of the two separate hemispheres of our brain. They indicate that one hemisphere is sensory-emotive

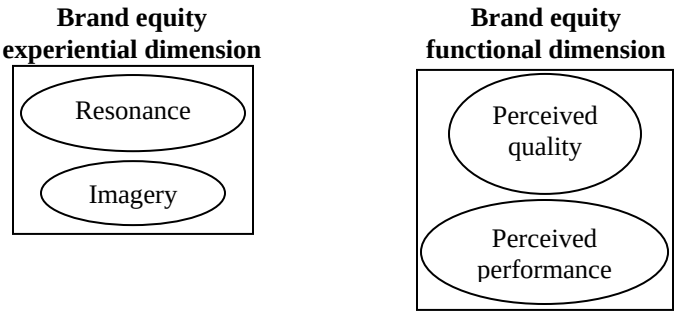


Figure 1-1

Brand equity dimensions and components

stimulation seeking (i.e. experientially-oriented), while the other is cognitive information seeking (i.e. functional).

The functional dimension of brand equity refers to the utilitarian component, which Holbrook and Hirschman (1982) view as being the rational, logical, objective, and economic aspect of consumption. This dimension includes the perceived quality and perceived performance of a brand. Perceived quality of a brand represents consumers' judgment about a brand's overall excellence or superiority, with respect to its intended purpose, as compared to perceived substitutes (Zeithaml 1988; Grace and O'Cass 2002; Keller 2001). Using a beverage as an example, perceived quality would include a consumer's judgment about intrinsic attributes, such as flavor, color, sweetness and package of a beverage; as well as extrinsic attributes, such as brand name, warranty, seal of approval, logo, level of advertising, and information on a package (Zeithaml 1988).

Perceived performance of a brand entails consumers' judgment about a brand's ability to fulfill its intended functions, as compared to products that are perceived by the consumer as substitutes (Aaker 1991; Sinha and DeSarbo 1998; Zeithaml 1988; Keller

1993). Aaker (1991) provides an example of perceived performance by discussing an automobile, as potentially including its operating characteristics such as acceleration, handling, cruising speed, and comfort (Aaker 1991).

The experiential dimension of brand equity refers to the subjective, symbolic, hedonic, and psychophysical aspect of consumption (Holbrook and Hirschman 1982). This dimension includes the perceived resonance and perceived imagery of a brand. Perceived resonance (Keller 2001, 2003) refers to the psychological bond that a consumer has with a brand. This includes consumers' attitude toward a brand and to its personality (Keller 2003; Swartz 2000); their sense of brand community (Keller 2003; McAlexander, Schouten, and Koening 2002); and, their willingness to engage in investing time and money and energy beyond purchase and usage, such as joining brand clubs, visit brand web-sites, participate in brand chat rooms (Keller 2001, 2003). Keller (2003) provides an apt summary example of these elements by indicating that brand resonance reflects consumers':

> "…strong personal attachment… and… a positive attitude to…the brand as being something special…for example…customers with a great deal of attitudinal attachment to a brand may state that they 'love' the brand…and…that the…brand may also take on broader meaning to the customer in terms of a sense of communication…whereby customers feel a kinship or affiliation with other people associated with the brand…and…finally… customers may choose to join a club centered on a brand, receive updates, and exchange correspondence with other brand users or formal or informal representatives of the brand itself…" (p. 93).

Perceived imagery of a brand refers to its ability to meet consumers' psychological or social needs (Keller 2001), and represents "how people think about a brand abstractly, rather than what they think the brand actually does" (Keller 2003, p. 83). Elements of brand imagery include how a brand meets consumer's internally

generated needs for self-enhancement (Kennedy 2003) and self-identity (Elliott and Wattanasuwan 1998); role position, group membership and inter-personal ties (Richins 1994; Moore, Wilkie, and Lutz 2002). It also includes association with ideal users (Tuominen 1999); friends, self-history and life experiences (Wee and Ming 2003); purchase and usage situation (Keller 1993); and, one's heritage (Olsen 1995). Keller (2003) views that Abercrombie & Fitch is an example of a brand that has successfully developed brand imagery. For example, Abercrombie & Fitch sells 'hip' casual clothes in facilities that have a casual and 'cool' look, using a sales force of attractive high school and college age people. Abercrombie & Fitch also develop sexy, eye-catching ads that portray models in different states of undress. Abercrombie & Fitch's goal is for each of these elements of their marketing strategy to "reflect the lifestyle of its core customer base" (Keller 2003, p. 85), and meet their consumers' psychological and social needs.

Brand equity's antecedents

Brand equity antecedents (see Figure 1-2) for consumers are associated with both functional and experiential components. The experiential antecedents relate to a brand's ability to satisfy consumers' psychological or social needs (Keller 2001); and, "…what it feels like to use the product or service…such as sensory pleasure, variety, and cognitive stimulation" (Keller 2003, p. 4). Leading brand researchers indicate that the experiential antecedents of brand equity include a brand's personality, its community, and its associations; and, consumer's awareness, behavioral loyalty, consumers' attitude toward a brand, and their active engagement with respect to the brand.

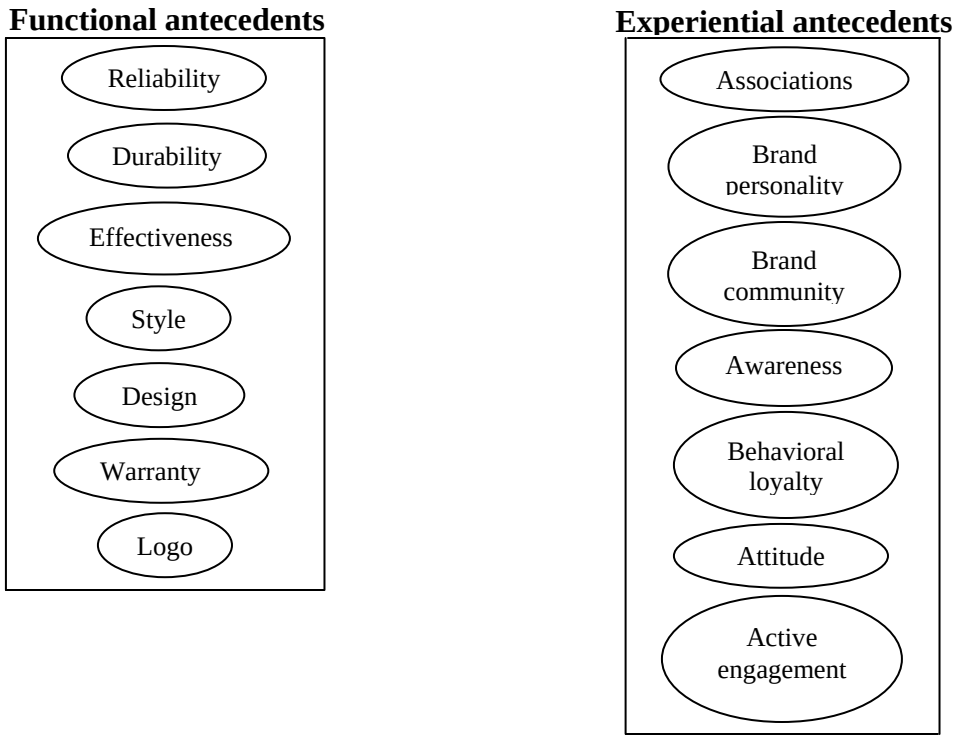


Figure 1-2

Brand equity antecedents

Brand personality "…is the human characteristics or traits that can be attributed to a brand" (Keller 2003, p. 444). Keller provides some questions that are valuable in helping one better understand brand personality. He (Keller 2003, p. 444) asks: "If the brand were to come alive as a person, what would it be like? What would it do? Where would it live? What would it wear? Who would it talk to if it went to a party (and what would it talk about)?" Aaker (1991) provides insight into brand personality by indicating that Dr. Pepper has a personality of being original, fun, and the offbeat underdog (among cola's), and that Holiday Inn's personality is "cheerful, friendly, ordinary, practical, modern, reliable, and honest" (p. 140).

Brand community reflects a means by which brand users can connect to, or share experiences with other consumers or employees of the company itself (Keller 2003, p. 567). One example is Harley-Davidson's sponsoring of HOG (Harley Owners Group). This association provides owners of their motorcycles with emergency road service, discount hotel rates, insurance, and a program that enables members to rent Harley motorcycles while on vacation (Keller 2003). A second example is Jeep's sponsoring of Camp Jeep, which provides an avenue for Jeep owners to "…convene with their vehicles in wilderness areas across America…where they practice off-road driving skills and meet other Jeep owners" (Keller 2003, p. 94).

Brand associations reflect mental images or connections that are linked to a brand. These include users, applications, lifestyle, customer benefits, product attributes, country/geographic area, competitors, product class, relative price, intangibles, and celebrity/person (Aaker 1991). One example is Ronald McDonald, who helps create attitudes and feelings (such as having fun) that are associated with McDonad's (Aaker

1991). A second example is the Tiffany's name on a box, which associates the product inside with prestige and quality (Aaker 1991). A third example is the Betty Crocker face on a product, which is associated with "…childhood memories of mom baking in the kitchen, or sometimes of an idealized childhood…The use of Betty Crocker thus expresses the home/mother/nurturing side of some of its users" (Aaker 1996, p. 154).

Consumers' awareness reflects consumers' recognition and recall of a brand name and symbols (Keller 2003). Recognition relates to "…consumers' ability to confirm prior exposure to the brand when given the brand as a cue…" and recall relating to "…consumers' ability to…correctly generate the brand from memory when given a relevant clue" (Keller 2003, p. 67), such as a usage situation, product category, or the needs to be fulfilled by the product category. Behavioral loyalty refers to "…repeat purchases and the amount of category volume attributed to the brand…how often… customers purchase a brand and how much…they purchase" (Keller 2003, p. 92). Consumers' attitude toward a brand refers to the degree of consumers' favor or disfavor of a brand (Armstrong and Kotler 2003). "For example, customers that favor a brand may state that they 'love' the brand, describe it as one of their favorite possessions, or view it as a 'little pleasure' that they look forward to" (Keller 2003, p. 93). Finally, active engagement refers to consumers' willingness "…to invest time, energy, money, or other resources in the brand beyond those expended during purchase or consumption of the brand" (Keller 2003, p. 93), such as joining a club centered around a brand, exchanging communications with other users of the brand.

The functional antecedents relate to the more intrinsic utilitarian aspects of a brand and its ability to satisfy consumers' functional needs and wants (Keller 2001), and

"often are linked to fairly basic motivations, such as physiological and safety needs, and involve a desire for problem removal or avoidance" (Keller 2003, p. 4). Leading brand researchers indicate that the functional antecedents of brand equity include a brand's reliability, durability, effectiveness, style, design, warranty, and logo (Aaker 1991; Sinha and DeSarbo 1998; Zeithaml 1988; Keller 1993).

Reliability refers to a brand's "…consistency of performance over time and from purchase to purchase" (Keller 2003, p. 83). Durability refers to a brand's economic life and how long it will last (Aaker 1991). Effectiveness refers to how completely a brand meets consumers' requirements (Keller 2003). Style refers to a brand's appearance (Armstrong and Kotler 2003) and its "…distinctive quality and form" (Keller 2003, p. 178). Keller (2003) indicates that a brand's style includes visual elements such as its color and shape; touch elements such as material of construction; audio elements such as loudness; and, elements such as taste and smell. A brand's design is "…a larger concept than style" in that it "…is more than skin deep – it goes to the very heart of a product. Good design contributes to a product's usefulness as well as to its looks" (Armstrong and Kotler 2003, p. 288). Keller (2003) compares a brand's design to its theme, which refers to "…the content, the meaning, and the projected image of an identity…they are… expressions of…a brand's character… developed into a system of interrelated ideas" (p. 178).

A brand's logo (Keller 2003) refers to visual elements that help people recognize the brand. This can range from things such as a corporate name that is distinctively written (such as Coca-Cola), to abstract symbols such as the Mercedes star and the Rolex

crown (Keller 2003). Warranty refers to a firms' promise to consumers that the brand will live up to its commitments to fulfill their needs and wants (Keller 2003).

Brand equity's consequences

Literature indicates that brand equity for consumers (see Figure 1-3) is associated with four (4) consequences, which lead to consumers' purchase intent. The first consequence attributed to brand equity is that it enables consumers to experience increased anticipated confidence in their brand purchase decision, which increases their comfort level with the brand they purchased (Erdem 1998; Aaker 1992). This anticipated confidence and comfort level represent an increased degree of balance between a consumer's cognitive attitudes and beliefs about a brand, and their memories, feelings, needs, behaviors, role commitments, and cultural norms (Aaker 1992). For example, in a study of various brands of peanut butter, Bushman (1993) found that "national brand products have more favorable public images than do bargain brand products" (p. 858). Based on the findings from the study, Bushman (1993) indicates that purchasing national brands results in consumers being less self-conscious, more comfortable, and more confident with their purchase decision.

The second consequence attributed to brand equity is that it enables consumers to experience anticipated reduced risk and uncertainty in their purchase decision (Chaudhuri and Holbrook 2002). This represents consumers' judgment of the unknown consequences related to a brand's performance, as compared to one's desired outcomes, goals, and expectations for the usage (Guerrero et al. 2000; Lassar, Mittal, and Sharma 1995; Kapferer 1995; Olsen 1995; Russell and Kamakura 1997; Bhargave, Kim and

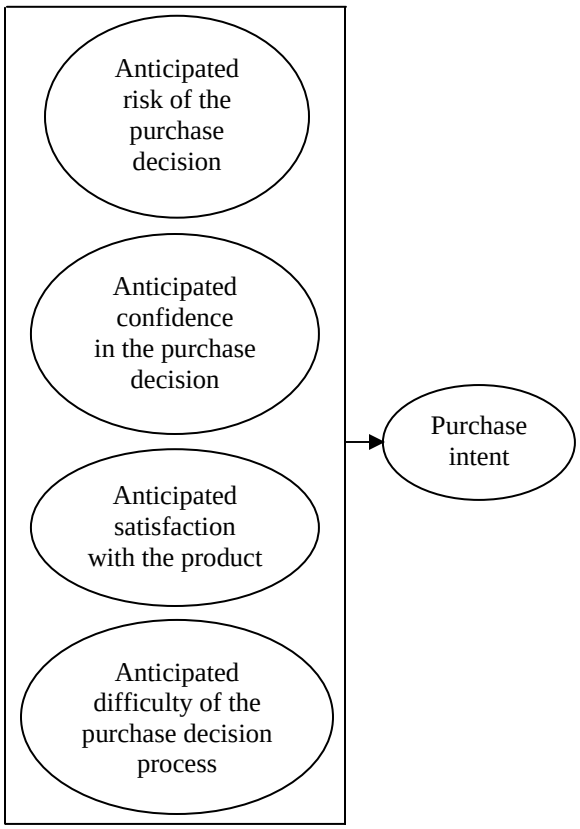


Figure 1-3

Consequences of brand equity for consumers

Srivastava 2000). Guerrero et al. (2000) found that consumers perceive that national brands have lower risk and uncertainty than retailer brands, which helps consumers locate themselves in their social milieu, and is associated with the consumers' consumers' ability to trust the brand. Lassar, Mittal, and Sharma (1995) state that the reduced risk and uncertainty associated with national brands enable consumers to trust that the product's quality will not vary as much as other products, and is a factor in consumers developing "sentimental attachment with those brands" (p. 14). Lassar, Mittal, and Sharma (1995) discuss that Coca-Cola, and Keller (2003) discusses that corporate brands such as General Electric, Motorola, and Hewlett-Packard have achieved credibility and reputations that reduce consumers' perceptions of the risk and uncertainty associated with their products, which enables the consumers to trust their brands and develop attachments with them.

The third consequence of brand equity is that it leads to increased anticipated satisfaction with the product, resulting from consumers' purchase decision. Satisfaction represents a consumer's psychological state of mind (Oliver 1999). Aaker (1991) indicates that satisfaction can benefit consumers by reducing their need to expend time, effort, and/or money to search for alternatives; as well as providing them with emotional benefits. For example, "knowing that a piece of jewelry came from Tiffany can affect the experience of wearing it; the user actually can feel differently because of Tiffany's perceived quality and associations" (Aaker 1992, p. 31).

Finally, the fourth consequence of brand equity is that it reduces the anticipated difficulty of consumers' decision processes by reducing their alternative choices; and, by enabling easier storage, retrieval, processing, and interpretation of information about a

brand (Farquhar 1999; Bushman 1993; Olsen 1995; Aaker 1991; de Chernatony and Riley 1997). Farquhar (1999) states that consumers seek ways to simplify, as well as reduce their need to make decisions. Bushman (1993) and Farquhar (1999) state that the familiarity that consumers have with national brands, and their perception of the brands' quality enables consumers to accomplish this goal by reducing the 'consideration set' of alternatives they must evaluate. An example of consumers limiting the alternatives they evaluate is found in a study that indicates that "in shopping for new automobiles in the United States…61% of customers consider only one brand" (Farquhar 1999, p. 17).

Purchase intent

Finally, the increased anticipated confidence (Erdem 1998), reduced risk and uncertainty (Chaudhuri and Holbrook 2002), increased satisfaction (Aaker 1992), and simplified decision processes that consumers associate with purchasing and using national brands (Aaker 1992) leads to consumers perceiving that their welfare will be improved (Park, Jaworski, and MacInnis 1986). As a result, consumers develop feelings of attraction for the brand as the alternative of choice for satisfying their needs (Bengtsson 2002; Park, Jaworski, and MacInnis 1986; Aaker 1996). As depicted in Figure 1-3, these feelings lead to the consumers having increased purchase intentions for the national brand, as compared to the alternatives (Aaker 1991, 1992; Keller 2002). Based on the potential that the influence of brand equity's functional and experiential antecedents may differ between U.S. and Chinese consumers, and on our understanding of the significance of brand equity and its consequences (e.g. purchase intention), we need to strengthen our knowledge of any potential dissimilarity between the two cultures.

Drawing from literatures' discussion of 1) the dissimilar U.S. and Chinese cultures, modes of thought, cultural values, and emotional experiences and expressions, 2) the potentially dissimilar U.S. and Chinese behaviors towards brand, and 3) the greater functional orientation of Chinese consumers, and the greater experiential orientation of U.S. consumers, this dissertation poses the following research question:

Do the antecedents and consequences of brand equity differ for American and Chinese consumers? If so, in what way(s) do they differ? Also, in what way(s) are they similar?

In order to address this research question, this dissertation puts forth hypotheses and an exploratory proposition that are designed to examine the following:

1.) *For American and Chinese consumers, do brand equity's functional and experiential antecedents have dissimilar relationship strengths with brand equity? If so, how do they differ?*
2.) *For American and Chinese consumers, do brand equity's functional and experiential dimension components have dissimilar relationship strengths with brand equity's consequences? If so, how do they differ?*
3.) *For American and Chinese consumers, do brand equity's consequences have dissimilar relationship strengths with purchase intent? If so, how do they differ?*

Implications of dissertation research

Because of the growing pressures on their brands, many U.S. firms turn to international markets (Rapoport and Martin 1994), with China often a key target foreign

market because of its huge population and strong economic growth (Dolven 2003). However, unless the marketing strategies that U.S. firms implement in China are reflective of the unique characteristics of Chinese consumers, their ability to successfully market their brands in China is likely to be limited. It may be possible that U.S. firms could more successfully market their brands in China if their marketing strategies are more reflective of the functional aspects of brand equity, while marketing strategies in the U.S. might be more successful if they are more reflective of the experiential aspects. Thus, this dissertation's study may produce knowledge that not only helps U.S. firms more successfully their brands in China, but might also lead to knowledge that can help them better market their brands in their home market.

Concluding thoughts and contribution of this research

This chapter has put forth a theory that the relative influence of brands' extrinsic experiential and intrinsic functional dimensions on brand equity and its consequences may differ between U.S. and Chinese consumers. This theory is based on various cultural, cognitive, and affective psychological studies that have identified dissimilar cultural values, modes of thought, and emotional experiences and expressions between U.S. and China populations.

This chapter also examines the importance of brands and brand equity to U.S. businesses, including performance and capitalization values; the growing pressures on brands; the significance of brand equity in a brand's success, its experiential and functional antecedents, its consequences, and its effect on consumers' purchase intent. It

also discusses the growing need for international sales for U.S. brands, and that some U.S. firms focus on China due to its large population and strong economic growth. In addition, this chapter also addresses the increasing focus of many Chinese firms on building their own strong brands, as well as their willingness to produce and market counterfeit non-Chinese brands, each which harms U.S. brands in their home market, as well as in China and other international markets. For these varied reasons, we need to strengthen our knowledge of potential consumer behavior differences in the U.S. and China.

This dissertation seeks to explore the potentially dissimilar influence of functional and experiential antecedents on brand equity and its consequences for U.S. and Chinese consumers. Such research will help us better understand Chinese consumers and their differences from U.S. consumers. It should also provide us with improved ability to develop theories and models that will provide marketers with knowledge that may help them more successfully market their brands in China. All firms have limits to their marketing resources. Thus, any ideas that we can offer that enables them to more effectively and efficiently market their brands, will not only be valuable for their marketing efforts, they may also serve to enhance the credibility of our discipline.

Dissertation organization

This dissertation is divided into five chapters. Chapter 1 is the introduction; Chapter 2 provides the literature review; Chapter 3 discusses the research methodology that was used in the study; Chapter 4 discusses the results of this dissertation's study; and, Chapter 5 discusses the limitations of this dissertation's study, summarizes the

conclusions drawn from the study, and presents a future research agenda that stems from this study.

CHAPTER 2

LITERATURE REVIEW

Introduction

The primary premise upon which this dissertation is based is that we need cross-cultural brand equity research. This premise has two underlying foundations. First, while brand equity is a key determinant of the success level (Keller 2003) achieved by U.S. firms' strategically important brands (Aaker 1991, 1996), it faces mounting pressures (Keller 2003). In order to help offset those pressures, as well as to secure growth opportunities, many U.S. firms are increasingly expanding their brand marketing efforts to foreign markets (Liu and McClure 2001; Homburg et al. 2002). Second, cognitive and affective psychological, and cultural literature indicates that the dissimilar cultural values (Occhionero 2000), modes of thought (Nisbett et al. 2001), and emotional experiences and expressions (Markus and Kitayama 1991) that exist in diverse cultures may lead to brand equity forming differentially (Elliott and Wattanasuwan 1998). Because brand equity serves to motivate consumers' behaviors (Keller 2003), any brand equity differential between consumers in diverse cultures will likely lead to dissimilar brand behaviors in response to similar marketing strategies, which may result in different levels of success.

This dissertation's research agenda is to conduct a comparative brand equity study with Chinese and American consumers. There are three key reasons for selecting these two cultures for conducting cross-cultural brand equity research. First, China is a frequent target of U.S. brand marketers because of its huge population and strong

economic growth (Zhou and Hui 2003; Liu and McClure 2001). Second, there are perhaps no foreign consumers with cultural values, modes of thought, and emotions that are more dissimilar from Americans than the Chinese (Tweed and Lehman 2002; Nisbett et al. 2001; Hofstede 1984; Briley 2001; Markus and Kitayama 1991). Therefore, if brand equity differences do exist across cultures, no comparative study should have greater potential to uncover them than one with American and Chinese consumers. Third, Chinese business leaders are using their relatively new brand management skills to market their own brands in China, as well as the U.S. and other foreign markets, (Gilmore and Dumont 2003; Brown, Kozinets, and Sherry 2003), which increases the challenge for U.S. brands. For example, Haier (a Chinese firm) has so successfully implemented their acquired brand management skills such that they are now ranked by Forbes as the 6th top global manufacturer of home appliances (Gilmore and Dumont 2003).

As a result of these various factors, any research that can develop knowledge that eventually provides insight to practitioners for better marketing their brands in diverse cultures will surely be welcome. This view should be especially true with respect to China, because of its strategic importance to many U.S. firms (Gilmore and Dumont 2003). To provide support for this dissertation's research, this chapter discusses knowledge that is found in cultural anthropology, cognitive and affective psychology, social psychology, marketing, as well as various international journals and trade statistics books. The topics that will be discussed include: 1) brand equity, how it forms, its functional and experiential dimensions, and factors that affect it, 2) our need for cross-cultural research, 3) why China should be a focus of brand equity research, 4) cultural

differences between the U.S. and China, 5) the value and values dimensions and potential differences between U.S. and Chinese consumers, 6) the mode of thought dimension and potential differences between U.S. and Chinese consumers, and 7) the dissimilar emotional experiences and expressions of U.S. and Chinese consumers. This chapter concludes by discussing the proposed dissertation model and hypotheses to be tested.

Before beginning this chapter, there are two points that need to be clarified. First, all discussion about China and Chinese consumers refers to mainland China, and does not include Taiwan, Hong Kong, or other parts of the Chinese empire. This is because cognitive and cultural research indicates that there are various cultural, cognitive, and behavioral dissimilarities between individuals that live in mainland China and the other areas, such as Taiwan and Hong Kong (Tai and Tam 1997; Fried 1976; Inglehart and Baker (2000). Limiting the focus to mainland China will avoid such differences from potentially confounding this dissertation's research. Second, discussion about China is from a macro perspective and is inclusive of all provinces that encompass mainland China. This is because literature suggests that although mainland China is geographically enormous, all of its provinces arose from ancient regional cultures that merged long ago, and have merged such that they are fundamentally similar (Chang 1983; Fried 1976). It is beyond the scope of this dissertation to explore potential differences within China, thus the study will entail a macro approach to exploring differences between American and Chinese consumers.

Brand equity

Literature indicates that brand equity is a facet of brand that is important to both consumers and firms (Farquhar 1989), and contributes to a brand's competitive advantage, which firms seek (Woodruff 1997) in order to ensure the success of their brands. Interestingly, as will be discussed in this chapter, literature indicates that the cultural, mode of thought, values, and emotion differences that exist between U.S. and Chinese consumers may have dissimilar influence on how brand equity forms, as well as its consequences. These dissimilarities may lead to similar brand strategies not being equally successful in these two cultures (Homburg et al. 2002).

However, before discussing those concepts, this section explores the brand equity concept. Brand equity should be a focus of cross-cultural brand research. This statement stems from awareness that although brands face mounting pressures, brand equity is a key element of their success, thus is vitally important to many U.S. firms. At the same time, many Chinese firms increasingly manufacture and market their own, as well as counterfeit brands in their home and foreign markets. To that regard, this section discusses brand equity, presents a brand equity model, and discusses the forces that potentially affect it.

A reflection on brand equity

Brand equity research is accompanied with a variety of views and definitions, which may result from it being vague, intangible, and subjective (Aaker 1995; Feldwick 1996; de Chernatony and Riley 1997). However, there is substantial literature that is instrumental in helping one conceptualize and understand brand equity. Literature

indicates that there are two fundamental perspectives from which brand equity is viewed: as it relates to suppliers, and as it relates to consumers. To provide insight into each of these perspectives, table 2-1 presents various definitions of brand equity that have been put forth by various researchers.

As indicated in table 2-1, with respect to suppliers, brand equity is typically viewed as a financial asset and a "…driving force for incremental gains to the firm…" (Lassar, Mittal, and Sharma 1995). This stems from brand equity helping a firm secure greater consumer loyalty, reducing their need to rely on promotional programs, enabling firms to charge premium prices for a brand, increasing their marketing communication effectiveness, increasing the distribution channel's support and cooperation, and increasing a firms' ability to extend a brand to other products and other product categories, each of which leads to more predictable sales and profitability (Aaker 1992; Keller 2003).

With respect to consumers, brand equity definitions (see table 2-1) typically are viewed from the perspective of their cognitions, behaviors, and affects (Chaudhuri and Holbrook 2002; McCracken 1986). For example, brand equity is perceived as reflecting consumers' beliefs, perceptions, attitudes, and behaviors toward a product, as compared to if it were unbranded (Barwise 1993; Wood 2000; Srivastava and Shocker 1991; Lassar, Mittal, and Sharma 1995).

Literature appears to be consistent in the view that brand equity is generated by consumers, who base their brand decisions on their brand perceptions (Dickson and Ginter 1987; Sinha and DeSarbo 1998; Barnes 2003; Keller 2000). Because brand equity

Table 2-1

Brand equity definitions

Brand Equity Definition	Source	Comments
A differential of how consumers respond to a product, as compared to how they would respond to that same product if it were unbranded	Barwise 1993; Shocker, Srivastava and Ruekert 1994; Dawar and Pillutla 2000; Tuominen 1999; Keller 1993; Keller 2001; Aaker 1991	Consumers' cognitive and affective perspective
A set of brand assets and liabilities that can add to, or subtract from the value a product provides to customers	Aaker 1992	Financial accounting perspective
Stored profits that can be taken today, or saved until a later date	Wood 2000	Financial accounting perspective
A key asset that increases a firm's value via the added financial value that accrues to a branded product, proprietary technologies, patents, trademarks, and other such intangibles owned by a firm	Barwise 1993; Touminen 1999; Moskowitz, Krieger, and Barash 1997; Moore, Wilkie and Lutz 2002; Wood 2000	Financial accounting perspective
Brand equity exists in the mind of consumers, is determined by what they think of a brand, and reflects consumers' attachment to a brand	Dyson, Farr, and Hollis 1996; Sinha and DeSarbo 1998; Zeithaml 1988; Moore, Wilkie and Lutz 2002; Wood 2000	Consumers' cognitive and affective perspective
Brand equity reflects consumers' beliefs and perceptions of the overall superiority of a product carrying a brand name when compared to other brands	Lassar, Mittal, and Sharma 1995; Wood 2000	Consumers' cognitive and affective perspective
The total sum of consumers' attitudes and behaviors toward a branded product	Wood 2000; Srivastava and Shocker 1991	Consumers' cognitive and affective perspective

starts from consumers' perceptions, the focus of this dissertation is on a comparative study of American and Chinese consumers' perspective of brand equity.

How brand equity forms

Literature indicates that brand equity begins developing through a consumer's interactions with: a brand, its intermediaries, third parties, and associations (such as with one's own life history), each which lead to the consumer having thoughts and feelings about the brand (Berthon, Holbrook, and Hulbert 2003; Chaudhuri and Holbrook 2002; Achenbaum and Bogda 1996), as compared to their baseline expectations of the brand (Sinha and DeSarbo 1998). These thoughts and feelings lead to the brand having meaning in the consumer's mind (McCracken 1986; Richins 1994; Barnes 2003), and result in the brand being perceived by the consumer as having value (Keller 1999, 2000; Barnes 2003; de Chernatony and Riley 2003; Erdem 1998). As a result of this perceived value, the consumer responds to the product differently than they would if it were unbranded (Srivastava and Shocker 1991; Aaker 1991; Lassar, Mittal, and Sharma 1995; Keller 1993).

Brand equity's dimensions, antecedents, and consequences

Literature indicates that brand equity has two fundamental dimensions: a functional, and an experiential dimension (Keller 1993, 2002; Zaltman 2003; Barnes 2003; de Chernatony and Riley 2003). The functional dimension of brand equity refers to the more intrinsic, objective, utilitarian, and tangible aspects of a brand (Hirschman 1982; Holbrook and Hirschman 1982; Keller 2003). Literature indicates that this

dimension includes a brand's perceived performance and quality (Elliott 1994; Erdem 1998; Zeithaml 1988). Literature discusses that perceived performance refers to consumers' judgment of the ability of a brand to fulfill its intended functions, as well as its ability to meet their utilitarian, aesthetic and economic expectations, as compared to products that are perceived as substitutes (Keller 2003; Armstrong and Kotler 2003). However, based on Armstrong and Kotler's (2003) indication that performance primarily reflects consumers' judgment of the ability of a brand to fulfill its intended functions, and to avoid potentially conflicting perspectives of this antecedent, this dissertation will focus on performance from the perspective of a brand's ability to fulfill its intended functions. With respect to perceived quality, literature indicates that this refers to consumer's judgment of the overall excellence or superiority of a brand, with respect to its intended purpose, as compared to products that are perceived by the consumer as substitutes (Zeithaml 1988; Keller 2003; Aaker 1991). Interestingly, Keller (2003) indicates that the functional dimension is important, whether the brand be tangible or intangible, because it is fundamental in the brand meeting consumers' expectations, which is requisite for successful marketing.

The experiential dimension of brand equity refers to the more extrinsic, subjective, emotive, and intangible aspects of a brand (Hirschman 1982; Holbrook and Hirschman 1982; Keller 2003). This includes a brand's perceived resonance and imagery (Keller 2001). "Brand resonance refers to the nature of the relationship customers have with the brand and whether they feel in synch with the brand. It is characterized by the depth of the psychological bond customers have with the brand…" (Keller 2001, p. 19). Brand imagery "deals with the extrinsic properties of the product or service, including the

ways the brand attempts to meet customers' psychological or social needs. Brand imagery is how people think about a brand abstractly, rather than what they think the brand actually does" (Keller 2003, p. 83). Interestingly, Csikszentmihalyi (2000) indicates that the experiential aspects of consumption are vitally important because of their psychic benefits, and actually serve to drive much of our consumptive behavior.

Integrating these various views, this dissertation posits that brand equity is the value that consumers' perceive a brand having, and includes the functional dimension components of perceived quality and performance of a brand, as well as the experiential dimension components of perceived resonance, and imagery of a brand. Because "value" is the focal aspect of brand equity, a later section will discuss value in-depth in order to provide a firm foundation for understanding brand equity, as discussed in this dissertation. However, before proceeding to that and other topics, in order to better conceptualize this dissertation's view of brand equity, the following section presents and discusses a proposed brand equity model that stems from the literature.

Figure 2-1 presents a brand equity for consumer's model that was developed for this dissertation, using brand equity knowledge found in literature (Broyles and Schumann 2004). This model presents a comprehensive view of the various brand equity constructs that are discussed in literature, including brand equity's antecedents and consequences, as well as the brand equity constructs.

As indicated in Figure 2-1, both brand equity and its antecedents have functional and experiential antecedents. One functional antecedent is consumers' perceptions of a brand's reliability (Aaker and Joachimsthaler 2000; Barnes 2003), with reliability referring to "the consistency of performance over time and from purchase to purchase"

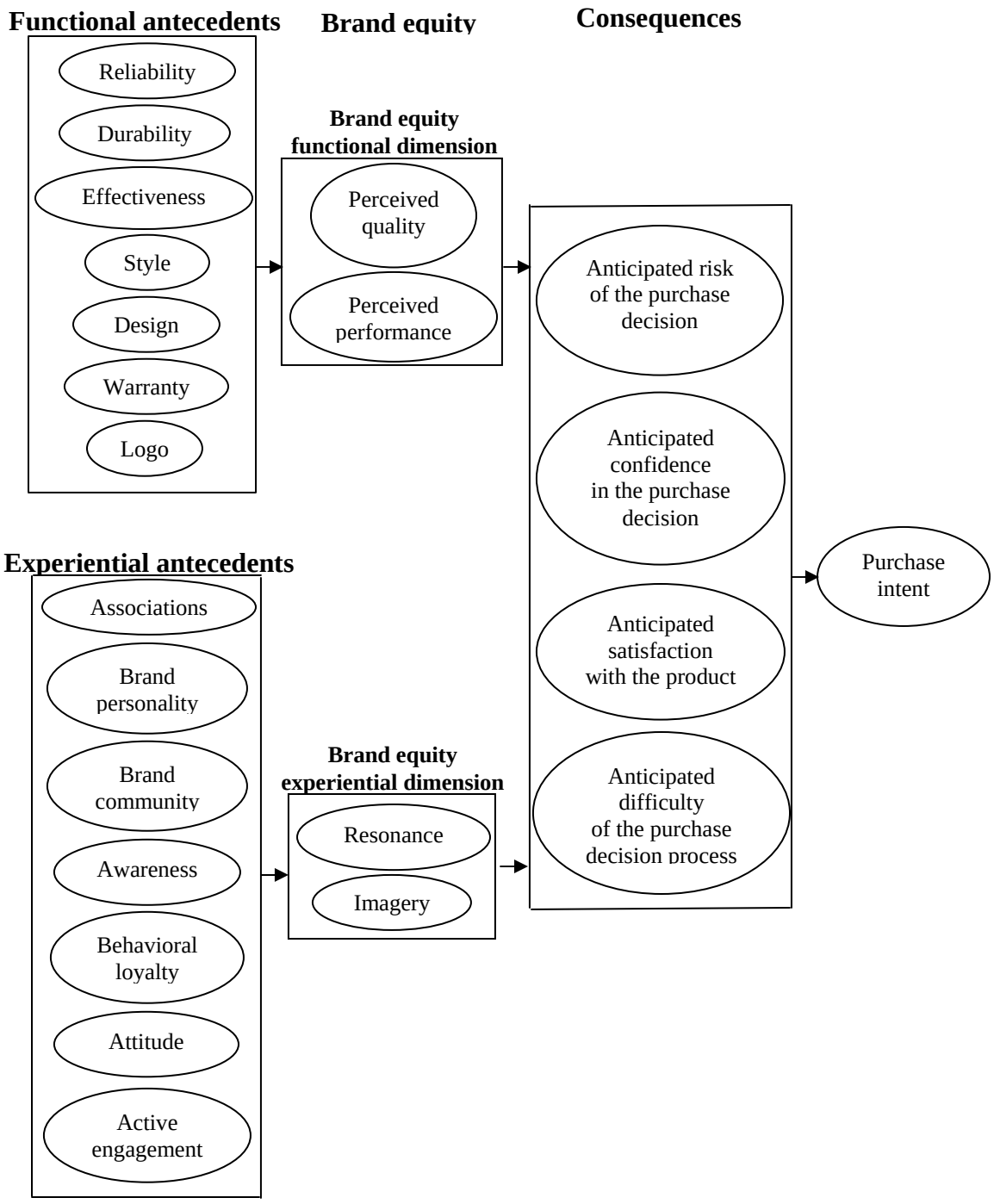


Figure 2-1

Brand equity for consumers

(Keller 2003, p. 83). Another is consumers' perceptions of a brand's durability (Aaker and Joachimsthaler 2000; Barnes 2003), with durability referring to "the economic life of the product. How long will it last?" (Aaker 1991, p. 93). Consumers' perceptions of a brand's effectiveness is also an antecedent (Aaker and Joachimsthaler 2000; Barnes 2003), with effectiveness referring to how completely the brand meets consumer's requirements (Keller 2003). Other antecedents are consumers' perceptions of a brand's style, which refers to its appearance (Armstrong and Kotler 2003); and its design, which Armstrong and Kotler (2003) state "…is more than skin deep – it goes to the very heart of a product" (p. 288). Keller (2003) implies that a brand's design is similar to a theme, which refers to "…the content, the meaning, and the projected image of an identity" (p. 178). Finally, as indicated by Keller (1993), a brand's warranty and logo are also functional antecedents of brand equity.

One example of an experiential brand equity antecedent is a brand's associations (Keller 2002; Aaker 1995, 1996; Brown, Kozinets, and Sherry 2003). These are anything linked in the consumer's memory to a brand, such as one's life history, usage situations, lifestyle, ideal users, friends, family, social positions, and professional roles (Aaker 1991; Keller 2003). Another is a brand's personality (Keller 2002; Aaker 1996; Bremser 2001; Elliott and Wattanasuwan 1998), which is how people would describe the brand if it were a person (Aaker 1991). Keller (2003) strengthens our conceptualization of this concept by stating:

> "Brand personality reflects how people feel about a brand as a result of what they think the brand is or does, the manner by which the brand is marketed, and so on…Five dimensions of brand personality…that have been identified are sincerity (e.g., down to earth, honest, wholesome…), excitement (e.g., daring, spirited, imaginative…), competence (e.g.,

> reliable, intelligent….), sophistication (e.g., e.g., upper class and charming), and ruggedness (e.g., outdoorsy and tough)" (p. 86).

A brand's community is another experiential antecedent (Keller 2002; Aaker 1995; Berthon, Holbrook, and Hulbert 2003; Brown, Kozinets, and Sherry 2003), which represents people that are associated with the brand, such as "…fellow brand users or customers or may involve employees or representatives of the company" (Keller 2003, p. 93). Another experiential antecedent is consumers' awareness of the brand name and symbols, which represents consumer's brand recognition and brand recall. Recognition refers to "…consumers' ability to confirm prior exposure to the brand when given the brand as a cue…", and recall refers to "…consumers' ability to…correctly generate the brand from memory when given a relevant clue" (Keller 2003, p. 67), such as a usage situation, product category, or the needs to be fulfilled by the product category. Another experiential antecedent is consumers' behavioral loyalty, which refers to "…repeat purchases and the amount of category volume attributed to the brand…how often…customers purchase a brand and how much…they purchase" (Keller 2003, pp. 92-93), and consumers' attitude to a brand (Keller 2003).

Brand equity literature indicates that attitudinal attachment to a brand is an experiential antecedent of brand equity, implying that this refers to the degree of a consumers' attitude toward, as well as their personal attachment to a brand. "For example, customers with a great deal of attitudinal attachment to a brand may state that they 'love' the brand, describe it as one of their favorite possessions, or view it as a 'little pleasure' that they look forward to" (Keller 2003, p. 93). This dissertation views the term 'attitudinal attachment' to be somewhat of a misnomer. This is because the term

appears to be reflective of one's attitude toward a brand, such as their degree of favor or disfavor of a brand; it also appears reflective of one's psychological attachment to a brand. Based on Keller's (2003) discussion of the significance of consumers' attitudes toward a brand, and to avoid potentially conflicting perspectives of this antecedent, this dissertation will focus on "attitude" as the antecedent, not attitudinal attachment, with attitude signifying consumers' degree of favor or disfavor toward a brand.

The final experiential antecedent discussed in literature is consumer's active engagement with a brand. This refers to consumers' willingness "…to invest time, energy, money, or other resources in the brand beyond those expended during purchase or consumption of the brand" (Keller 2003, p. 93), such as joining a club centered around a brand, exchanging communications with other users of the brand.

As indicated in Figure 2-1, literature indicates that brand equity's consequences include consumers' *anticipated: risk of the purchase decision* (Guerrero et al. 2000; Lassar, Mittal, and Sharma 1995; Olsen 1995; Russell and Kamakura 1997), *difficulty of the purchase decision process* (Aaker 1992; Farquhar 1999; Olsen 1995), *confidence in the purchase decision* (Aaker 1992, 1996; Keller 2003), *and satisfaction in the purchase decision* (Aaker 1992; Szymanski and Henard 2001).

With respect to anticipated risk of the purchase decision, it refers to the degree to which consumers do not know with certainty the outcome of the purchase decision (A Dictionary of Psychology 2001). The image that customers have of a brand influences their perception of the risk associated with the purchase decision (Guerrero et al. 2000; Lassar, Mittal, and Sharma 1995). Risk creates uncertainty for consumers, which they seek to reduce (Hofstede 1984). Therefore, the brand equity of brands such as Betty

Crocker, Green Giant, and Pepperidge Farm results in consumers anticipating reduced risk of the purchase decision (Keller 2003).

With respect to anticipated confidence in the purchase decision, Aaker (1996) indicates that consumers typically do not have all of the necessary information to make rational and objective decisions, and even if they did, they often lack the time, motivation, or ability to process or evaluate it. As a result, brand equity may lead to them anticipating a greater level of confidence in their brand purchase decision (Aaker 1992, 1996; Keller 2003).

Literature indicates that anticipated satisfaction with the product, resulting from the consumer's purchase decision refers to consumers' psychological state of mind (Oliver 1999), as well as the cognitive process by which consumers compare outcomes to their expectations (Oliver 1980, 1990; Woodruff, Cadotte, Jenkins 1987). In this cognitive evaluative process, consumers compare their perception of a brand's postpurchase performance to their prepurchase standards, expectations, equity, experienced-based norms, desires or values, ideals, and seller's promises (Woodruff et al. 1991). Equity refers to the fairness that consumers anticipate in comparison to what others receive (Szymanski and Henard 2001). Experience-based norms refer to the desired performance based on prior experiences beyond just the focal brand, such as with other brands and/or other products and services. If the perceived performance meets or exceeds these standards, etc., then the consumer has feelings of satisfaction (Oliver 1999). Brand equity enables consumers to anticipate a higher level of satisfaction with their purchase decision (Aaker 1992). Based on Oliver's (1999) discussion of the importance of consumers' psychological state of mind, and to avoid potentially

conflicting perspectives, this dissertation will focus on satisfaction as reflecting consumers' psychological state of mind.

As indicated by Aaker (1992), anticipated difficulty of the purchase decision process reflects reduced difficulty in making a purchase decision for consumers, by enabling them to interpret, store, and retrieve information about a brand. Farquhar (1999) and Olsen (1995) found that brands reduce the decision difficulty for consumers by reducing the number of alternative choices that they will evaluate. For example, Farquhar (1999) discusses indicates this is demonstrated in 61% of American consumers considering just one brand of automobile when they purchase a vehicle. de Chernatony & Riley (1977) lends support to the view that brand reduces the difficulty of consumers' purchase decision process, with their research that found a brand name enables consumers make purchase decisions with little thought.

Literature indicates that each of these brand equity consequences serve to enhance a product beyond its functional purpose. As a result, the consequences lead to consumers differentially responding to a brand – namely, the consumers' purchase intent for the brand is increased (Keller 1993; Farquhar 1989; Aaker 1991; Guerrero et al. 2000). This is likely the underlying fundamental reason why brand equity is perceived as such a key element in a brand's success.

Forces affecting brand equity

Unfortunately, brand equity is increasingly affected by market and competitive factors. The market factors include things such as economic downturns and recessions (Gordon 1994); consumers becoming more confident and self-assured, willing to be

responsible for evaluating the relationship between a product's price and quality, and less willing to pay premium prices for brands (Berthon, Hulbert, and Pitt 1999; Shocker, Srivastava, and Ruekert 1994); American foreign policies often negatively impacting the acceptance and demand for U.S. brands in some foreign markets (Madden 2003b); the Internet giving consumers access to a wide array of less expensive, and often counterfeit alternatives, which reduces the "luster" and desirability of the genuine brand (Freedman 1999; Baldinger and Rubinson 1997).

The competitive factors include things such as technological advances enabling new brands to be quickly designed, engineered, manufactured and marketed, which forces existing brands to continually provide more value to consumers just to keep up with the new brands (Goldfinger 1997; Shocker, Srivastava, and Ruekert 1994); a closing of the quality gap between national brands and typically lower priced retailer brands, which makes consumers more comfortable with retailer brands and influences their perceptions of the brand equity that a product may have (Webster 2000; Cathey 1999; Sellers, and Michels 1993; Kapferer 1995; Shocker, Srivastava, and Ruekert 1994); globalization leading to products from around the world having similar quality and marketing mixes, to the point that it is increasingly difficult for domestic firms to develop and maintain brand equity (Aaker and Joachimsthaler 2000; Bull and Oxley 1996; Shocker et al. 1994; Belk 2002); and consumers that are overloaded with information and increasingly characterized as having short attention spans and high frequency of switching, which produces volatility between consumers and a product and influences their perception of the brand equity for a product (Goldfinger 1997; Shocker, Srivastava, and Ruekert 1994).

These market and competitive factors pressure brand equity by leading to increased consumer requirements of the brands that they use or know about, which forces brands to provide more of everything, just to maintain the same level of brand equity (Gordon 1994; Shocker, Srivastava, and Ruekert 1994). In addition, they lead to consumers increasingly seeking the best deals that are available in the market, and being less willing to pay premium prices for national brands (Shocker, Srivastava, and Ruekert 1994; Gordon 1994).

The need for cross-cultural research

Globalization, which represents the nations and cultures of the world becoming intertwined, integrated, and interdependent, is promoted by many firms because it helps them offset increasing competitive challenges and take advantage of growth opportunities (Malnight 1995). As globalization leads to U.S. firms increasingly expanding into foreign markets, marketing practitioners and researchers will become more involved with consumers in various cultures (Ferraro 2002). However, those cultures are frequently quite dissimilar from the U.S. culture. The cultural differences often lead to dissimilar behaviors (Nisbett et al. 2001), values (Nisbett et al. 2001), cognitions (Clark 1990), and emotional experiences and expressions (Markus and Kitayama 1991) between U.S. and foreign consumers. Some insight into this is provided by Csikszentmihalyi's (2000) discussion that many of our needs and behaviors are learned from our culture.

Unfortunately, U.S. researchers and marketers have limited knowledge about these dissimilarities, which may lead to marketers not being able to develop strategies

that develop the desired brand equity with foreign consumers, which would limit a brand's success (Abbott 1976). Research needs to explore these cross-cultural differences, in order to develop knowledge that can help U.S. firms develop marketing programs that address them (Clark 1990). As Ferraro (2002) aptly states:

> "Since there are so many good products on the market today, the crucial factor in determining who makes the sale is not so much the intrinsic superiority of the product but rather the skill of the seller in understanding the dynamics of the transaction between oneself and the customer. A large part of that dynamic involves understanding the cultural differences and similarities operating in the global marketplace" (p. 14).

Although we are increasingly aware of the need to better understand consumers in diverse cultures, there is an inadequate level of international research conducted by Western researchers because of their tendency to study consumers in their own culture (Liu and McClure 2001). Ferraro (2002) indicates that this stems from Western researchers being hesitant to explore beyond our own culture because we are not "…particularly well equipped to meet the challenges of the international economic arena during the twenty-first century" (p. 14). He views that a major reason for this is the low priority that is given to international education programs by U.S. education institutions (Ferraro 2002). This has contributed to U.S. researchers being unable "…to understand and adapt to foreign ways of thinking and acting, rather than from technical or professional incompetence" (Ferraro 2002, p. 7). As a result, researchers often feel that they have inadequate international knowledge to conduct studies beyond the U.S.

Compounding this situation is the reluctance of many cultural researchers to conduct cross-cultural consumer studies that would aid U.S. businesses

(Ferraro 2002). This stems from the perception of various cultural researchers that U.S. marketers are only interested in profits, and have no concern for human welfare. As a result, they view marketing as "…irrelevant, morally questionable, or trivial" (Ferraro 2002, p. 2). This has led to them not actively pursuing research that would aid U.S. marketers (Ferraro 2002). Because of this, as well as Western marketing researchers having been hesitant to conduct research beyond their own culture, we have limited knowledge about consumers in diverse cultures (Liu and McClure 2001). This makes it difficult for researchers to develop knowledge about foreign consumers' behavior, which makes it difficult for marketers to design marketing strategies that are effective in foreign markets (Clark 1990; Tse et al. 1988).

Perhaps indicative of our absence of cross-cultural research and subsequent limited understanding of foreign consumers, is the frequent failure of U.S. firms to achieve their international goals (Ferraro 2002). Researchers need to conduct consumer studies in foreign cultures that will help us develop theories and models that address the sometimes significant cross-cultural consumer differences. Such research would help address Abbott's (1976) view that we need cross-cultural research, especially with Chinese consumers. Abbott (1976) states that while business leaders need help with all of their international marketing efforts, they especially need help in dealing with Chinese consumers because, as compared to Americans their "…actions are based upon different assumptions and are ordered by different priorities" (p. 75).

On these bases, this dissertation seeks to conduct cross-cultural research that can potentially produce knowledge that can be disseminated to practitioners, which would

help them more effectively and efficiently market their brands. While this dissertation's research focuses on China, its implications potentially stem to other cultures. Such knowledge would potentially help American firms offset the increasing competitive challenges to their brands, take advantage of international growth opportunities, and be more likely to achieve their goals (Dunning 1989; Belk 2002; Ferraro 2002).

China should be a brand equity research priority

In determining a foreign culture that should be a top priority for cross-cultural brand equity research, China stands out as a choice for various reasons. First, because of its huge population and strong economic growth, China is often a key target for many U.S. brand marketers (Lawrence 1990; Dolven 2003). Second, various Chinese firms are increasingly manufacturing and marketing their own high quality, as well as counterfeit brands, in China, in the U.S., and in other foreign markets. This serves to harm the symbolic value of U.S. brands, and limits their success potential (Zhou and Hui 2003; Gilmore and Dumont 2003). Third, the U.S. and China trade balance increasingly favors China (based on statistics from the International Financial Statistics Yearbook 2002, and the Business Statistics of the United States 2002 that are discussed in this chapter). While discussion in this chapter focuses on the overall trade of goods between the U.S. and China, this dissertation posits that there is no reason to assume that brand trade between the U.S. and China would be different from the overall trade of goods. This assumption appears to be supported by Zhou and Hui (2003) who indicate that the trade of brands is shifting to China's favor, with the "…market position of foreign products in the PRC market…" (p. 37) showing signs of decline.

However, perhaps the primary reason why cross-cultural brand equity research should focus on China stems from indications in literature that the dissimilar Chinese and American cultures (Markus and Kitayama 1991), cultural values (Inglehart 2001), modes of thought (Nisbett et al. 2001), and emotional experiences and expressions (Markus and Kitayama 1991) may lead to brand equity's functional and experiential dimensions entailing differences. For example, literature indicates that U.S. and Chinese consumers likely process brand information differently, have different attitudes and beliefs about brands, and have different brand decision-making, consumption patterns, and (re)purchase intentions (Ritzer 2001; Kemper 1993). As a result, U.S. and Chinese consumers may have dissimilar perceptions of brand equity's functional and experiential antecedents, which would lead to brand equity forming differently, and having dissimilar influence on brand equity's consequences (Elliott and Wattanasuwan 1998).

Hirschman's (1982) exploratory cross-cultural research with students at New York University does provide insight into the potential for such differences. Her study included students from various cultural backgrounds. Interestingly, her study indicates that some of the experiential aspects of consumption (such as imagery, fun and pleasure) of consumption may be less important for respondents with a Chinese heritage, than for respondents with an English heritage. It also indicates that some of the functional aspects of consumption (such as performance) are more important for respondents with a Chinese heritage, than for respondents with an English heritage. Holbrook and Hirschman (1982) support this view by stating that the experiential and functional dimensions of consumption are dissimilar across diverse cultures, and discuss that research into such potential cross-cultural differences is needed.

These views indicate that a similar marketing strategy implemented in the U.S. and China may not be reflective of such differences, and may lead to dissimilar results. This may be reflected in our awareness that U.S. firms often do not achieve their desired performance in foreign markets (Wong and Maher 1998). Therefore, cross-cultural brand equity research with U.S. and Chinese consumers may yield knowledge that helps researchers develop theories and models about cross-cultural consumer differences, which may help us produce knowledge that can be disseminated to practitioners that help them more successfully market their brands and develop brand equity with Chinese consumers. Drawing from literature, the remainder of this section provides more in-depth knowledge of several of these key points.

China's brand strategies

Having received their education in American and European colleges and universities in the 1970's, 80's, and 90's, various Chinese business leaders have learned about the benefits of brand management and brand equity (Kahn 2003; Gilmore and Dumont 2003; Saludo 1996). They have taken their acquired knowledge and skills back home, and are aggressively and ambitiously using them to market their own brands in China (Saludo 1996). Although historically perceived as being inferior quality, Chinese business leaders have used their acquired knowledge and skills to better understand their consumers and competitors, and have improved the quality of their brands to the point that they are frequently preferred by Chinese consumers (Zhou and Hui 2003; Gilmore and Dumont 2003). These Chinese business leaders increasingly use their acquired knowledge and skills to aggressively market their brands not only in China, but also in

the U.S. and other foreign markets (Khermouch, Einhorn, and Roberts 2003; Madden 2003a; Zhou and Hui 2003).

Reinforcing this focus on manufacturing and marketing better quality Chinese brands, the Chinese government has begun holding regular contests and exhibitions that are designed to promote superior quality domestic brands (Zhou and Hui 2003). In addition, the Chinese government provides Chinese firms with incentives such as low interest loans, tax breaks, and even free use of land, in order to help the firms create strong national brands (Zhou and Hui 2003).

Xing, Haier, and Ron Ren Tang are examples of Chinese firms that are successfully developing and implementing brand programs. Xingxing, a Chinese manufacturer of freezers and toilets, has reached #2 in market share in China. As part of their effort to increase their sales from $148 million in 1999 to $725 million by 2005, Xingxing increased their advertising expenditures from $605 thousand in 1993 to almost $5 million in 1999 (Beijing Review 2001; Madden 2003a). Haier, a Chinese manufacturer of home appliances, has become the #1 appliance brand in China, and are increasingly focused on exporting their products. Haier's average annual growth rate of 78% over the past 17 years, led to it being ranked 6th in 2001 by Forbes among the world's top manufacturers of white appliances. Haier's international success is demonstrated by their marketing of small apartment-dorm size refrigerators through Wal-Mart, Home Depot and Target, which has helped them achieve a 35% market share in the U.S. (Gilmore and Dumont 2003). Ron Ren Tang, a Chinese pharmaceutical manufacturer, is forming strategic alliances and cooperative agreements with firms in Malaysia, Canada, Indonesia, and Korea, and forming joint ventures with firms in the

U.S., Britain, Hong Kong, Australia and Thailand (Gilmore and Dumont 2003). Because of the difficulty to obtain FDA pharmaceutical certifications, Ron Ren Tang markets many of their products as "health foods". In addition, they use alliances, cooperative agreements, and joint ventures to help them secure FDA approval for their drugs (Gilmore and Dumont 2003).

Another brand strategy that is utilized by some Chinese firms is their purchase of non-Chinese brand names, which are then often manufactured in China because of the lower production costs. For example, "…the Chinese company that got the contract to make Royal's vacuums acquired something potentially even more valuable: It bought Royal and the Dirt Devil brand name, too" (Kahn 2003, p. A1). Kahn discusses that "Other Chinese manufacturing companies are also starting to buy the brand names of products that they formerly only produced" (p. A1). For example, a Chinese firm bought the Homelite outdoor products brand from Deere and Company (a U.S. firm); the VAX floor-care products brand (a British firm); and Kakamichi brand of stereo (a Japanese firm).

Chinese counterfeits

Adding complexity to the situation is the willingness of various Chinese firms to produce and market counterfeit brands in China, as well as in foreign markets, which threatens to damage the "luster" and "desirability" of the genuine brands (Behar 2000; Swift and Yaeger 2003; Gilmore and Dumont 2003). While China does have laws to protect trademarks and patents, many view their laws as weak, and as weakly enforced (Swift and Yaeger 2003). In fact, some feel that China only developed counterfeit laws

in order to gain membership into World Trade Organization, and that once membership was gained; they relaxed on enforcing the laws (Behar 2000; Meredith 2003). As a result, counterfeit versions of U.S. brands are often sold in China instead of the real thing, and are increasingly finding their way into foreign markets. The magnitude of the issue is demonstrated in counterfeit brands having reached 8% of total global trade, and costing the U.S. alone $200 Billion annually (Freedman 1999). China's role in this situation cannot be ignored, as 66% of counterfeits that are currently seized each year in the U.S. (Varchaver 2005), and 18% of the counterfeits that are seized in the EU, are from China (Freedman 1999).

China's willingness to manufacture and market counterfeit brands is further demonstrated by 90-92% of the software sold in China being counterfeit, equal to $1.66 Billion (Behar 2000; Country Commerce). Microsoft alone lost $315 million of sales in China in 2002 due to piracy of their products (Meredith 2003). Another firm impacted by Chinese counterfeits is American Standard, with 35% of the toilets sold in China that bear this firms name being counterfeit (Behar 2000). A final example is that some estimate that China produces and markets 70-80% of the global counterfeit golf club market, which has reached almost $200 million annually (Swift and Yaeger 2003).

Some view that because of growing international pressure, Chinese officials are beginning to more strongly enforce their patent and trademark infringement laws. This view stems from the growing trademark infringement claims in China (Swift and Yaeger 2003). For example, such claims grew from 22,001 in 2000 to 41,163 in 2001 (Country Commerce 2003). However, others feel that the Chinese willingness to produce and market counterfeit brands shows no signs of decline (Gilmore and Dumont 2003). This

view finds support in the awareness that many Chinese believe the manufacturing and marketing of counterfeit brands is acceptable. In fact, they often have trouble understanding why U.S. firms are so protective of their brands, trademarks, and patents (Gilmore and Dumont 2003; Swift and Yaeger 2003). The combination of Chinese firms more aggressively manufacturing and marketing higher quality Chinese brands and counterfeits puts U.S. brands at risk in China, in their home market, as well as around the world (Khermouch, Einhorn and Roberts 2003; Madden 2003a; Saludo 1996). This threatens the growth potential of U.S. brands, as well as their existing business.

U.S. and Chinese trade

As indicated earlier, the U.S. and Chinese trade relationship is growing, and becoming increasingly in China's favor. Because macro trade statistics on brand are not available, this section discusses the trade of goods between the U.S. and China, as this dissertation posits that macro trade statistics are likely to be reflective of the situation faced by brands. Statistics discussed in this section are based on data for the 1985 – 2000 time-period, and come from the International Financial Statistics Yearbook (2002), and the Business Statistics of the United States (2002). Tables 2-2 provides the Chinese goods'export trade statistics (U.S $) and 2-3 provides the U.S. goods'export statistics.

While the export of goods is a significant element of both the U.S. and Chinese economies, they have clearly become more vital to the Chinese economy than for the U.S. Trade statistics appear to indicate that China may be targeting the U.S. as a primary outlet for their goods, while they progressively import a smaller proportion of their goods from the U.S. For example, Tables 2-2 and 2-3 indicate that China's export of goods

Table 2-2

Chinese goods' export trade statistics (U.S. $)

Year	China GDP	China goods exported	China export of goods as % of China GDP	China export of goods to U.S. (% of China total goods exported)	China export of goods to U.S. as % of China GDP	China share of goods imported by the U.S.
1985	$274.6 billion	$25.1 Billion	9.1%	$3.9 billion (14.2%)	1.4%	1.2%
1986	$272.2 billion	$25.8 Billion	9.5%	$4.8 billion (15.5%)	1.8%	1.3%
1987	$316.6 billion	$34.7 Billion	11.0%	$6.3 billion (16.0%)	2.0%	1.5%
1988	$395.0 billion	$41.1 Billion	10.4%	$8.5 billion (17.9%)	2.2%	1.9%
1989	$348.7 billion	$43.2 Billion	12.4%	$12.0 billion (22.8%)	3.4%	2.5%
1990	$450.8 billion	$51.5 Billion	11.4%	$15.2 billion (24.5%)	3.4%	3.1%
1991	$391.6 billion	$58.9 Billion	15.0%	$19.0 billion (26.4%)	4.9%	3.9%
1992	$449.7 billion	$69.6 Billion	15.5%	$25.7 billion (30.3%)	5.7%	4.8%
1993	$594.8 billion	$75.7 Billion	12.7%	$31.5 billion (34.6%)	5.3%	5.3%
1994	$552.8 billion	$102.6 Billion	18.6%	$38.8 billion (32.1%)	7.0%	5.8%
1995	$703.5 billion	$128.1 Billion	18.2%	$45.5 billion (30.6%)	6.7%	6.1%
1996	$829.5 billion	$151.1 Billion	18.2%	$51.5 billion (34.1%)	6.2%	6.4%
1997	$904.6 billion	$182.7 Billion	20.2%	$62.6 billion (34.2%)	6.9%	7.1%
1998	$964.6 billion	$183.5 Billion	10.0%	$71.1 billion (38.7%)	7.4%	7.8%
1999	$991.1 billion	$194.7 Billion	19.6%	$81.8 billion (41.9%)	8.3%	7.9%
2000	$1,080.1 billion	$249.1 Billion	23.1%	$100.0 billion (40.1%)	9.3%	8.2%

Table 2-3

U.S. goods' export trade statistics

Year	U.S. GPD	U.S. goods exported	U.S. export of goods as % of U.S. GDP	U.S. export of goods to China (% of U.S. total goods exported)	U.S. export of goods to China as % of U.S. GDP	U.S. share of goods imported by China
1985	$4,213.0 billion	$215.9 Billion	5.1%	$3.9 billion (1.8%)	.09%	10.2
1986	$4,452.9 billion	$223.3 Billion	5.0%	$3.1 billion (1.4%)	.06%	8.9%
1987	$4,742.5 billion	$250.2 billion	5.3%	$3.5 billion (1.4%)	.07%	9.6%
1988	$5,108.3 billion	$320.2 billion	6.3%	$5.0 billion (1.6%)	.10%	10.8%
1989	$5,489.1 billion	$359.9 billion	6.6%	$5.8 billion (1.6%)	.10%	11.9%
1990	$5,803.2 billion	$387.4 billion	6.7%	$4.8 billion (1.2%)	.08%	11.3%
1991	$5,986.2 billion	$414.1 billion	6.9%	$6.3 billion (1.5%)	.10%	12.6%
1992	$6,318.9 billion	$439.6 billion	7.0%	$7.4 billion (1.7%)	.12%	11.5%
1993	$6,642.3 billion	$456.9 billion	6.9%	$8.8 billion (1.9%)	.13%	10.2%
1994	$7,054.3 billion	$502.9 billion	7.1%	$9.3 billion (1.8%)	.13%	9.8%
1995	$7,400.5 billion	$575.2 billion	7.8%	$11.8 billion (2.1%)	.16%	10.7%
1996	$7,813.2 billion	$612.1 billion	7.8%	$12.0 billion (2.0%)	.15%	9.1%
1997	$8,318.4 billion	$678.4 billion	8.2%	$12.9 billion (1.9%)	.16%	9.5%
1998	$8,781.5 billion	$670.4 billion	7.6%	$14.2 billion (2.1%)	.16%	10.0%
1999	$9,274.3 billion	$684.0 billion	7.4%	$13.1 billion (1.9%)	.14%	8.3%
2000	$9,824.6 billion	$772.0 billion	7.9%	$16.2 billion (2.1%)	.16%	7.5%

grew at almost double the rate of the U.S., and is now almost 3 times a larger part of the Chinese economy than they are of the U.S. economy. The U.S. export of goods grew from $215.9 billion to $772.0 billion (an average annual growth rate of 8.87%), resulting in the export of goods having grown from being 5.1% of the U.S. GDP to 7.9%. In contrast, China's export of goods grew from $25.1 billion to $249.1 billion (an average annual growth rate of 16.53), resulting in the export of goods having grown from being 9.1% of China's GDP to being 23.1%.

Simultaneous to the overall stronger growth rate of China's export of goods, an increasing share of their exports go to the U.S. For example, while U.S. export of goods to China grew from $3.9 billion to $16.2 billion (an average annual growth rate of 9.96%), China's exports of goods to the U.S. grew from $3.9 billion to $100.0 billion (an average annual growth rate of 24.14%). As a result, while the share of goods exported from the U.S. to China remained relatively stable (growing modestly from 1.8% to 2.1% of U.S. goods that are exported), the share of goods exported from China to the U.S. almost tripled (growing from 14.2% to 40.1% of Chinese goods that are exported).

Further indicating the trade balance increasingly favoring China is each nation's share of the other's imports. For example, while America's share of goods imported by China declined from 10.2% to 7.5%, China's share of goods imported by the U.S. grew from 1.2% to 8.2%. If this trend continues unabated, U.S. firms may soon actually find their exports to China declining, while Chinese goods continue to gain share in our market.

The combination of China's own brand strategies, their willingness to counterfeit, and the trade balance increasingly favoring China, can only exacerbate the pressures that

U.S. brands already confront. Research that better helps us better understand Chinese consumers and offers any potential to help American firms more successfully market their brands in China will hopefully help in some small way to offset the moves of Chinese firms in their home, the U.S., and other foreign markets.

Cultural differences between the U.S. and China

Literature indicates that the Western individualistic culture, such as exists in the U.S. has significant differences from the traditional collective culture, such as exists in China (Tse et al. 1988). This section discusses these cultural differences, as well as their potential influence on consumers and brand equity. Later sections will explore consumer's values, modes of thought, and emotional experiences and expressions, and dissimilarities between U.S. and Chinese consumers, because each of these are reflective of the U.S. and Chinese cultural dissimilarities, and may also influence brand equity. On that basis, this section offers insights into culture and its significance, discusses that while cultures change they retain their basic characteristics, and concludes by discussing the dissimilar U.S. and Chinese cultures.

Reflection on culture

Although widely discussed, culture's meaning is viewed as difficult to understand, perhaps because it is an ideological concept that is ambiguous, ambivalent, and essentially indeterminate (White 1999). However, because culture is a significant facet of consumers' daily lives, may influence brand equity, and is the macro

environment in which values, modes of thought, and emotional experiences and expressions develop and exist, it is important that an understanding of the concept be provided by this dissertation.

To begin understanding culture, a good starting point is Tylor's definition, which cultural anthropological literature indicates is the first widely cited definition (Cronk 1999). Tylor (1871) defined culture as "…that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (p. 1). Unfortunately, this definition is so broad that it encapsulates so much of human existence that "…it really isn't very helpful if our goal is to understand why people do what they do" (Cronk 1999, p. 4).

Unfortunately, since Tylor, cultural researchers have put forth such a variety of definitions that there are now so many that researchers "…do not agree on a single definition of the term" (Ferraro 2002, p. 19). In order to grasp the vastness of definitions, Kroeber and Kluckhohn (1952) conducted a literature review that revealed the existence of over 160 different definitions. While it is beyond the scope of this dissertation to explore this multitude of definitions, discussing some of the more widely accepted views of culture is valuable in developing a definition on which this dissertation relies.

Ferraro (2002) put forth a definition that he perceives is more of a "working definition" than Tylor's. He (Ferraro 2003) states: "…culture is…everything that people have, think, and do as members of their society" (p. 19). He further states that:

> "…the three verbs in this definition (have, think, and do) can help us identify the three major structural components of…culture; that is, for a person to <u>have</u> something, some material object must be present. When people <u>think</u>, ideas, values, attitudes, and beliefs are present. When people <u>do</u>, they behave in certain socially prescribed ways. Thus, culture is made

> up of (1) material objects; (2) ideas, values, and attitudes; and, (3) normative, or expected, patterns of behavior" (p. 19).

Some view culture as involving ethnicity, and indicate that culture represents an ethnic group's common ancestral attributes that are different from people outside of the group (Isajiw 1974). They perceive that these attributes include the ethnic group's race, behaviors, rules of comportment, customs, language, religious beliefs, or other traits of common ancestral origins (Costa and Bamossy 1995; Horowitz 1985; Venkatesh 1995; Isajiw 1974). Others view culture as a complexity of shared meanings, desires, values, norms, experiences, languages, and behaviors (Huntington 1996; Belk 2002; Bouchet 2002), that has been constructed by humanity over centuries (Firat 2002); is a heritage upon which individuals can rely to orient themselves and function smoothly in the world; and provides cultural groups with a sense of identity (Dallmayr 1996; Bauman 1973).

Interestingly, there are three facets of culture that appear to be relatively consistent throughout literature. *One*: culture is an aspect of a person's social life (Sewell 1999). Bauman indicates that this perspective can be traced back as early as Durkheim's view that without culture, one could not be a social being (Bauman 1973, p. 113). Sewell (1999) emphasizes the importance of abstracting culture "…out from the complex reality of human existence", and states that "…culture in this sense is always contrasted to some other equally abstract aspect or category of social life that is not culture, such as economy, politics, or biology" (p. 39). *Two*: culture serves to differentiate those within a group from those outside of the group. This concept is found as early in our history as the writings of ancient Greeks who discussed the "…puzzling divergences between other people's habits and their own…", with many of their writings

"…built up of sentences beginning in most cases with the phrases 'they do not' and 'contrary to us'" (Bauman 1973, p. 17). *Three*: culture is an active and ongoing system that develops, contains, and communicates behaviors, meanings and symbols (Sewell 1999). For example, Sewell (1999) discusses that culture can be observed in practices that are part of one's life, such as "…a state funeral, trances, a royal procession, cockfights…baseball games…and religious practices" (p. 46, 49, 53).

Drawing from these and other views on culture, following is a definition on which this dissertation relies:

> Culture is an aspect of individuals' social life that provides members of a group with a web of significance (Sewell 1999), binds them together, and gives them a sense of feeling rooted to their source of origin (Appadurai 1996). This is achieved through culture providing its members with shared meanings, desires, values, norms, symbols, rituals, experiences, languages, and behaviors (Huntington 1996; Sewell 1999; Belk 2002; Bouchet 2002) that have been developed over centuries (Hofstede 1984; Firat 2002). As a result, the members of a culture are provided with a contrastiveness to those outside of their culture (Appadurai 1996), which serves as a heritage upon which they can rely to orient themselves in order to function smoothly in the world (Bauman 1973; Ferguson 1997; Gupta 1997; Dallmayr 1996; Malkki 1997).

While some may view this definition of culture as being almost all encompassing, it was developed in the attempt to overcome the ambiguity and indeterminacy that plagues the concept of culture (Ferraro 2002), as well as capturing the awareness that culture is a dynamic process that is continually changing (Venkatesh 1995). Although this dissertation does not pretend to have achieved this goal, this definition does seek to overcome these challenges by being sufficiently broad to encapsulate the dynamic process, while being sufficiently specific to attempt overcoming the ambiguity and indeterminacy challenges.

Culture's significance

Various researchers perceive that culture is an important element in people's daily lives, and view that it is an underlying foundation upon which people's behaviors, psychological makeup, and decision-making processes are based (Clark 1990; Nisbett et al. 2001). Bauman (1973) views culture as so vital in our daily lives that it is "…the defining essence and the descriptive existential feature of the human creature" (p. 7). Researchers are increasingly aware that culture is a significant aspect of our daily lives, and indicate that we need to strengthen our knowledge of it (Ferraro 2002). Some examples of the importance of culture in our daily lives are:

- "Culture is to society what memory is to the person. It specifies designs for living that have proven effective in the past, ways of dealing with social situations, and ways to think about the self and social behavior that have been reinforced in the past" (Triandis 1989, p. 511). Thus, culture may guide consumers' cognitions and behaviors in order to manage the social realities of their daily lives.
- Culture provides one with an object of loyalty, even beyond that of the nation in which they live (Venkatesh 1995). Bonnell and Hunt (1999) indicate that culture provides individuals with "rootedness" to their origins, which is a basic human instinctive need. Thus, consumers' behaviors and cognitions may reflect loyalty and "rootedness" to their cultural origins.
- Culture provides one with local practices, rituals, consumption patterns, and symbolic acts (Firat 1995; Venkatesh 1995; Ritzer 2001; Kemper 1993). Thus, culture may influence consumers' consumption and market decisions.

- Culture is a heuristic device that enables individuals to successfully manage their daily lives (Bonnell and Hunt 1999). This includes enabling one to:
  i. Self-reflect, perceive the world around them, and conceive of their "self" (Bonnell and Hunt 1999). Support for this view comes from various researchers. For example, Hofstede (1984) indicates that culture influences one's responses to their environment; McCracken (1986) views that culture determines how one sees and understands the world; and, Kitayama et al. (1997) views that culture influences our psychological tendencies by which we live, act and function.
  ii. Develop individual and group identity (Bonnell and Hunt 1999; Bouchet 1995), which enables one to be aware of their similarities to people in their own culture, as well as their differences from people outside their culture. Venkatesh (1995) terms this, the "inclusionary-exclusionary principle and the difference-identity principle" (p. 33). He views each as critical for a person to manage their daily life, because they enable one to establish identity, as well as difference. Support for this view is found in Appadurai's (1996) work. He also views culture as a heuristic device, as well as a discourse to exploit differences in order to generate group identity. He perceives that the differences of one's group, as compared to other groups enable one to develop and maintain both their individual and group identity. Further support for this view is found in Hofstede's (1984) view that culture is "the collective programming of the mind which distinguishes the members of one human group from another… and determines the identity of

a human group in the same way as personality determines the identity of an individual" (p.21). Thus, culture may serve as a guide that helps consumers be aware of what behaviors will aid in their being identified with their culture, as well as being aware of behaviors that differentiate them from those outside of their culture.

iii. Have symbolic meanings in their life (Bonnell and Hunt 1999). Because meanings help individuals understand life, and even determine how to behave, culture enables one to "have direction". Thus, culture may serve to help consumers develop behaviors that aid in their "getting through life".

Venkatesh (1995) adds depth to our understanding of the significance of culture by stating that culture is such a significant aspect of consumers' behavior that it is only within a cultural context that they make intuitive sense. Venkatesh (1995) put forth an example to demonstrate this view. He writes that while Western consumers approach the objective world from the aesthetic and functional dimensions, Indians approach the world from a spiritual and symbolic dimension. Thus, for one to understand Indian consumers, they must first understand this spiritual dimension that stems from Hindu cosmology that evolved over many centuries in India, with its daily rituals, practices and beliefs. Based on the varied points discussed in this section, culture likely influences consumers' behaviors, cognitions, psychological tendencies, consumption patterns, and market choices. Based on awareness that brand equity stems from consumers' cognitions, behaviors, and affects (Chaudhuri and Holbrook 2002; McCracken 1986), this dissertation posits that it would seem likely that culture influences the formation of brand equity.

Cultures change but remain relatively stable

Some perceive that the dissimilarities between people in diverse cultures (Clark 1980; Nisbett et al. 2001) are at risk of dissolving. Some believe that globalization will eventually lead to cultures converging such that their differences are diminished, with the final outcome being a world of one common culture (Tse et al. 1988; Costa and Bamossy 1995). This view stems from culture being perceived as dynamic and changeable (Sewell 1999), with globalization's powerful and influential transnational flows of capital, technology, people, goods, ideas, information, and culture, leading to cultural changes around the world (Ritzer 2001; Ger 2002; Appadurai 1990; Liu and McClure 2001). As stated by Venkatesh (1995): "history is full of examples of how cultures have changed…" such as "…the rise of Buddhism in China and Japan and other Eastern countries in ancient times and the spread of Christianity and Islam during the first millennium" (p. 30). Venkatesh (1995) discusses that globalization changes cultures, and that the "rising tide of consumerism" (p. 30) around the world is an outcome of people being exposed to the diffusion of information, communication, technology, capital, people, goods, ideas, and culture.

However, others indicate that because it is uncertain how diverse cultures will respond to these forces, it is unclear what will be the final outcome (Belk 2002; Venkatesh 1995; Costa and Bamossy 1995). Some believe that the fundamental elements underlying a culture are durable, resistant to change, and endure over many generations (Sewell 1999; Hofstede 1984). These researchers are aware of the debate among scholars as to the eventual homogenization vs. heterogenization of cultures (Venkatesh 1995). With respect to homogenization, it represents cultures around the world eventually

submitting to "global culturalism", and homogenizing into one common culture. In contrast, heterogenization represents resistance of cultures to such submission (Venkatesh 1995). While the hegerogenization vs. homogenization debate continues, various researchers indicate that in spite of changes driven by globalization, cultures will retain their basic values and identity over generations (Bauman 1973; Schwartz 1992; Hofstede 1984; Wong and Maher 1998). Thus, while globalization will change cultures to some degree, we will likely continue to have a world in which consumers in diverse cultures maintain their fundamental differences (Dunning 1989; Costa and Bamossy 1995; Venkatesh 1995). Therefore, U.S. firms that want to successfully market their brands to China should develop a solid understanding of Chinese consumers, because they are likely to retain their differences from U.S. consumers, at least in the foreseeable future.

The dissimilar U.S. and China cultures

Although various U.S. firms increasingly attempt to market their brands in China (Liu and McClure 2001), they are marketing to consumers that are viewed by various researchers as being so dissimilar from U.S. consumers (Markus and Kitayama 1991) that they are fundamentally opposites[1] (Nisbett et al. 2001). In order to conceptualize the extent of the differences, one needs to first understand these two cultures.

The historical and sociological roots of the traditional collective culture that exists in China can be traced back to the ancient philosophies and beliefs of Confucius and Buddha, as well as the fundamental Taoist beliefs and teachings (Lao Tsu 1989; Nisbett et al. 2001; Hofstede 1984; Markus and Kitayama 1991; Watkins and Liu 1996). This

[1] While Nisbett et al. (2001) views the Chinese and Western cultures, such as exists in the U.S., as fundamentally opposite, this dissertation views the two cultures as dissimilar, as opposed to opposites.

culture is one in which there is emphasis on interdependence between members of a group (i.e. family, social group, and/or overall society), and subordination of one's personal needs to the needs of their group (Wakins and Liu 1996); maintaining harmonious relationships with other members of their group (Kim and Atkinson 2002); one's social obligations to members of their group (Ivengar and Lepper 1999); making decisions that are in the best interest of one's group (Horton 1973; Matsumoto 1999); promotion of the rights of one's group, and the responsibility of each member to that group (Tweed and Lehman 2002; Markus and Kitayama 1991); and, avoidance of personal desire and self-fulfillment, in order to achieve harmony and peace (Lao Tsu 1989).

In contrast, the roots of the individualistic Western culture that exists in the U.S. can be traced back to the ancient philosophies and beliefs of Socrates, Aristotle and Plato (Tweed and Lehman 2002; Nakamura 1960; Nisbett et al. 2001). This culture is one in which there is emphasis on independence between members of the culture (Iyengar and Lepper 1999); caring for one's "soul", with Aristotle stating that people should be "moulders of their own souls" (Bauman 1973, p. 8); equality of members in the culture (Tweed and Lehman 2002); personal rights and subordination of the group's needs and goals to one's own personal goals and needs (Markus and Kitayama 1991); self-expression (Watkins and Liu 1996); making decisions that are in one's self-interest (Nisbett et al. 2001); and, self-enhancement (Horton 1973). These various views indicate that Markus and Kitayama (1991) and Nisbett et al. (2001) are apt to be correct in their view that U.S. and Chinese consumers are fundamentally opposite.

It is likely that these cultural differences have significant brand equity implications. For example, consumers in the U.S. and China may have dissimilar behaviors to manage the social realities of their daily lives (Triandis 1989). Thus, because brands sometimes serve as a means for consumers to secure social approval (Keller 2003) U.S. and Chinese consumers may have dissimilar brand behaviors for managing their dissimilar social realities. Also, because brand consumption behaviors may reflect loyalty to one's culture, the dissimilar Chinese and American cultures may result in dissimilar loyalty behaviors (Bonnell and Hunt 1999). Awareness of this is found in Sears Roebuck & Company, Bank of America, and General Mills designing their brands and brand strategies such that they address consumers' cultural loyalties, and are reflective of those cultures (Keller 2003).

Another indication that cultural differences have brand equity implications is found in our awareness that consumers have psychological tendencies by which they live, act and function (Kitayama et al. 1997), and that these tendencies may be reflected in their brand behaviors, cognitions, and affects (Keller 2003). For example, Polo brand clothes reflect consumers' psychological tendencies toward affluence, while Pepsi brand reflects their psychological tendencies toward youthfulness (Keller 2003). In addition, cultures have dissimilar practices, rituals and consumption patterns, which may be reflected in their brand behaviors (Firat 1995; Venkatesh 1995; Ritzer 2001). For example, Keller (2003) indicates that African Americans demonstrate such dissimilarity by spending "…a disproportionate amount of their income on apparel, footwear, and home appliances"… and their preference for "…larger helpings of sugar, cream, or nondairy creamer in their coffee" (p. 724).

Finally, consumers often have unique ways by which they distinguish themselves from those outside of their culture (Appadurai 1996). Keller (2003) provides an example of this by discussing that Coca-Cola is essentially an "American icon" that consumers purchase because of its "Americana, nostalgia, and its heritage…" (P. 7). Thus, consumers in difference cultures may value a brand if it helps them distinguish themselves from people outside of their culture. Based on these various perspectives, it appears likely that the cultural differences between the U.S. and China may lead to consumers' having vastly dissimilar brand associated behaviors, cognitions, and affects. These are apt to be reflected in brand equity dissimilarities.

The value and values dimensions

As discussed earlier, at its most fundamental level brand equity represents the value that consumers perceive a brand having (Keller 1999, 2000; Barnes 2003; de Chernatony and Riley 2003; Erdem 1998). Therefore, conceptualization of brand equity requires an in-depth understanding of value. To that regard, this section discusses value, its importance in consumers' daily lives, and its potential effect on brand equity. Because of its interconnectivity with value, this section also examines values. In addition, because values are reflective of one's culture, this section compares the dissimilar U.S. and Chinese values. Finally, because some perceive that globalization may lead to a world with common values, this section discusses the tendency of values to remain stable.

A reflection on value and its importance

Jones and Gerard (1967) view value as essential in our daily lives because it helps a person simplify their thoughts about the world around them, and helps the person "…impose some system on events around him" (p. 227). In addition to being important in our daily lives, value occurs in a "…framework of tried and tested cultural arrangements and norms" (p. 227), that help one conform to their society's expectations, as well as helping them cope with events. Thus, culture is a macro environment in which value exists, and is perhaps a determinant of value. While these statements provide one with a macro view of the value concept, it is insufficient in helping one understand what is meant by the term.

Interestingly, various researchers view that although value is an important element in our daily lives (Jones and Gerard 1967; Munsterberg 1909; Urban 1909), there are so many meanings of the term that there is not an established or universally accepted meaning of the word value (Perry 1954). Perry (1954) goes so far as to indicate that value is indefinable because it cannot be empirically observed, and because it means different things to different people, in different contexts. However, researchers do not like "indefinables", thus need a concrete understanding of what is meant by value (Perry 1954). To that regard, this section discusses various perspectives on value, and integrates them into a definition on which this dissertation relies.

One perspective is that value is reflective of people's feelings and attitudes toward something with which they have had experience. Munsterberg (1909) was an early proponent of this view and indicates that an individual's feelings about something stems from their experience with it, which leads to their attitude towards it. He states: "Every

evaluation and every preference evidently presupposes a will which takes an attitude…" and "In our practical experience things have their meanings just though our attitude; their existence is bound up with our interest in them" (p. 13). Urban (1909) has a similar view and states that "…we…feel the value of objects…and… we evaluate these objects and ultimately the experiences of value themselves" (p. 16), with "Value…always the meaning of an attitude of a subject…" (p. 7).

Other researchers who have a similar view are Jones and Gerard (1967), who state: "…value expresses a relationship between a person's emotional feelings and particular cognitive categories. Value is thus cognitive in part and affective in part…We can value or disvalue any member of any cognitive category, whether the category is a food, a person, a group, an idea, an ideology, or the self" (pages 158-159). Also, Hilliard (1950) views that one's reaction to something is necessary and sufficient for feelings of value to occur. He views that one must either have positive or negative feelings about something for its value to form for that person. Hilliard (1950) states "Every object in the universe has value, actual or potential, for every organism which is capable of response to it…value occurs or is capable of occurring in every case where an organism is able to respond (directly or indirectly) to an object" (p. 43).

A second perspective on value is that nothing in itself is value, but rather things have value (Hilliard 1950). Perry (1954) advocates this view, and indicates that the value that something has is simply a reflection of a person's interest in it. A third perspective of value is that it serves a motivating function. For example, Hilliard (1950) indicates that the value that something has, serves to motivate people to acquire, retain, or increase their possession of it in order to achieve their desired end-state, or actually serves as their

desired end-state. Jones and Gerard (1967) appear to acknowledge the motivational function of value when they state that value has been established "…when an organism consistently approaches or avoids an object towards which it was previously indifferent" (p. 85). Perry (1954) provides an example of this by indicating that money only has value because people care for it, which leads to them assigning value to it. Jones and Gerard (1967) provide apt insight into the motivating function of value by stating:

> "Every theory of motivation makes the assumption that there are certain states of affairs that persons find more desirable than others. Most theories assume further that persons will act in such a way as to achieve these desirable states and to avoid undesirable ones….When we say that persons attempt to achieve desirable states we are saying something relevant to the a whole range of motivational constructs, constructs that are part of our inheritance from the literature of psychology: reinforcement, drive, incentive, need, aspiration, value…The word value refers to much of the broad range of phenomena usually classified as motivational. This concept, value, essentially captures the desirability or undesirability of a state of affairs, which in any given concrete case may be an object, an idea, an event, a person, or an experience that is relevant to an individual's ability to survive and prosper" (p. 83).

A fourth perspective of value is that aside from the quality versus price economic value, we often overlook non-economic value. This is the value that something has which stems from one's selfish desires. Hilliard (1950) captures the non-economic view by stating that "…value will be used to explicate the nature of beauty as the central term in aesthetics, utility in economics, and truth in epistemology" (p. 8). Perry (1954) also perceived that value can be non-economic by indicating that the value of something can be moral. For example, he discussed that justice is substantive, is something valued by many people, but is often a non-economic concept. Extending the value concept to being reflective of one's selfish desires, Munsterberg (1909) states that the value a person perceives something having starts from their selfish desires, with us assigning value to

things because they are "…merely a means of personal gratification" (p. 1) and "…help us to our personal ends" (p. 2). Hilliard (1950) supports this view by indicating that humans are driven by hedonistic desires and "act only to the end of our own pleasure" (p. 6), with the value we assign to something reflecting how it may help us fulfill those desires. Hilliard (1950) provides insight into the significance of this by stating that "…hedonism in some vague and unsystematic form has in all historical times guided the bulk of common sense conduct. Men, that is, in the great majority of instances have acted and do act as hedonists" (p. 6). Perry (1954) also recognized this hedonistic and selfish perspective of value, and indicates that people values things because they are good, best, right, worthy, beautiful, sacred, just, and lead to one's happiness and well-being.

A fifth perspective of value is that it is relative. This is found in Munsterberg's (1909) view that the value which something has depends upon an individual's "…special standpoint. A thing may be useful to me and useless to my neighbor…even the truths of to-day were not the truths of yesterday and may not be valued as truths to-morrow… Everything seems dependent upon individual standpoints, dependent upon individual desires… (p. 1). Munsterberg (1909) expands on this view by stating that "Everything is relative, everything is good only for a certain purpose, for a certain time, for a certain social group, for a certain individual" (p. 2). He then indicates that the value that something has changes over time, and varies between individuals and between groups of people. Hilliard (1950) discusses the relative aspect of value by stating that "…value, value propositions, and value judgments are matters of fact…are relative to the natures of man and other organisms, to their needs, their desires, and their purposes" (p. 6).

The final perspective of value that will be discussed in this dissertation is that value is important in human's daily lives. Munsterberg (1909) writes: "Every possible context of our interests, every material of our impressions and thoughts, can be considered from the point of view of its desirability. If we take such an attitude of appreciation as a standard, we can say that everything is valuable in accordance with its desirability, or, in the language of other theories, in accordance with its pleasantness" (p. 31). Urban (1909) views that value is so vital to our daily lives that he states, "The problem of knowledge has itself become, in some quarters, wholly, in others partially, a problem of value" (p. 1). He expands on this by stating that "…our entire life, on its conscious side, is one continuous series of feelings of value and evaluations, of explicit judgments and implicit assumptions of value; and that it is only by reason of the very fact, that they are valued, that the mechanically determined elements of reality in any sense have meaning for us" (p. 2).

These various points are indicative of Woodruff's (1997) belief that much of our "…conceptual knowledge about customer value is quite fragmented, with different points of view advocated and no widely accepted way of pulling all of these views together" (p. 142). Woodruff (1997) recognizes that this situation limits our ability to capitalize on the complexities and richness that value offers to marketers. To that regard, he put forth a definition of value that consolidates various views, and defines value as "…a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations" (p. 142).

While the literature on value is too vast to discuss every researcher's views in detail, this dissertation draws from these and other views in order to provide the following definition of value that integrates various perspectives:

> Value is a perception that stems from individuals' valuation of an object (an object being a thing, a situation, a state of being, an event, a symbol, an idea, a memory, etc.), such that the object has sufficient meaning to the person to be of interest to them. Because of that interest, the person will be motivated to fulfill their nature, needs, desires, wants or purposes, by acquiring, retaining or increasing possession of that object (Munsterberg 1909; Urban 1909; Picard 1920; Perry 1926; Hilliard 1950; Perry 1954; Jones and Gerard 1967; Rokeach 1973; Gutman 1982; Zeithaml 1988; Johnson and Lenartowicz 1998; Vriens and Ter Hofstede 2000; Huber, Herrmann and Morgan 2001).

While this integrated definition of value may appear simplistic, this approach was chosen in order to meet Munsterberg's (1909) requirement that common sense and easily understood terms be used when discussing the problems of the world and life in general. Based on the significance of brand equity that was discussed earlier, this dissertation posits that simple and common sense terms, such as used in this definition, need to be used in order to help ensure that the goals of this dissertation are met.

Because brand equity is fundamentally the value of a brand to consumers, and because of the interconnectivity of value and values (to be discussed), it is likely appropriate to review a few key points before proceeding to discuss values. As indicated, value serves to motivate consumers (Munsterberg 1909), with consumers seeking to experience value (Urban 1909). Therefore, brand equity likely motivates consumers to purchase a brand if they perceive that its value is sufficient to help them achieve their personal desired ends (Munsterberg 1909; Hilliard 1950). Thus, if for no other reason than these, brand equity is vital for a brand's success. Otherwise, consumers would not

purchase a brand, making it unlikely to be successful. However, there is another important reason why value is an important concept in cross-cultural studies. Namely, by motivating people's behaviors, the value of something such as brand is a means by which people achieve their desired end-state (Picard 1920). Also, people desire to experience value (Urban 1909) because it helps them survive and prosper and fulfill their self-interests (Hilliard 1950). As a result, value can also represent one's desired end-state (Picard 1920). Because researchers view that a person's values are desired end-states, as well as the means by which they achieve those desired end-states (Rokeach 1973), it appears that the fundamental essence of value and values are at minimum, intertwined.

Because individual's values differ between cultures (Nisbett et al. 2001), and because value and values have cognitive, behavioral, and affective dimensions (Jones and Gerard 1967; Munsterberg 1909), it is likely that brand equity (namely value) may differ between cultures. On that basis, the following section explores values, why values may change while being resistant to change, and the dissimilar values between U.S. and Chinese consumers.

A reflection on values

Understanding the concept of values is important in any research that explores consumers' daily brand lives for various reasons. They reflect an individual's ethical and intellectual dispositions, and influence habitual practices in a person's social life (Occhionero 2000). These dispositions serve to shape a person's attitudes, norms, and opinions, give form and content to one's society, (Occhionero 2000; Nisbett et al. 2001), and are important determinants of a consumers' behaviors (Occhionero 2000), as

demonstrated by them motivating consumers to purchase, retain, or repurchase brands (Munsterberg 1909; Hilliard 1950; Huber, Herrmann and Morgan 2001). They serve as a means by which consumers achieve some desired end-state, and may also be desired "ends in themselves" (Picard 1920, p. 8). Finally, they serve to influence consumer's brand choice criteria (Pitts and Woodside 1983). For these various reasons, understanding values should prove valuable in understanding consumers' perception of a product's brand equity.

To that regard, the two fundamental aspects of values that are discussed in this section are that there are two types of values, and there is interconnectivity between values and the value concept that was previously discussed. Although various researchers use different terms, there is relative consistency in the view that there are two types of values. First, values reflect one's desired end-state. Second, values serve as a means by which people achieve their desired end-state.

With respect to desired end-state, Picard's (1920) uses the term "immediate values", and Rokeach (1973) uses the term "terminal values". Picard (1920) indicates that the term "immediate" is somewhat of a misnomer, because he views that it actually refers to something being "non-immediate" and "ends-in-themselves" (pp. 7, 8). He states that immediate values are reflective of a person's desired end-state and are the fundamental reason why people "…gain possession of the object or…do the act…" (p. 11). Rokeach (1973) discusses that values reflect a person's desired end-states, such as "…happiness, security and accomplishment" (Dibley and Baker 2001, p. 78).

With respect to serving as the means by which one achieves their desired end-state, Picard (1920) discusses that "contributory values" serve as a means by which one

achieves some desired end-point. He states that contributory values "…comprise objects that are 'good for' something, or acts that conduce to the attainment of some specific end (this pen is good for writing, apples are good for food)…." (p. 7). Similarly, Rokeach (1973) discusses that "instrumental values" serve as the means by which a person attains their desired end-state. For example, instrumental relates to "…modes of behaviour, such as being honest, courageous and broadminded, which are effective in achieving those end states" (Dibley and Baker 2001, p. 78).

Interestingly, literature indicates there is correlation between value and values. For example, the view that the value of something serves to motivate a person to acquire, retain, or increase their possession of it, indicates that the referenced object may serve as both a desired end-state, as well as the means by which the end-state is achieved (Munsterberg 1909; Urban 1909; Picard 1920). This concept is supported by Picard's (1920) stating that the value of something "…points toward an objective" (1920, p. v). This indicates the existence of an end-state (i.e. the objective), the means by which that end-state is achieved (i.e. the something that helps one achieve the end-state), and that value is the core foundation upon which each is based. Picard (1920) further supports the correlation between value and values by discussing that while contributory values are the means for achieving immediate values, they are also "…free from the immediate…" (p. 83) and capable of developing and becoming immediate values. He further discusses that as people fulfill their immediate values (i.e. desired end-state) they may develop new values, which are modified by the original immediate values, as well as by the contributory values (i.e. the means), with "…objects found useful in new ways…" (p. 114), with people then having new feelings or attitudes toward the objects. Based on

these insights, it appears that the means by which a person fulfills their desired end-states sometimes have the potential to become desired end-states, and that as one achieves their desired end-state, it may change, with the newly desired end-state potentially leading to the value of an object changing.

The following discussion is offered in the hope that it will strengthen our understanding of the interconnectivity of value and values, as well as what this means for brand equity. As discussed earlier, *brand equity* is the value of a brand to a consumer (Keller 1999, 2000; de Chernatony and Riley 2003). *Brand equity* stems from consumers' cognitions about a brand (Dyson, Farr, and Hollis 1996; Dickson and Ginter 1987; Sinha and DeSarbo 1998) that leads to them having attitudes (Wood 2000; Srivastava and Shocker 1991) and feelings about the brand (Berthon, Holbrook, and Hulbert 2003; Chaudhuri and Holbrook 2002). This results in the brand having value for the consumer (Keller 1999, 2000; de Chernatony and Riley 2003), and leads to the consumer being motivated to purchase the brand (Barwise 1993; Srivastava and Shocker 1991).

Similarly, an object's *value* stems from one's cognitions about it (Jones and Gerard 1967), which leads to their having feelings and attitudes (Munsterberg 1909; Hilliard 1950) such that they perceive the object has value for them (Hilliard 1950). This *value* serves to motivate one to acquire, retain, or increase their possession of the object (Jones and Gerard 1967; Hilliard 1950). This value serves as both a means to achieve one's desired end-states, as well as the desired end-state itself (Munsterberg 1909; Urban 1909). Similarly, *values s*tem from one's cognitions (Occhionero 2000; Nisbett et al. 2001), lead to their feelings and attitudes (Picard 1920; Occhionero 2000; Nisbett et al.

2001), and serve to motivate their behaviors (Pitt and Woodside 1983). As value, values are also both a means to achieve one's desired end-states, as well as being a desired end state (Picard 1920; Rokeach 1973),

These various points indicate that brand equity, value, and values each stem from one's cognitions, lead to their attitudes and feelings, and serve to motivate a person to acquire, retain, or increase possession of an object, such as brand. Thus, it is likely that consumers may acquire a brand because its equity enables them to achieve their desired end-state, with brand equity itself likely a consumer's desired end-state.

It may be that any differences in brand equity, value, or values would influence the other(s), which might be reflected in consumers' cognitions, feelings and attitudes toward a brand, as well as their brand behavior. Thus, it is likely that dissimilar values that exist in diverse cultures may lead to brand equity forming differently, and having dissimilar influence on brand equity's consequences. On that basis, the following section discusses and compares U.S. and Chinese values, because they are perceived by some as fundamentally opposite (Nisbett et al. 2001).

Differences in U.S. and Chinese values

Various researchers have discussed that values differ across cultures (Tse et al. 1988; Hofstede 1984; Nisbett et al. 2001; Costa and Bamossy 1995). The differences between U.S. and Chinese values are perceived as being so dissimilar, that they are viewed as being fundamentally opposite (Nisbett et al. 2001). For example, the values found in the post-materialistic U.S. society are experientially oriented, with emphasis on one's emotional and psychological well-being (Costa and Bamossy 1995). Thus, our

values focus on self-realization, self-expression, self-fulfillment, self-identity, quality of life, aesthetic and intellectual interests, reduction of social inequality, peace, beauty, and protection of the environment (Occhionero 2000; Inglehart and Baker 2000; Costa and Bamossy 1995).

In contrast the values found in the Chinese materialistic society are more functionally oriented, with emphasis on survival and physical well-being (Costa and Bamossy 1995; Triandis 1989). Thus, their values focus on fulfillment of material needs, repressing symbolic phenomena, physical security, higher living standards, and securing a stable economy (Occhionero 2000; Inglehart and Baker 2000; Costa and Bamossy 1995).

Literature indicates that the dissimilar American and Chinese values will be reflected in consumers using different cognitive process (Nisbett et al. 2001) to form attitudes and feelings toward a brand, norms and opinions about the brand (Occhionero 2000), and will also influence their brand choice criteria and behavior (Pitts and Woodside 1983). Thus, it appears likely that U.S. and Chinese consumers use dissimilar brand cognitive processes, form dissimilar brand attitudes and feelings, norms and opinions, and have dissimilar brand behaviors. These differences may be reflected in brand equity forming differently and having dissimilar influence on brand equity's consequences with U.S. and Chinese consumers.

While the values that exist in the U.S. and China are essentially opposite (Nisbett et al. 2001), some view that China's economic development will lead to changes that eventually results in their values becoming similar to American values (Inglehart 2001). However, others view that this is unlikely, and that the differences will remain intact

(Inglehart 2001; Tse et al. 1988). Resistance to change in values is especially strong in a traditional culture such as exists in China (Tse et al. 1988), which has taken thousands of years to develop, and has values that have long and strong historical roots that and deeply entrenched in their society (Abbott 1976). As a result, it is likely that any differences between U.S. and Chinese consumers with respect to how brand equity forms, and its influence on brand equity's consequences, will remain intact. In order to provide more in-depth understanding of this concept, the following section discusses that although values in a culture can change, any change would be slow and undoubtedly limited in their scope.

Values within a culture may change, but change will be slow, and potentially limited

Some indicate that the values that exist within a culture change over time, with economic development the primary driver of change (Inglehart 2001). Frequently, globalization's transnational flow of capital, technology, people, information, ideas, and goods are seen as a driving force of such economic development changes in various cultures around the world (Appadurai 1990; Belk 2002). Occhionero (2000) and Dichter (1965) support this view by their discussion that until relatively recently in America's history, our values were primarily utilitarian and pragmatic. However, with economic growth and its subsequent higher levels of education and diffusion of the media, they indicate that our values have become post materialist, with emphasis on self-realization, self-expression, quality of life issues, intellectual interests, and environmental protection.

The University of Michigan's Institute for Social Research has been a major contributor to our increased awareness that values in a culture change, and the correlation

of this with economic development. This institute has conducted a longitudinal World Values Survey that has a goal of better understanding the "…links between economic development and changes in values" (Inglehart 2001, p. 17). Their survey has been conducted in "four waves", with the first completed in 1981-1982, the second in 1990-1991, the third in 1995-1998, and the fourth in 1999-2001. The study includes 65 societies, "…containing over 80 percent of the world's population, including societies with per capita incomes as low as $300 per year, ranging up to societies with per capita incomes of more than $35,000 per year" (Inglehart 2002, p.224). The survey includes societies with a range of political systems, including "…long-established stable democracies with stable economies…" and "…authoritarian states and ex-socialist states" (Inglehart 2002, p. 224).

Using data from the World Values Survey, Inglehart (2001) indicates there are dissimilar values between cultures with different levels of economic develop and per capita income. For example, he states that between such cultures there is "…polarization between survival and self-expression values…" that "…involves the polarization between materialist and postmaterialist values" (p. 17). He states that the time-series data from the studies indicate that as economic development has spread to a greater number of societies throughout the world it is followed by increasingly widespread postmaterialist values. Inglehart (2001) views that these changes stem from economic development, which leads to an increasing share of the world's population able to take survival for granted. As a result, "Their value priorities shift from an overwhelming emphasis on economic and physical security toward an increasing emphasis on subjective well-being and quality of life" (Inglehart 2001, p. 17). Inglehart (2001) further indicates that

economic development appears to "…move societies in a common direction…" (p. 19), and occurs in all societies, regardless of their cultural heritage.

However, Inglehart (2000, 2001) readily admits that economic development should not be perceived as the only driving force behind changes in a culture's values. For example, changes also stem from a culture's religions, work force structure (i.e. labor or service-orientation), education levels, political structure, level of opportunity for people to participate in the politics of their society, life expectancy, and even the fertility rate of people in the culture (Inglehart 2000, 2001).

Although researchers discuss that values in a culture are subject to change, some indicate that change will vary in diverse cultures, with there being uncertainty as to how consumers in those cultures will change (Liu and McClure 2001; Costa and Bamossy 1995). It is possible that this stems from the multiplicity of forces that have the potential to drive such changes. For instance, it seems unlikely that any culture's religions, work force structure, economic development, education levels, political structure, life expectancy, and fertility rates would each change simultaneously in a similar direction, let alone have similar levels of change. Nor does it seem likely that diverse cultures would change similarly. Inglehart (2001) aptly captures this concept by stating that while "…economic development will cause shifts in the values of people in developing nations…it will not produce a uniform global culture" therefore "The future may look like McWorld, but it won't feel like one" (p. 21).

Although some feel that as values change we may eventually have a world of commonalities, others view that cultures will retain their basic values and identities over generations (Abbott 1976; Hofstede 1984; Rosaldo 1989). Interestingly, Inglehart (2001)

states "…that cultural values are enduring and exert more influence on society than does economic change" (p. 17). Indication of this is found in literature that states the values that are found in a culture were developed over centuries and millennia, and are resistant to quick change (Huntington 1993; Belk 2002; Dallmayr 1996).

Inglehart and Baker (2000) support this view by stating "…the fact that a society was historically shaped by Protestantism or Confucianism or Islam leaves a cultural heritage with enduring effects…" (p. 49). Inglehart (2001) found evidence of the resistance to change by identifying that "…distinctive cultural zones persist two centuries after the industrial revolution began…" (19). For example, although there have been major, and long-term economic changes, "…virtually all of the historically Protestant societies (e.g. West Germany, Denmark, Norway, and Sweden) rank higher on the survival/self-expression dimension than do all of the historically Roman Catholic societies…" (Inglehart 2001, p. 20). Inglehart and Baker (2000) indicate that the values that are found in a traditional culture such as China are especially resistant to change, and "…remain distinct to a remarkable degree" (p. 38). Abbott (1976) also discusses that Chinese values are especially durable, and indicates that they are "…perpetuated by song-singing, story-telling, and associated folkways" (p. 82), as well as through Chinese Classics that pass down from generation to generation.

Although values are subject to change as cultures experience economic change, the changes may not result in fundamentally different values, and are unlikely to produce a world of commonalities (Inglehart 2001). Drawing from the longitudinal data from the World Values Survey, Inglehart (2001) found that "…rather than converging they seem to move along paths shaped by their cultural heritages. Therefore, we doubt that the

forces of modernization will produce a homogenized world culture in the foreseeable future" (p. 20).

Based on these various insights, this dissertation posits that the values that are found in a culture are subject to change as it experiences economic development, and as its religions, work force structure, education levels, political structure, life expectancy, and fertility rates change. However, changes will vary between cultures, and the tendency of values to persist over generations is likely to limit the degree of change that will occur, especially in a traditional culture such as China. As a result, the dissimilar values that exist between U.S. and Chinese consumers are likely to persist for a long time. Therefore, any differences that currently exist between how brand equity forms and its influences on brand equity's consequences with U.S. and Chinese consumers, are likely to continue for a long time, and need to be understood in order to develop knowledge that will help American firms more successfully market their brands in China.

The mode of thought dimension

Because brand equity stems from consumers' cognitions, this section explores mode of thought, which is a concept increasingly recognized by cognitive and cultural researchers as vital in individuals' daily lives (Finnegan and Horton 1973). Mode of thought is a central element in people's cognitions, and is reflective of one's culture (Nisbett et al. 2001). Thus, modes differ between cultures (Clark 1990), especially between cultures as fundamentally dissimilar as the U.S. and Chinese (Nisbett et al. 2001). This section explores mode of thought, the foundations from which it arises,

compares the U.S. and Chinese modes of thought, and discusses potential consequences of the dissimilar U.S. and Chinese modes of thought.

Reflections on mode of thought and its significance

Cognitive and cultural researchers indicate that mode of thought is a vitally important concept because it is the basic underlying foundation of people's psyche, and is a key determinant of their behaviors (Schmid-Kitsikis 1987). However, mode of thought discussion is typically limited to cultural and cognitive studies because it is vague, ambiguous, and difficult to understand or explain (Finnegan and Horton 1973), and also because instead of there being a singular mode of thought, there is a diversity of modes, both within and across cultures (Cano-Garcia and Hughes 2000). Because it is beyond the scope of this dissertation to consider the diversity of modes of thought that exist within and across cultures, its focus is the typical mode of thought that is found in the U.S. and China.

Perhaps the best way to begin understanding mode of thought is by first clarifying what cognitive and cultural researchers agree it is not. Namely, mode of thought is not the content of a person's cognitive activity. Neither is it a person's level of intelligence, nor their abilities (Cano-Garcia and Hughes 2000). Rather, mode of thought refers to individuals' mental activities that are more commonly termed 'cognitive processes' (Cano-Garcia and Hughes 2000; Schmid-Kitsikis 1987). At the most fundamental level, mode of thought is the sequence of dynamic cognitive processes and tactics that a person uses when they think (Cano-Garcia and Hughes 2000).

Early cognitive and cultural studies provided relatively simplistic and superficial insights into mode of thought. For example, early researchers viewed that a person's mode of thought could be understood as being rational and scientific versus non-rational; as reflective versus impulsive; as inferential versus analytic; as open to new ideas versus not; as primitive versus civilized; as abstract versus concrete; or, as creative versus traditional-oriented (Grigorenko and Sternberg 1995; Finnegan and Horton 1973; Wolfram 1973). Grigorenko and Sternberg (1995) aptly captured the simplicity and superficiality of early studies by stating that they were "…based loosely on a definition of cognitive styles as 'the characteristic, self-consistent modes of functioning which individuals show in their perceptual and intellectual activities. All of these styles were used to identify and explain individual differences in a way that did not involve IQ scores" (p. 207).

Although very general, early research did lead to subsequent in-depth cognitive studies that strengthened our conceptualization and understanding of mode of thought. For example, later researchers learned that one's mode of thought occurs at various levels, including conscious, preconscious, and even the unconscious levels (Schmid-Kitsikis 1987). Sternberg (1994) strengthens our understanding of mode of thought by indicating that it is the cognitive process, style, or manner by which a person self-governs and manages the use of their intelligence and knowledge. Zhang (2002a, 2002b) put a somewhat different view forward by indicating that mode of thought is the cognitive process or style that people are comfortable using, or by which they prefer to use their intelligence and knowledge.

Whether viewed as a self-governing, or as a preferred cognitive process, an aspect of mode of thought that researchers appear to agree on that it has a purpose dimension (Pinard 1986). Pinard (1986) captures this dimension by indicating that one's mode of thought is the process by which they employ their intelligence and knowledge in order to advance toward their desired goals in a given cognitive enterprise. This purpose dimension is apparent with respect to consumers. For example, consumers rely on their mode of thought for a variety of mental activities such as reasoning, evaluating products and services, developing mental images, solving problems, processing information, making decisions, developing attitudes and beliefs, defining oneself, structuring reality, and even making sense of the world (Cano-Garcia and Hughes 2000; Sternberg 1994; Zhang, 2002a, 2002b; Finnegan and Horton 1973; Pinard 1986).

As indicated previously, understanding mode of thought is complicated by the multiplicity of modes that exist. Sternberg (1985; 1988; 1994) found that there are 13 basic cognitive styles (depicted in Table 2-4) by which a person uses their intelligence and knowledge. Grigorenko and Sternberg (1995) discuss Sternberg's naming each of these styles with metaphors that are reflective of government, based on the belief that:

> "…just as governments carry out legislative, executive, and judicial functions, so does the mind. The legislative function of the mind is concerned with creating, imagining, and planning; the executive function is concerned with implementing and doing; and the judicial function is concerned with judging, evaluating and comparing…" (p. 221).

As indicated in Table 2-4, while one person might govern their intelligence and abilities by doing things in new ways, and by defying convention (i.e. "liberal" style), others might prefer to follow convention ('conservative' style). While one person might prefer to be independent and self-sufficient ('internal' style), others might prefer to be

Table 2-4

Cognitive styles

Style	Characterization
Legislative	Likes to create, invent, design, do things in their own way, and prefers not to be assigned structure
Executive	Likes to follow directions, do what they are told, and prefers to be assigned structure
Judicial	Likes to judge and evaluate people and things
Monarchic	Likes to do one thing at a time, devoting most of their energy and resources to that thing
Hierarchic	Likes to do many things at once, setting priorities for which to do when and how much time and energy to devote to each
Oligarchic	Likes to do many things at once, but has trouble setting priorities
Anarchic	Likes to take a random approach to problems; dislikes systems, guidelines and constraints
Global	Likes to deal with big picture, generalities, abstractions
Local	Likes to deal with details, specifics, concrete examples
Internal	Likes to work alone, focus inward, be self-sufficient
External	Likes to work with others, focus outward, be interdependent
Liberal	Likes to do things in new ways, defy conventions
Conservative	Likes to do things in tried and true ways, follow conventions

interdependent with others ('external' style). While the cognitive styles listed in Table 2-4 contribute to our understanding of mode of thought, it is important to recognize that one's mode of thought is not a singular of these styles, but rather is some combination of the13 cognitive styles. For example, a person that uses styles that are Executive, Local, and Conservative, would have a mode of thought that follows conventions, deals with details, and follows directions.

As indicated earlier, mode of thought is a significant element in one's daily life. For example, studies into students' success at school found that although early researchers believed students' success at school was primarily determined by their intelligence, this is not an accurate view. For example, recent studies found that only 20% of students' success in school is determined by their level of intelligence, with the other 80% determined by their mode of thought. Research has found that this stems from different cognitive styles leading to students having dissimilar learning, and dissimilar use of their intelligence and knowledge (Cano-Garcia and Hughes 2000). Mode of thought is also important in the behaviors of consumers. For example, researchers have found that consumers use their mode of thought for evaluating product and service usage, developing mental images, solving problems, processing information, making decisions, developing attitudes and beliefs, (Sternberg 1994; Zhang, 2002a, 2002b; Finnegan and Horton 1973; Pinard 1986).

This dissertation posits that mode of thought likely influences how brand equity develops, and its influence on brand equity's consequences. This statement stems from the following. First, mode of thought reflects one's cognitive processes (Cano-Garcia and Hughes 2000; Schmid-Kitsikis 1987), and brand equity stems from consumers'

cognitive processes (Keller 2001; Berthon, Holbrook, and Hulbert 2003; Chaudhuri and Holbrook 2002; Achenbaum and Bogda 1996). Thus, it seems likely that mode of thought is a key determinant of how brand equity forms for consumers. Second, mode of thought's purpose dimension indicates that it helps consumers advance toward their personal desired goals (Pinard 1986). Consumers want to fulfill their personal desired goals (Picard 1920) such as reduced risk (Guerrero et al. 2000) and difficulty (Aaker 1992) of a purchase decision process, as well as increased satisfaction and confidence (Aaker 1992) in their purchase decision. Brand equity helps consumers achieve those goals (Aaker 1992; Keller 2003), and leads to them having greater purchase intent (Keller 2003). Thus, it appears likely that mode of thought impacts brand equity's influence on its consequences.

Based on these various views, this dissertation asserts that dissimilar modes of thought that might exist in diverse cultures would likely lead to differences in brand equity. For example, brand equity might form differently, and might have differential influence on its consequences. To that regard, the next section discusses the American and Chinese modes of thought. This is because the modes in these two cultures are viewed as being fundamentally opposite. Therefore, if modes of thought differences do have dissimilar influence on brand equity and its consequences, no greater comparison study would potentially produce the knowledge that would come from a study of American and Chinese consumers.

Foundations of mode of thought, and the dissimilar U.S. and Chinese modes

Sociological, cognitive psychology and cultural anthropology literatures indicate that the fundamental foundations of mode of thought are a culture's philosophical, social, and historical roots (Nisbett et al. 2001). Although these roots trace back to the teachings of ancient philosophers, their effects continue to exist in contemporary societies (Nisbett et al. 2001). For example, the Western culture of the U.S. has roots that trace back to ancient Greek and Roman cultures, and great thinkers such as Socrates and Aristotle, who promoted the use of questioning and logical (i.e. linear) thinking for obtaining solutions to problems, for making decisions, and for dealing with life's complexities (Huanying 1986; Elder and Paul 1998). Their teachings focused on individual rights and freedoms, personal choice, self-fulfillment, exercise of free will, and absence of social constraint (Huanying 1986; Choi, Nisbett and Norenzayan 1999; Nisbett et al. 2001; Choi and Nisbett 2000; Tweed and Lehman 2002; Munro 1985).

Another foundation, but one whose influence is often overlooked, is the religious systems that exist in a culture (Huntington 1996). For example, early Christian doctrines were similar to those of ancient philosophers such as Socrates and Aristotle. This is demonstrated by early Christians viewing that a person has individual rights and freedoms to exercise their free will to affirm or deny the existence of God's laws (Munro 1985). Other foundations include a culture's language(s) (Nakamura 1960), the educational (Bernardo, Zhang and Callueng 2002) and legal systems (Nisbett et al. 2001), and economic level (Biggs 1996; Huanying 1986). For example, the contemporary language(s), educational, religious and legal systems in the U.S. are based on beliefs of equality, independence, individual rights and freedoms, self-thinking, and the right to

exercise free will (Bernardo, Zhang and Callueng 2002; Nakamura 1960; Biggs 1996; Huanying 1986). Some view that the advanced economic level of the American economy enables these beliefs to exist (Hofstede 1984; Ji, Peng and Nisbett 2000).

The combined effects of these foundations have produced a mode of thought in the U.S. that is linear and logical, with logical referring to our mode of thought being orderly (Nisbett et al. 2001). Schuster and Copeland (1999) demonstrate this by stating in the U.S. "…issues are considered, explored, evaluated, and resolved one at a time, often in a segmented fashion" (p. 67). Other characteristics of our mode of thought is that it emphasizes curiosity, equality, independence, exercise of free will, personal freedom to make choices in one's best self-interest, and the pursuit of self-fulfillment and personal happiness (Munro 1985; Ji, Peng and Nisbett 2000; Tweed and Lehman 2002).

However, in addition to the previously discussed foundations, one must recognize that a person's individual characteristics and family experiences also influence their mode of thought (Colby and Cole 1973). This influence is demonstrated by Tweed and Lehman's (2002) view that there is always some degree of heterogeneity within any culture.

Cognitive and cultural research indicates that no mode of thought is universal to all cultures, with modes often differing significantly in diverse cultures (Nisbett et al. 2001). Conway et al. (2001) states that "…recent… research in culture and cognition has yielded considerable new evidence of cross-cultural differences in styles of thinking, reasoning, and mentally organizing the world…" (p. 228). These differences stem from the dissimilar foundations of mode of thought that are found in diverse cultures (Nisbett et al. 2001; Bernardo, Zhang and Callueng 2002; Finnegan 1973; Horton 1973). Some

indicate that the concept of modes of thought differing between diverse cultures is especially noticeable with Americans and Chinese (Conway et al. 2001). They view that these two modes of thought as so dissimilar that they are fundamentally opposite (Tweed and Lehman 2002; Conway et al. 2001). Nisbett et al.(2001) aptly clarifies how significantly this differs from the U.S. by stating "…cognitive differences that scholars have reported about ancient China and Greece…are not mere parameter differences, but…are quantitatively very large and even qualitatively distinct" (p. 292).

Because the typical mode of thought that exists in the U.S. has already been discussed, focus will now shift to China's mode of thought in order to demonstrate the dissimilarities. The typical mode of thought that is found in China has roots that can be traced back to as early as the 8th to 3rd century B.C. and the early teachings of Confucius, and Taoist beliefs (Lao Tsu 1989; Nisbett et. al. 2001; Bloom 1985). In contrast to the early teaching of Socrates and Aristotle, these early teachings and beliefs promoted thought processes that focus on social and group obligation, discourage debate, and do not incorporate a sense of choice or personal freedom (Nisbett et al. 2001; Bloom 1985).

In addition, the language(s), educational, religious, and legal systems that are found in China, are based on, and promote, hierarchy (vs. equality), interdependence, group-interest, lack of personal freedom, group rights (versus personal rights), holistic and contextual thinking, avoidance of choice, and lack of curiosity (Nisbett et al. 2001; Tweed and Lehman 2002; Markus and Kitayama 1991; Finnegan 1973; Horton 1973).

The differences between these thoughts and beliefs and their American counterparts is demonstrated by awareness that while pursuit of self-fulfillment and personal desires is accepted and encouraged in the American culture (Munro 1985; Ji,

Peng and Nisbett 2000; Tweed and Lehman 2002), they are actually discouraged in the traditional Chinese culture. This stems back to ancient Taoism teachings that are over 2,000 years old, but whose influence is still found in modern China (Lao Tsu 1989). For example, Taoism teaches that one should "…not seek fulfillment" or be "…swayed by desire…" (p. 17), that "…without desire there is tranquility" (p. 39), and that there is "…no greater misfortune than wanting something for oneself" (p. 48).

In addition, some indicate that the mode of thought that stem from these various foundations are reinforced by China's lower level of national wealth. They view that China's lower economic level is associated with the need to have thoughts that focus on interdependence with one's group (i.e. family, social group, entire society) and responsibilities towards that group (Hofstede 1984; Ji, Peng and Nisbett 2000); as well as thoughts that are attentive and sensitive to members of the group rather than one's own interests, in order to ensure harmonious relationships with members of the group (Huanying 1986; Biggs 1996; Nakamura 1960; Matsumoto 1999).

Literature indicates that these various foundations have resulted in a Chinese mode of thought that is typically viewed as being circular (non-linear), and holistic, in that issues are considered together as a group before a decision is made (Chung 2003). In addition, their mode of thought is seen as avoiding evaluative thinking and purposive choice, focusing on interdependence and responsibility to make decisions that are in one's groups' best interest, avoiding curiosity, and discouraging the pursuit of self-fulfillment, and personal desires and happiness (Munro 1985; Ji, Peng and Nisbett 2000; Tweed and Lehman 2002; Nisbett et al. 2001). Thus, as compared to the American

mode, that of the Chinese appears to be as described by Nisbett et al. (2001), in that they are fundamentally opposite.

Potential consequences of the dissimilar U.S. and Chinese modes of thought

Although various U.S. firms increasingly market their brands into China and other international markets (Ritzer 2001; Homburg et al. 2002; Lawrence 1990; Dolven 2003), they often do not achieve their desired performance levels in those foreign markets (Schuster and Copeland 1999). Some think that this stems from many U.S. firms employing the same marketing strategies in international markets as in their home market, because they do not adequately understand that because "…cultures differ at a fundamental level, the knowledge, experience, and ability to conduct business successfully in one culture does not necessarily transfer to another (Schuster and Copeland 1999, p. 63). These points indicate that we need to better understand consumers in foreign markets.

Brand equity, which initially stems from consumers' cognitions (Berthon, Holbrook, and Hulbert 2003; Chaudhuri and Holbrook 2002), is a key facet of brand that is instrumental in the level of success that a brand achieves (Keller 2003). Because mode of thought reflects consumers' cognitive processes (Cano-Garcia and Hughes 2000; Schmid-Kitsikis 1987), it is likely that dissimilar modes that exist in diverse cultures (Nisbett et al. 2001; Conway et al. 2001) lead to brand equity differences. Unfortunately, due to our limited cross-cultural research (Ferraro 2000) we do not have in-depth understanding about the diversity of modes of thought that exist in foreign markets (Finnegan and Horton 1973; Cano-Garcia and Hughes 2000). However, drawing from

cognitive and cultural literature we do have some initial solid insights into the potential differences that are likely to exist in the Chinese and American cultures. Based on these various insights, a question that begs to be asked is: *What are the potential influences of the dissimilar American and Chinese modes of thought on brand equity?*

The various views discussed in this chapter indicate that mode of thought is the cognitive process by which consumer's process information about brands; evaluate brands; develop attitudes, feelings, and beliefs about brands; and, by which they make brand purchase decisions. As a result, it is likely that the dissimilar U.S. and Chinese modes of thought may lead to brand equity developing dissimilarly, and having dissimilar influence on its consequences. Therefore, this dissertation's research will be valuable in strengthening our currently limited international consumer behavior knowledge (Liu and McClure 2001), and may lead to knowledge that will help U.S. firms more successfully market their brands in China and other foreign markets.

Emotional experience and expression

Literature indicates that emotional experience and expression plays a significant role in consumers' daily lives, and likely influences how brand equity forms, as well as influencing its consequences. Interestingly, emotional experience and expression may differ between U.S. and Chinese consumers, which may lead to brand equity dissimilarities. Therefore, understanding emotional experience and expression and the potential dissimilarities between U.S. and Chinese consumers is important for better understanding brand equity and the various views that are put forth in this dissertation. To that regard, this section discusses emotional experience and expression and its

influence on brand equity and its consequences, as well as the potential for differences to exist between U.S. and Chinese consumers.

Emotional experience and expression and its significance

Insight into the significance of emotional experience and expression is captured by Holbrook (1986), who indicates that it as a pervasive component of human behavior that helps define our status as humans, and plays a central role in our consumption experiences and behaviors. Dichter (1947) provides early insight into the significance of emotional experience and expression by indicating that there is interdependence between one's emotional experiences and expressions, which serve motivating functions with respect to consumption, and one's consumption behaviors. Dichter's (1947) view stems from research in the automobile industry which discovered that people's emotional experiences and expressions are often more important in their purchase decision, than is the quality of the vehicle. For example, he found that fear and feelings of loyalty are frequently often more important than the quality of the vehicle in why people often repeatedly purchase the same brand of vehicle.

Although research indicates that emotional experiences and expressions are significant elements in consumers' behavior, the concept of emotional experience and expression is puzzling. We talk about happiness, love, anger, and fear as being emotional experiences and expressions, but our knowledge is so limited that we have no formal criteria for determining what is meant by the concept itself (Russell 2003). As a result of our limited understanding, we have a variety of views on emotional experiences and

expressions that include: cognitive structures, attitudes, motives, reflexes, feelings, instincts, biological, and socially constructed (Russell 2003).

Fortunately, recent research into emotional experience and expression has yielded new insights (Lewis and Haviland 1993). For example, Holbrook (1986) attempts to clarify the concept by discussing that emotional experience and expression encompasses four interrelated components: 1) physiological responses (e.g. bodily changes that are experienced), 2) cognition (e.g. appraisal of a stimulus situation which results in an action tendency such as toward the good and away from the bad), 3) behavioral expression (e.g. overt manifestations such as body postures, facial expressions, and nonverbal gestures), and 4) feelings (e.g. a subjective, phenomenological, experiential component). Bagozzi, Gopinath, and Nyer (1999) added further to our understanding by indicating that emotional experience and expression "…arises from cognitive appraisals of events or thoughts; has a phenomenological tone, is accompanied by physiological processes; is often expressed physically (e.g., in gestures, posture, facial features); and may result in specific actions to affirm or cope with the emotion, depending on its nature and meaning for the person having it" (p. 184). However, we still have a situation in which whenever it seems that we have an adequate definition of emotional experience and expression, "…some new theory rears its unwelcome head and challenges our understanding" (Solomon 1993, p. 3).

Contributing to the difficulty to define and understand emotional experience and expression is the complexity of facets that are entailed in the concept (Solomon 1993; Lewis and Haviland 1993). Solomon (1993) aptly summarizes the situation by indicating that the facets of emotional experience and expression include: subjective and

introspective (such as feelings, beliefs, desires, and attitudes), public and observable (such as behavior and verbal expression), social (i.e. reflecting values that are accepted in, and promoted by one's culture), biological (i.e. reflecting that some aspects of emotion are genetically "hard-wired" in a person), neurological (i.e. one must have cognitive awareness and recognition of things and situations before they can have emotional experiences and expressions about them), and intentionality (i.e. emotional experiences and expressions are always about something, be it real or imagined).

While it is clearly beyond the scope of this dissertation to explore the vast, and often differing, perspectives of emotional experience and expression that exist in literature, Oatley (1993) put forth a view that is clear and easily understood, and it is on this view that this dissertation relies. Drawing from Averill (1988), Oatley (1993) indicates that emotional experiences and expressions are neither mere feelings nor biological bases. Instead, they are "…complex syndromes, episodic dispositions to behave in a certain kind of way" (Oatley 1993, p. 342). Oatley (1993) indicates that emotional experiences and expressions are instrumental in a person understanding how to feel, and what to do and not do, when they are angry, sad, in love, afraid, and so forth (Oatley 1993). As a result, emotional experiences and expressions are vital elements in the daily lives of human beings.

Potential influence of emotional experiences and expressions on brand equity and its consequences

Based on literature, this dissertation posits that consumers' emotional experiences and expressions may influence the forming of brand equity, as well as its consequences.

This is based on three aspects of emotional experience and expression that appear to be of relative agreement among researchers. First, an emotional experience and expression is about, and directed toward something (Russell 2003). For example, "Alice was afraid of the bear, or more precisely, of the bear attacking and harming her" (Russell, 2003, p. 146). This indicates that one's emotional experiences and expressions may be directed towards brand equity, its antecedents, or its consequences.

Second, emotional experiences and expressions are relative, in that they involve one's perception of their experiences as compared to their desired goals and end-states (van den Bos 2003), which leads to feelings such as satisfaction, disappointment, regret, and so forth (Bagozzi, Gopinath, and Nyer 1999). Research indicates that emotional experiences and expressions influence a person's perceptions by facilitating the "…speed of encoding, the ease and likelihood of retrieval of emotional memories, judgments of the probability of emotional events, and the emotional quality of social impressions" (Innes-Ker and Niedenthal 2002, p. 804). These points indicate that emotional experience and expression may influence consumers' perceptions of a brand's functional and experiential dimensions, as well as the perceived risk and difficulty of the purchase decision, and their perceived confidence and satisfaction in the purchase decision.

Third, the positive and negative dimensions of emotional experience and expression have implications for one's behavior (Thoresen et al. 2003). For example, negative experiences and expressions lead to coping processes "…where we attempt to alleviate the sources of distress, or…distance oneself from the source of distress", and positive experiences and expressions lead to "…sharing one's good fortune, savoring the experience, working to continue or increase the rewards…" (Bagozzi, Gopinath, and

Nyer 1999, p. 187). This indicates that consumers' emotional experiences and expressions may influence their brand purchase intent.

Potential differences between Americans and Chinese

Interestingly, there is debate if emotional experiences and expressions are dissimilar between diverse cultures or if they are universal (Elfenbein et al. 2002). If they vary between cultures, and if they influence the forming of brand equity and its consequences, then brand equity and its consequences may vary between those cultures. Therefore, it is vital to explore whether emotional experiences and expressions vary between dissimilar cultures.

Some psychologists and philosophers perceive that emotional experiences and expressions are physiological functions that are universal across cultures (Scherer and Wallbott 1994). Darwin believes they are biologically based, which implies intercultural universality (Scherer and Wallbott 1994, p. 310). Others view that emotional experiences and expressions are social phenomena that are influenced by one's culture, which indicates there is not intercultural universality (Kemper 1993; Solomon 1993; Markus and Kitayama 1991). For example, Oatley (1993) views each culture as having patterns of emotional experience and expression "…that are somewhat distinctive, that derive from societal practices, and that convey meanings and effects to members of that culture" (p. 341). Kemper (1993) supports the view that emotional experience and expression varies between cultures and states that culture provides a person with their "…identity, motives, goals, roles, and interaction partners" (p. 41), and interwoven with these elements, are one's experiences and expressions (Kemper 1993).

In an effort to determine whether the universal or non-universal view of emotional experience and expression across cultures is more appropriate, Scherer and Wallbott (1994) conducted a study with 2,921 subjects, across 37 countries in 5 continents, including the United States and mainland China. They studied anger, fear, sadness, joy, disgust, shame, and guilt. The measurement variables included subjective feelings (such as duration, intensity); physiological symptoms (such as breathing change, heart rate, stomach trouble, perspiring, and felt temperature); and, motor expression patterns (nonverbal and expressive behaviors, such as laughing, gesturing, voice changes, body movements, utterances). Although Scherer and Wallbott (1994) were unable to resolve the debate on the universal versus non-universal argument, their study uncovered "…cultural differences in emotion elicitation, regulation, symbolic representation, and social sharing" (p. 326). This indicates that emotional experiences and expressions are not universal.

It appears that the non-universality of emotional experiences and expressions may be well-demonstrated with Americans and Chinese. Because the American and Chinese cultures are so fundamentally opposite (Nisbett et al. 2001), emotional experiences and expressions in these two cultures are especially different (Markus and Kitayama 1991). People in individualistic cultures, such as exists in the U.S., typically have ego-focused emotional experiences and expressions that promote an independent and autonomous view of oneself, such as: anger, frustration and pride (Markus and Kitayama 1991). For example, "…Americans may experience anger when they perceive a threat to their autonomy" (Oatley 1993, p. 341). In contrast, people in collective cultures, such as exists in China, typically have other-focused emotional experiences and expressions that

promote an interdependent view of oneself, including sympathy, shame, and feelings of interpersonal communion (Markus and Kitayama 1991).

The potential impact of dissimilar cultures on emotional experiences and expressions is found in Elfenbein et al.'s (2002) view that the more dissimilar cultures are, the greater the differences between their experienced and expressed emotions. Thus, the vast differences that exist between the U.S. and Chinese cultures (Nisbett et al. 2001) indicates that the emotional experiences and expressions by Americans and Chinese are likely to be vastly dissimilar (Markus and Kitayama 1991). Because emotional experiences and expressions are instrumental in the forming of brand equity (Berthon, Holbrook, and Hulbert 2003; Chaudhuri and Holbrook 2002; Achenbaum and Bogda 1996), and impact brand equity's influence on its consequences (Srivastava and Shocker 1991; Aaker 1991; Lassar, Mittal, and Sharma 1995; Keller 1993), this dissertation posits that brand equity likely forms dissimilarly between Americans and Chinese, and has differential impact on brand equity's consequences.

Dissertation model and hypotheses

Discussion of dissertation model and its structure

Drawing from Western brand equity research, this dissertation presents a brand equity model (see Figure 2-2) that serves to guide the empirical examination and comparison of the relationships between brand equity, its antecedents, and its resultant consequences between Americans and Chinese. Literature suggests that differences may exist between Americans and Chinese, in that the functional aspects of brand equity are likely to be more influential with Chinese, while the experiential aspects are likely to be

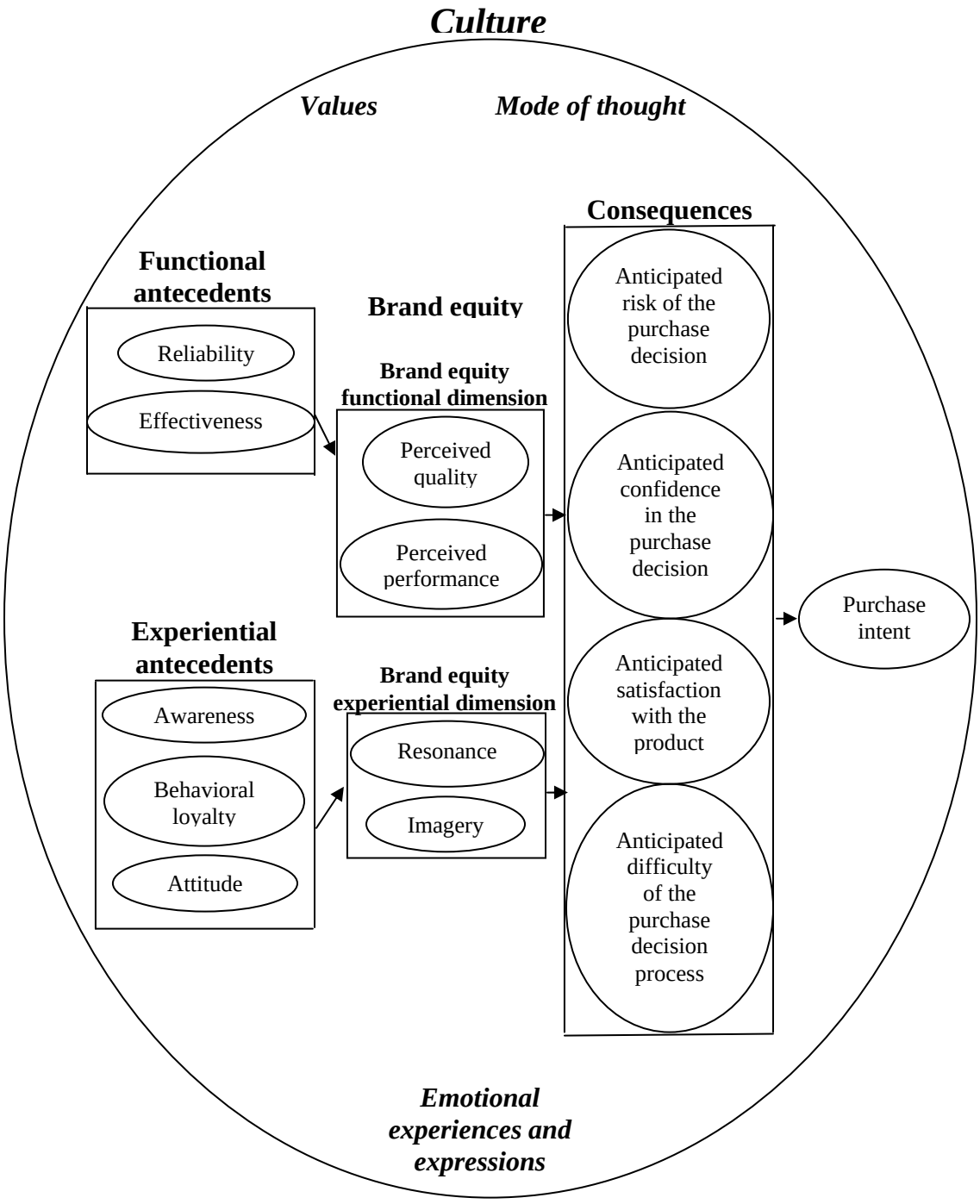


Figure 2-2

Dissertation's brand equity for consumers' model

more influential with Americans. It is important that this model be explored with Americans and Chinese for two fundamental reasons. First, although Western in its essence, this dissertation's model is built from existing brand equity knowledge. Before other models should be considered, it is important to first explore one that is built from existing knowledge. Second, it is important that the potential American and Chinese differences be explored in order to determine if the predicted relationships exist. If they do exist, the assumptions upon which this dissertation's theory is built (i.e. differential values, modes of thought, and emotional experiences and expressions) could then be tested. If the predicted relationships do not exist, the assumptions upon which this theory is built will need to be re-examined and re-thought, in order to determine if a different theory is more appropriate.

The dissertation's brand equity for consumers'model that is depicted in Figure 2-2 is fundamentally similar to Figure 2-1, except that it contains a manageable number of brand equity antecedents for a comparative study of this kind. Because the constructs were described previously in this chapter, their description is not repeated in this section. However, it is important to discuss the overall structure of the model, because it provides an explanation of how the various concepts in the model are related to each other.

As discussed in this chapter, research indicates that culture is a key foundation from which one's mode of thought (Bernardo, Zhang, and Callueng 2002), values (Nisbett et al. 2001), and emotional experiences and expressions stem (Markus and Kitayama 1991). Research also indicates that one's mode of thought, values, and emotional experiences and expressions are interconnected (Chaudhuri and Holbrook 2002; Nisbett et al. 2001; Cano-Garcia, and Hughes 2000; Schmid-Kitsikis 1987;

Occhionero 2000). Therefore, Figure 2-2 indicates that it is within a person's culture that their interconnected values, mode of thought, and emotional experiences and expressions exist. While the various points of discussion in this dissertation recognize the importance of culture is individuals' daily lives, culture is unobservable (Cronk 1999) and this dissertation will not attempt to measure American or Chinese cultures. Drawing from literature, the model that is presented in Figure 2-2 indicates that a person's values (Occhionero 2000; Nisbett et al. 2001), mode of thought (Schmid-Kitsikis 1987; Sternberg 1994; Zhang 2002a, 2002b), and emotional experiences and expressions (van den Bos 2003; Innes-Ker and Niedenthal 2002) influence their perceptions of the various constructs that are entailed in brand equity, including their resultant brand behaviors (Munsterberg 1909; Nisbett et al. 2001; van den Bos 2003; Occhionero 2000; Schmid-Kitsikis 1987).

Of brand equity's functional and experiential antecedents that were presented in Figure 2-1, the functional antecedents that were selected for use in this comparative study are reliability and effectiveness. This selection stems from various researchers' brand equity discussions, including two of the most often cited experts in this topic, Keller (e.g. 1993, 2001, 2003) and Aaker (e.g. 1991, 1992, 1995, 1996). They each indicate that reliability and effectiveness are essential factors for a brand to develop perceived quality (with respect to consumers' perceptions), which is an essential element for a brand to develop brand equity. Others' views that were instrumental in selecting these functional antecedents for this study are: Tolson (2000), Shepard (2001), de Chernatony and Riley (1997), Muniz (1997), Barnes (2003), Bull and Oxley (1996), Erdem (1998), Grace and

O'Cass (2002), and Lassar, Mittal and Sharma (1995), who indicate that reliability and effectiveness are requisite elements for a brand to develop brand equity.

The experiential antecedents that were selected are awareness, behavioral loyalty, and attitude. Similar to the functional antecedents, the selection of these also stems from various researchers' brand equity discussions, such as Keller (e.g. 1993, 2001, 2003) and Aaker (e.g. 1991, 1992, 1995, 1996). For example, Keller (2003) indicates that awareness, behavioral loyalty, and attitude are at the heart of brand equity, are requisites for the creation of brand equity, and are brand's most important experiential aspects with respect to brand equity. Others' views that were instrumental in selecting these experiential antecedents for this study are: de Chernatony and Riley (1997), Tuominen (1999), and Achenbaum and Bogda (1996), who indicate that awareness is essential for a brand to develop brand equity; Elliott and Wattanasuwan (1998), who indicate that attitude toward a brand is essential; and, Muniz (1997) and Elliot and Wattanasuwan (1998), who indicates that behavioral loyalty is essential for a brand to develop brand equity.

Why the model needs to be tested with U.S. and Chinese consumers

Based on this chapter's discussion, this dissertation asserts that this model needs to be comparatively studied with Americans and Chinese for the following reasons. First, brand equity faces mounting pressures that limit U.S. firms' ability to achieve their desired performance goals for their brands (Aaker 1992; Keller 2003). Second, when many U.S. firms frequently turn to China to offset these mounting pressures and take advantage of growth opportunities (Malnight 1995; Homburg et al. 2002), they often use

marketing strategies that are not successful, because they do not reflect the dissimilarities of Chinese consumers, as compared to Americans (Brown, Kozinets, and Sherry 2003). Third, Chinese business leaders have taken their acquired brand and brand equity knowledge and skills back home to China and are using them to manufacture and market higher quality Chinese brands, and counterfeits, which limits the potential success of American brands in China (Gilmore and Dumont 2003). For these reasons, this dissertation's model needs to be comparatively studied with Chinese and Americans in order to develop knowledge that will lead to cross-cultural models and theories that will help American firms more successfully market their brands in China, as well as other cultures around the world.

Dissertation hypotheses and exploratory proposition

As discussed throughout this chapter, this dissertation theorizes that the dissimilar American and Chinese cultures, values, modes of thought, and emotional experiences and expressions may lead to brand equity forming dissimilarly and having differential influence on brand equity's consequences. This theory stems from literature indicating that individuals in a post-materialistic society, such as the U.S., are typically more focused on improving the more intangible aspects of life such as their emotional, psychological, and physiological well-being, quality of life, and the social aspects of life, through marketable experiences and consumption (Costa and Bamossy 1995; Occhionero 2000; Inglehart and Baker 2000; Inglelart 2000; Triandis 1989). In contrast, individuals in a materialistic society, such as China, are typically more utilitarian and functional oriented (Firat 1995; Inglehart and Baker 2000), with emphasis on the more tangible

aspects of life such as survival, fulfillment of material needs, repressing symbolic phenomena, physical well-being, and avoidance of emotions and feelings (Costa and Bamossy 1995; Triandis 1989; Occhionero 2000; Inglehart and Baker 2000; Inglehart 2000). These dissimilarities likely lead to Chinese being more orientated towards the functional aspects of brand equity, while they may lead to Americans being more oriented towards the experiential aspects of brand equity (Costa and Bamossy 1995; Triandis 1989; Inglehart and Baker 2000; Occhionero 2000; Elliott and Wattanasuwan 1998; Bonnell and Hunt 1999; Kitayama et al. 1997).

This dissertation seeks to empirically test the following hypotheses, which are designed to serve as a first step in an envisioned long-term program of study that will help us better understand brand equity similarities and dissimilarities between Americans and Chinese.

Hypothesis 1a: The path weight between reliability and perceived quality and perceived performance will be stronger for Chinese than for Americans.

Hypothesis 1b: The path weight between effectiveness and perceived quality and perceived performance will be stronger for Chinese than for Americans.

Hypothesis 2a: The path weight between awareness and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 2b: The path weight between behavioral loyalty and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 2c: The path weight between attitude and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 3a: The path weight between perceived quality and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Chinese than for Americans.

Hypothesis 3b: The path weight between perceived performance and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Chinese than for Americans.

Hypothesis 4a: The path weight between resonance and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Americans than for Chinese.

Hypothesis 4b: The path weight between imagery and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Americans than for Chinese.

In addition to testing these hypotheses, this dissertation poses an exploratory proposition that might potentially provide added insight into Chinese and American differences. As discussed in this chapter, literature indicates that an individual's values (Occhionero 2000; Munsterberg 1909), mode of thought (Schmid-Kitsikis 1987), culture (Nisbett et al. 2001; Clark 1980), and emotional experiences and expressions (Dichter 1947; Russell 2003), influence their intentions and behaviors. For example, a person's values influence their intentions and habitual practices (Occhionero 2000), and serve to motivate their purchase, retention, or repurchase intentions and behaviors (Munsterberg 1909; Hilliard 1950; Huber, Herrmann and Morgan 2001). One's mode of thought serves to help one advance towards one's goals (Pinard 1986), as well as being a key determinant of one's behaviors (Schmid-Kitsikis 1987). One's culture is the underlying foundation upon which one's behaviors are based (Bouchet 2002; Belk 2002; Clark 1990;

Nisbett et al. 2001). Finally, one's emotional experiences and expressions serve to motivate one's dispositions and behavioral intentions (Bagozzi, Gopinath, and Nyer 1999; Dichter 1947; Holbrook 1986). Based on these influences on individuals' intentions and behaviors, this dissertation poses the following exploratory proposition:

Exploratory proposition: The path weights between *anticipated:* a) *risk* of the purchase decision, b) *confidence* in the purchase decision, c) *satisfaction* with the product, and d) *difficulty* of the purchase decision process, and purchase intent may be dissimilar for Chinese and Americans.

Because it should not be assumed that the overall brand equity model will hold up with both Americans and Chinese, this dissertation posits the following *pre-hypothesis question: Does the overall model hold up with both Americans and Chinese?* Finally, this dissertation posits that there may be a bi-directional aspect of brand equity and its antecedents, as well as with its consequences. Therefore, the model will be tested for potential bi-directionality of the relationship between brand equity and its antecedents, and between brand equity and its consequences.

Summary

This chapter seeks to provide foundational support for a cross-cultural brand equity study between Americans and Chinese. Various U.S. firms market their brands in China to help offset the mounting pressures on their brands, and to hopefully capitalize on the strongly growing Chinese economy. Unfortunately for those U.S. firms, various Chinese firms have begun to aggressively manufacture and market their own brands and counterfeits in China, as well as in the U.S. and other foreign markets. This compounds

the pressures on U.S. brands, may limit U.S. brand's success in China, and may harm them in their home and other foreign markets.

Literature suggests that the dissimilar American and Chinese cultures, modes of thought, values, and emotional experiences and expressions lead to Americans and Chinese being fundamentally opposite. These differences may lead to brand equity forming differently in these two societies, as well as having dissimilar influence on its consequences. As a result, if U.S. firms use standardized brand strategies in the U.S. and China in order to attain economies in production, promotion, distribution, research and development, and personnel, they may experience dissimilar levels of brand success.

To that regard, studies such as the one proposed in this dissertation may produce knowledge that will help researchers develop models and theories that will better address the differences between Americans and Chinese. The hopeful goal is that such models and theories would strengthen researchers' ability to provide knowledge to U.S. brand marketers that will help them develop brand strategies that are more appropriate for, and successful in China.

CHAPTER 3

RESEARCH METHODOLOGY

Introduction

This dissertation entails a cross-cultural comparative study of the influence of brand equity's antecedents on brand equity with Americans and Chinese, as well as the relative influence of brand equity on its consequences in these two societies. This study will serve to build a foundation for post-dissertation cross-cultural brand and brand equity research with people in various societies, especially between Americans and Chinese. The hope is that an ongoing and long-term research program will continually strengthen our cross-cultural brand and brand equity knowledge, and will benefit both researchers and marketers. For example, future research might explore whether brand equity's formation and influence on its consequences varies if a brand that is marketed in a culture, is marketed by a firm from within the culture versus by a foreign firm. While some literature would seem to indicate that country of origin might be an influencing variable (Maheswaran 1994; Peracchio and Meyers-Levy 1994), this should not be assumed as a given. For example, 65% of Chinese respondents that participated in a survey stated that the country of origin is not an important factor in their evaluation of, or preference for a brand (Madden 2003b).

However, before any future research should be considered, it is important that this dissertation's hypotheses, which are built upon various disciplines' existing literature, first be tested. The hope is that the knowledge derived from this study will help us address the questions that are posed in this dissertation, as well as provide insight into

potential future research ideas. To that regard, this chapter discusses the following: 1) the brands selected for use in the study, 2) selection of respondents and the Chinese university used in the study, 3) goals, development procedures, and translation of the survey instrument, 4) a review of the constructs and their measurement items; and, 5) discussion of the data analysis method, including presentation of the U.S. and Chinese Cross-Cultural Brand Equity Structural Equation Modeling models that guided this study.

Brands selected for the study

In order to conduct a study that comparatively examines the influence of brand equity's antecedents on brand equity and its consequences with Americans and Chinese, this dissertation employs brands that are similarly well-known and used by American and Chinese respondents. To that regard, this dissertation posits that American brands were most appropriate for this study for two fundamental reasons. First, literature indicates that many Chinese are familiar with, and frequently use various American brands. This is because many American brands have been marketed in China for quite some time, especially in major Chinese cities. In contrast, Americans are typically unfamiliar with Chinese brands because of their relative newness (Gilmore and Dumont 2003; Saludo 1996). Second, interviews with various Chinese students at The University of Tennessee indicated that even though they were born and raised in China and have only been in the U.S. for a limited time, they are more familiar with and have used more American brands than Chinese or other brands. They also stated that they view that this is similar to the current situation in China with the typical Chinese individual.

To identify which U.S. brands are best suited for the study, a pre-study was conducted with twenty-two Chinese students at the University of Tennessee. The pre-study was with students who had been born in, and grew to adulthood in mainland China, and had not lived in the U.S. for more than 5 years. The reason for seeking respondents who had been in the U.S. less than 5 years was in attempt to reduce Western biases that may have developed while living in the U.S. Because of limited access to such respondents, convenience samples were identified and contacted through coordinated efforts with the Chinese Students and Scholars Association at The University of Tennessee. Of the twenty-two students that participated in the pre-study, their average age was 27.8 years old, the average number of years they were in China before coming to the U.S. was 25.5, and they had been in the U.S. for an average number of 2.3 years. Four of the students were undergraduates, and the remaining eighteen were graduate students. All of the respondents were born in, and grew up in mainland China.

Each Chinese student was given a survey that asked them to list as many U.S. brands as possible that: 1) they perceive have a strong presence in China, 2) they perceive are popular in China, 3) are sold in China, and 4) they had used when they were living in China, before they came to the U.S. for school. Table 3-1 provides some of the brand information that was obtained in the pre-study. Although a total of 73 brands were listed by the Chinese students, Table 3-1 provides the information from the brand survey with Chinese students for the 14 brands that were listed most often by the respondents as having a strong presence in China. This is because very few of the students view the other brands as being popular or even sold in China, and are brands that very few of the respondents had used in China.

Table 3-1

Brand survey with Chinese students

Brand	**Respondents who perceive the brand has a strong presence in China**	**Respondents who perceive the brand is popular in China**	**Respondents who indicate the brand is sold in China**	**Respondents who used the brand in China**
Coca-Cola	19	19	16	15
McDonald's	18	18	14	13
IBM	18	13	16	11
Microsoft	17	14	14	11
Nike	17	14	15	10
KFC	17	13	15	15
Dell	16	10	14	5
Ford	16	4	12	0
Pepsi	14	9	12	8
Intel	11	9	10	9
HP	11	5	10	7
Compaq	8	3	7	3
Buick	8	4	8	1
Pizza Hut	7	4	7	2

As Table 3-1 indicates, Coca-Cola, KFC, and McDonalds are not only some of the brands that were identified most often by the respondents as having a strong presence in China, they are also brands that had been used most frequently by the respondents in China. Of these 3 brands, this dissertation posits that McDonald's was inappropriate for this study, based on various respondents discussing, subsequent to completion of the survey, their dislike of McDonald's. Several respondents stated that they view McDonald's food as very unhealthy, and indicated that they had this view of McDonald's before they came to the U.S. In addition, they discussed their belief that this view is typical of many people in China. Thus, if McDonald's were used in the study there was a potential that the answers would have been negatively biased. Therefore, it was decided not to use McDonald's in this study. In contrast, no such negative comments were made by the respondents about either Coca-Cola or KFC.

Several of the other brands that were listed most frequently by the respondents are technology products, including IBM, Microsoft, and Intel. However, during general conversation after the respondents completed the survey, many of them discussed that the typical Chinese student who comes to the U.S. for college is typically from a family with a significantly higher socio-economic background than are students who go to college in China. They feel that the dissimilar socio-economic difference means that the typical Chinese who comes to school in the U.S. is more able to purchase these brands, as compared to their counterparts in China who are less likely to have the needed resources. For example, only half of the respondents had even used an IBM computer when they were in China, and stated that they believed the typical student in China is even less likely have used an IBM computer. Thus, it was decided that these brands were

inappropriate for this study due to the potential difficulty in securing appropriate respondents in China. Interestingly, the respondents also mentioned that the limited discretionary funds of the typical student in China restrict their ability to purchase brands such as Nike, which was among the brands listed most frequently by the respondents. Therefore, Nike was also eliminated from further consideration for this study.

Compounding the limited ability of the typical person in China to purchase various American brands is the ready availability of counterfeits in China. As noted by Behar (2000) and Swift and Yaeger (2003), counterfeiting damages the luster and desirability of the genuine brands. Thus, brands that are frequently counterfeited in China would be inappropriate to use because of the potential for Chinese respondents' answers to be biased, due to the potentially damaged genuine brand. Literature suggests that counterfeits of leading technology brands often exist in China. For example, 90-92% of the software sold in China is counterfeit (Behar 2000), with 85% of software that was sold in China in 2002 under the Microsoft brand name being counterfeit (Meredith 2002). As a result, this dissertation posits that the technology brands most frequently listed by the respondents were inappropriate for this study.

Based on the various above noted points, it was decided that the U.S. brands most appropriate for this dissertation's study are Coca-Cola and KFC. This decision is based on the brand-identification pre-study which indicates that these are the brands with which the Chinese students are very familiar, had used before they came to the U.S., and are brands that post pre-study discussion with the respondents indicated are U.S. brands that they believe are ones that a typical university student in China is familiar with and uses.

Interestingly, literature lends support to the selection of Coca-Cola and KFC. Coca-Cola is the leading soft drink in China, with a 43% market share (Rongxia 2000), and 81% awareness among consumers in China (Beatty 1997). KFC is the number one brand of fast food restaurants in China, and has the greatest number of fast food restaurants in China. For example, as compared to McDonalds' 600 restaurants, KFC has 1,000 restaurants in China (Novak and Boorstin 2004; Liang and Zhixian 2004). To confirm that KFC and Coca-Cola are similarly known and used by American students, they were discussed with various University of Tennessee students. The discussions confirmed that the American students do have similar familiarity and usage of Coca-Cola and KFC as the Chinese students.

Respondent and Chinese university selection

The primary determinant of how respondents were selected for the study was that the U.S. and Chinese respondents should be as comparable as possible, other than them being from the two different cultures. The reason for this focus is that having respondents as similar as possible helps decrease the within-group (e.g. Chinese and American groups) heterogeneity (Ter Hofstede et al. 2002). For example, the more similar the U.S. and Chinese respondents are, the greater the likelihood that the respondents within each group will have relatively similar socioeconomic and historical backgrounds, languages and religions, needs, attitudes and beliefs, lifestyles, and behaviors (Ter Hofstede et al. 2002). This will help reduce the measurement and random errors, strengthen the validity of the study, and lead to more valid comparisons of the two groups (Ter Hofstede et al. 2002; Steenkamp and Baumgartner 2000). To help increase

the potential of achieving this goal, the study was conducted with U.S. and Chinese university students. An additional benefit of using university students is their convenience, which made the implementation of this study significantly more realistic.

In order to identify potential Chinese universities that would permit the study to be completed by their students, discussions were held with various faculty members at The University of Tennessee in order to identify their contacts at a variety of Chinese universities. Various e-mail and telephone communications were coordinated with these Chinese contacts, which included the President of CLM China, and professors at Dalian University, Sichuan University, and the Beijing Technology and Business University.

Sichuan University was the initial university of choice for the study, because The University of Tennessee recently developed a joint-research support agreement with them. Unfortunately, although Sichuan was willing to permit the study to be conducted with their students, they wanted to charge significant fees for the study. For example, they wanted to charge $10 for each student that completed the survey. Because the survey needed to be completed by 300 Chinese students, this alone would cost $3,000. They also were going to charge $840 for campus accommodations. These, combined with various other fees would have resulted in the study at Sichuan costing over $5,700. After discussion with my dissertation chair, it was agreed that some of the charges (e.g. the fees for students to complete the surveys, and for the qualitative interviews) were inappropriate, and inconsistent with the spirit of intent for the joint-research support agreement. As a result, because it was possible to make more affordable and more appropriate arrangements with other Chinese universities, it was decided not to use Sichuan University for the study.

In contrast to Sichuan University, The Beijing Technology and Business University proved to be significantly more accommodating for the study. First, they readily agreed that the study could be conducted from March 1 to March 20, 2005, which met the time needs for completing the study in a timely manner. Second, they did not charge any fees for their students to participate in the study, which made the study significantly more cost practical. Third, they even provided free use of university housing while the study was being conducted. Fourth, the primary contact professor at this university expressed strong interest in joint future research, which helped ensure that doors of opportunity for future cross-cultural research with China would be kept open. Therefore, it was decided that Beijing Technology and Business University would be a logical place for conducting the study.

In addition to Beijing Technology and Business University, Dalian University also expressed a strong interest in the study being conducted with their students. The primary contact professor at Dalian also asked if I would conduct 3 lectures with their students while there conducting the study. The lecture topics were: 1) Skills and knowledge that are essential for superior sales and sales management, 2) How to effectively communicate with other people, and the importance of effective communication skills, and 3) How to effectively market industrial and consumer goods.

Although arrangements had already been made to conduct the study at the Beijing Technology and Business University when Dalian University indicated their interest, doing with study at both universities offered several significant potential opportunities. First, doing the study with students in two different parts of China would enrich my contextual understanding of Chinese people and their similarities and differences as

compared to Americans. Second, while the findings of this dissertation only uses data from students at one Chinese university (The Beijing Technology and Business University), the additional data from a second university in China makes it feasible to complete post-dissertation manuscripts on potential differences between Chinese provinces (i.e. comparing results of the study between 2 Chinese provinces, as well as comparing U.S. findings to multiple Chinese provinces). Third, by working with Dalian University, I would have additional doors of opportunity open for future joint cross-cultural research. And, fourth, teaching students at Dalian would provide an opportunity to garner insights into Chinese that would not be secured by any other method or experience. Based on these long-term benefits, it was decided to conduct the study at both of these Chinese universities.

While the physical distance between the U.S. and China required a significant investment of time and money to conduct the study in China, it was perceived as being very important to personally conduct the survey in mainland China because it was believed that investing the time and money to personally conduct the study in China would demonstrate to the Chinese student respondents the seriousness of the research, and the researcher's dedication to the project. The reason for this focus was to increase the probability that the Chinese students would focus on completing the survey properly. In addition, going to China for the study was perceived as helping the researcher begin developing solid long-term contacts with Chinese researchers for doing post-dissertation cross-cultural research. These are benefits unlikely to be secured any way other than by personally going to China for the study (i.e. doing the study on a web-site).

The American students used in the study were from The University of Tennessee. The survey included demographic questions about the respondents' cultural background. This was to ensure that any completed surveys that indicated a background of The University of Tennessee students as being other than American could be discarded, as were any surveys completed by students in China who indicated a cultural background other than mainland Chinese.

Dissertation survey instrument

Survey instrument goals

Because this study entails two cultures with very dissimilar languages, it was vital that the survey's instructions and measurement items were written well, were easy for the respondents to understand and comprehend, are clear, and are not vague, ambiguous, or difficult to answer (Dillman 1978; Belson 1981). Effort was also given to ensuring that the questions are sufficiently specific in order to communicate uniform meaning to all of the respondents (Converse and Presser 1986), with focus on designing questions that are appropriate for the brands, are not too lengthy, and are not biased (Payne 1951).

To achieve these goals, closed-end questions were used because the study is fundamentally confirmatory in nature, and because it was important to avoid potential misunderstandings that could occur with open-end questions used with respondents that are from two cultures with distinctly different languages (Lehmann 1989; Converse and Presser 1986). The survey begins with easy and non-threatening questions that were designed to help respondents be comfortable completing the survey (Bradburn and

Sudman 1978), and was designed such that the questions are sequentially logical in order to avoid confusing the respondents (Bradburn and Mason 1964; Schumann and Presser 1981). For example, the brands are sequential, with all of the questions that pertain to a construct for each brand being contiguous. The survey contains transitional questions that helped respondents recognize when the topic of interest changed. Finally, effort was given to avoiding redundancy in the questions, and to keeping the survey instrument as short as possible (Bradburn and Sudman 1978).

Survey instrument development procedures

After discussion with the dissertation committee members, it was agreed that new measures were needed for this dissertation for two fundamental reasons. First, this research project entailed various contextualities that exist with brands that are physically consumed by respondents, and that explores the value that consumers from two very dissimilar cultures perceive the brands having. Literature does not appear to have suitable measures for such a study. Second, the limited overall cross-cultural research between China and the U.S. and the absence of comparative brand equity studies also lead to an absence of existing measures that reflect the contextualities entailed in this study. Therefore, following Churchill's (1979) general guidelines, new measures were developed that reflect these contextualities and are similarly applicable in both China and the U.S.

The first step for developing new measures was to conduct a literature review in order to clearly define the constructs, as intended in the context of this dissertation study. While these definitions were presented in chapter 2, they will briefly be presented again

in a later section of this chapter that presents the constructs and measures. The next step was to generate a sample of items that capture the domain of the constructs. In order to generate such measures, qualitative interviews were conducted with a variety of people, with the goals of developing insight into 1) why people consume Coca-Cola and KFC, 2) what they value about the brands, 3) what are the benefits and risks to them of consuming the brands, 4) what leads to them valuing the brands, 5) what are the outcomes of consumers using the brands; and, 6) what determines whether they will purchase the brands in the future.

To accomplish these goals, in-depth qualitative interviews were conducted with: (a) 3 employees of the local (Knoxville) Coca-Cola Enterprises bottling plant, who are people that routinely work with local and corporate Coca-Cola sales people and managers, with numerous local and regional retailers, and have significant exposure to and understanding of Coca-Cola consumers; (b) 2 employees of the local KFC franchise network, with one being a manager at a local KFC and the other being the district manager for the 11 KFC's that comprise the local franchise network. Prior to holding this position, the district manager was a regional manager for corporate KFC, before which she managed an individual KFC restaurant; (c) 5 Chinese students at The University of Tennessee, that were born and lived in mainland China until they came to the U.S. to attend college, and were extremely fluent in both Chinese and English; and, (d) 4 American students at The University of Tennessee. Each interview was transcribed, with the data used for developing the initial items.

The next step was to review the initial items with 4 subject matter experts (SME's), in order to determine the face validity of the measures and how well they

represent the constructs that are in the study's model. As discussed in literature, SME's are frequently used by researchers because having a small number of SME's review one's measures often provides empirical results that agree with the results that are "…obtained from a larger sample of field respondents (Maurer and Tross 2000). Thus, by relying on SME feedback a researcher can relatively accurately determine the validity of their measures (Maurer and Tross 2000). In addition, SME's often expose the researcher to new ideas and procedures that would not have been known otherwise (Lee and Mehlenbacher 2000). SME feedback was used to begin purifying the measures by determining 1) which initial items should be deleted, 2) additional measures that should be added; and, 3) any wording changes to the initial items that were needed and appropriate.

The revised items were then consolidated into a survey instrument that was tested with American and Chinese students at The University of Tennessee to determine the clarity, understandability, difficulty level, and readability of the survey measures and the instructions, as well as to determine the ability for respondents to conceptualize the survey measures and instructions (Dillman 1978, 2000).

Next, a pre-test was conducted for verifying the strength of the measures, and to identify which items could be purified out of the study, (see Appendix A for the pre-test survey). The pre-test survey was completed by 314 students in various undergraduate classes at The University of Tennessee, of which 42 were unusable due to: 1) too much missing data, 2) too many questions answered identically (i.e. various students simply circled the same answer for entire sections of items), and 3) some surveys so poorly

completed by the respondents that they were illegible. Thus, 272 (86.6%) of the completed pre-test surveys were usable for purification of the initial items.

Respondents' answers to the measures were entered into SPSS, after which confirmatory testing was conducted with Amos 5. Upon running the confirmatory test in Amos 5, the following three items were examined to identify which items were acceptable for the study, and which should be purified out of the study: (1) *Modification Indices*, in order to determine which items cross-loaded to other items and/or to other constructs. Rather than simply having a Modification Index value that was used as a cutoff number for dropping items from the study, all items that indicated cross-loading were examined for determining their appropriateness and necessity in the study.

However, those items that had Modification Index values that were very strong were dropped in order to avoid any strong cross-loadings damaging the findings. (2) *Kurtosis*, in order to identify any items that the respondents essentially answered similarly, because this would indicate the answers to those items had limited variance, which would render them of no statistical value for the study. After discussion with some members of the committee, it was agreed that the general rule was to drop any items with a Kurtosis value greater than 2.0; however, there were a few items accepted with Kurtosis values slightly above 2.0, due to their importance for measuring the construct to which they were associated. And (3), the *Standardized Regression Weights (e.g. Lambda weights*), to determine the strength of each item as a predictor for the construct to which it was associated. Any items that had a regression weight below .4 were immediately dropped, because such low numbers indicate they would be weak indicators of the construct. Those items with lambda weights between .4 and .6 were examined to

determine their appropriateness, as well as their need for being used to examine the construct. Items with lambda weights greater than .6 were accepted, unless they demonstrated either strong cross-loading or strong kurtosis.

The final step for evaluating the suitability and face validity of the retained items was to review them with the committee chair and one other committee member. After item purification was completed, each construct had 3 - 5 measures. This was consistent with the original goal of having a minimum of 3 measures for any single construct in order to secure enough data to enable Amos 5 to evaluate the results.

Table 3-2 presents the pre-test's statistical results, after the item purification was completed. Note that because KFC and Coca-Cola have some dissimilar measures, each brand has its own model, as well as its own statistical results. The statistical analysis goals that were the target for the models after item purification were essentially met. For example, both models had superior performance compared to the minimum CFI of .9, and the maximum CMIN/DF of 2.0. While the maximum RMSEA of .05 was met by KFC, the Coca-Cola model does slightly exceed the goal (i.e. result was .052). However, the result is very close to the desired RMSEA, and the dropping of any item(s) simply for the purpose of achieving a RMSEA </= .05 would result in dropping item(s) that are perceived essential for this study. Thus, no further item purification was done to the Coca-Cola items simply to make a relatively minor RMSEA adjustment.

After the item purification was completed, discussion with the committee chair and 1 other member indicated that limited item re-wording was warranted for the survey instrument that was used in the actual study (i.e. only 2 Coca-Cola and 2 KFC items were altered). The alterations included: (1) One *Purchase Intent* measure for each brand,

Table 3-2

Pre-test statistical results

Statistical analysis results	**Coca-Cola**	**KFC**	**Goal for statistical analysis**
Chi-Square	1948.695	1944.238	N/A
DF	1133	1183	N/A
CFI	.907	.903	>/= .900
CMIN/DF	1.720	1.643	</= 2.00
RMSEA	.052	.049	</= .05

because comparison of the original items to respondents' answers indicated that they did not understand the true intent of the questions. The Coca-Cola measure that was changed was "In the future I am likely to purchase *another brand* of soft drink", which was changed to "In the future I am likely to purchase *a different brand* of soft drink". Similarly, the KFC measure that was changed was "In the future I am likely to purchase *another brand* of fast food", which was changed to "In the future I am likely to purchase *a brand of fast food different* than KFC". (2) One *Awareness* item for Coca-Cola was changed from "Coca-Cola is a brand *that many people drink*" to "Coca-Cola is a brand *that I see many people drink*". (3) Two *Awareness* items for KFC were merged into one measure. The original questions were "KFC is a brand of fast food that comes to my mind when someone asks me to join them for a quick meal" and "KFC is a brand that comes to my mind when I think of fast food". After consideration of the intent of the original items, it was agreed by the two committee members that a single more appropriate question that captured the essence of each of these questions was "When I

think of going out for a quick meal KFC is a brand that comes to my mind". The final survey instrument that was used in the study is found in Appendix B (note that Appendix B contains the English version of the survey that was used with U.S. respondents).

Survey translation

After the measures were purified, the survey was translated into Chinese by a graduate student at The University of Tennessee. Born and raised in mainland China, the student moved to the U.S. about two years ago for her graduate studies, and is very fluent in both Chinese and English. To help ensure accuracy in the translation, the translator was aided by a doctoral student at The University of Tennessee who is from Singapore, and is very fluent in both Chinese and English.

After the English version of the survey was translated into Chinese, the next step was to have the Chinese version back-translated into English, in order to verify the essential similarity of the English and Chinese versions. The back-translation was completed by a Chinese lady who: 1) lives in Atlanta, 2) received her Master's Degree in accounting The University of Tennessee, and 3) is very fluent in both English and Chinese. Her back-translation of the Chinese version of the survey was then compared to the original English version in order to identify which/if any corrections were needed and appropriate in the Chinese version. Upon identifying various needed changes, a meeting was then held with the original translator and the doctoral student who assisted her, to discuss the changes, and to ensure that the Chinese version captured the contextuality and "richness" of the original questions (see Appendix C for the survey instrument that was used in China).

Dissertation study's constructs and measures

First addressing Coca-Cola, then KFC, this section reviews the definition for each construct that is included in this dissertation's model, and provides the purified measurement items for each construct for the respective brand. In developing these measures, a Strongly Disagree – Strongly Agree, 5-point Likert scale was employed (see the pre-test survey in Appendix A, and the purified survey in Appendix B).

Functional antecedents of brand equity

1.) ***Reliability*** reflects a consumer's perception of the consistency of a brand's attribute performance over time, as well as its performance consistency from each purchase to the next (Aaker 1991; Keller 2003).

Coca-Cola measures: *Every time I drink Coca-Cola, it has the same:* Taste; Tingle in my mouth; and, Sweetness.

KFC measures: *Every time I eat at KFC, the food has the same:* Taste; Temperature; and, Smell. An additional KFC measure for this construct is: *Every time I eat at KFC, the food:* Is prepared the same.

2.) ***Effectiveness*** reflects a consumer's perception of how completely a brand meets their requirements and expectations (Keller 2003; Aaker and Joachimsthaler 2000).

Coca-Cola measures: *Coca-Cola:* Satisfies my thirst; Improves the taste of fast food, such as McDonald's; Makes me feel refreshed; and, Tastes good.

KFC measures: *KFC:* Serves food that smells good; Serves food that fills my hunger; Serves food that tastes good; and, Serves chicken that is tender on the inside.

Experiential antecedents of brand equity

1.) ***Awareness*** reflects a consumer's recognition and recall of a brand (Keller 2003). Recognition reflects one's ability to confirm that they were previously exposed to a brand when the brand is given to them as a cue. Recall reflects one's ability to generate a brand from their memory when given a relevant clue, such as a product usage situation, or some needs that would be fulfilled by a product category (Keller 2003).

Coca-Cola measures: *Coca-Cola is a brand that:* Is everywhere around me; I see at local sports events; I see at local school events; and, I see many people drink.

KFC measures: *KFC is a brand:* Of fast food that many people eat; and, Of fast food that I often see promoted or advertised. An additional KFC measure for this construct is: *When I think of going out for a quick meal:* KFC is a brand that comes to my mind.

2.) ***Behavioral loyalty*** reflects a consumer's repeat purchases of a brand, how frequently they purchase a brand, and the share of a product category which they purchase that is attributed to the brand (Keller 2003).

Coca-Cola measures: *Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola is the brand of soft drink that I:* Drink whenever I eat at a fast food restaurant, such as McDonald's; Buy whenever I am given a choice of soft drinks; Drink more frequently; and, Drink whenever I want to treat myself to a soft drink.

KFC measures: *Compared to other brands of fast food (such as McDonald's) KFC is the brand of fast food that I:* Eat whenever I want to eat a non-burger type of fast food; Eat more often; Eat when I want to eat something that is healthier than the typical fast food; and, Eat if it is convenient when I am hungry and need to eat in a rush.

3.) ***Attitude*** reflects a consumer's degree of favor or disfavor toward a brand (Armstrong and Kotler 2003; Eagly and Chaiken 1999).

Coca-Cola measures: *When I drink Coca-Cola, it is because Coca-Cola:* Is a brand that I like; Is the brand of soft drink that I prefer; and, Makes me feel good.

KFC measures: *When I eat at KFC, it is because KFC:* Is a brand I can trust; Serves food that I like; Is a brand that I like; and, Makes me feel good.

Functional dimension of brand equity

1.) ***Perceived quality*** refers to consumers' judgment of a brand's overall excellence or superiority with respect to its intended purpose, as compared to other products that the consumers perceive as being substitutes (Zeithaml 1988; Keller 2003; Aaker 1991).

Coca-Cola measures: *Compared to other brands of soft drinks (such as Pepsi, Sprite, and 7-Up), Coca-Cola:* Is the best soft drink; Has the best taste; and, Is a high quality soft drink.

KFC measures: *Compared to other brands of fast food (such as McDonald's), KFC:* Is the best fast food; Has the best taste; and, Is made with high quality ingredients.

2.) ***Perceived performance*** refers to consumers' judgment of a brand's ability to fulfill its function, as compared to other products that the consumers perceive as substitutes (Keller 2003; Armstrong and Kotler 2003).

Coca-Cola measures: *Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola:* Makes me feel the way I hope it will; Has the distinctive taste that I like; Quenches my thirst better than the other soft drinks; and, Gives me the energy I hope it will.

KFC measures: *Compared to other brands of fast food (such as McDonald's), KFC:* Sells food that tastes the way I hope it will; Sells food that fills my hunger the way I hope it will; Serves chicken that is as tender and juicy on the inside as I expect; and, Provides me with the menu options that I want.

Experiential dimension of brand equity

1.) ***Resonance*** refers to consumers' psychological bond with a brand (Keller 2003).

Coca-Cola measures: *Drinking Coca-Cola:* Reminds me of doing things with my family and friends; Reminds me of special events such as holidays and parties; Makes me feel like I am rewarding myself; and, Is a tradition with my family and friends.

KFC measures: *Eating KFC food:* Is part of the American (Chinese) culture; Makes me feel like I am rewarding myself; Is a tradition with my family and friends; and, Is like eating a meal that my mom cooked.

2.) ***Imagery*** refers to how consumers think about a brand, including their perceptions of whether the brand meets their psychological or social needs (Keller 2003).

Coca-Cola measures: *Drinking Coca-Cola:* Makes me feel modern; Fits my personality; Makes me feel like part of the group; Is something that popular people do; and, Fits my self-image.

KFC measures: *Eating KFC food:* Makes me feel modern; Makes me feel like a person with high social status; Makes me feel like part of the group; Makes me feel popular; and, Fits my self-image.

Consequences of brand equity

1.) ***Anticipated risk of the purchase decision*** refers to a consumer's judgment of the degree of uncertainty and consequences that are related to a brand's performance, as compared to their desired outcomes, goals, and expectations of the usage (Hofstede 1984; Keller 2003; Srinivasan 1987).

Coca-Cola measures: *Whenever I am deciding whether to buy Coca-Cola, I am concerned that it will:* Increase the likelihood that I will gain weight; Be addictive; Increase the likelihood that I will get diabetes; Make me feel edgy/nervous; and, Be a risky soft drink for me to drink.

KFC measures: *Whenever I am deciding whether to buy food at KFC, I am concerned that it will:* Increase the likelihood that I will develop heart disease; Increase the likelihood that I will become obese; Contain ingredients that are unhealthy; Be a risky food to eat; and, Be difficult to digest.

2.) ***Anticipated difficulty of the decision process*** refers to a consumer's judgment of the labor, skill, or planning that is required for them to make the purchase decision (Aaker 1992; Random House Webster's Unabridged Dictionary 2001).

Coca-Cola measures: *Deciding whether to purchase Coca-Cola:* Is easier because it is sold at so many places; Does not require a lot of effort; Is easier because it is a well-known brand; and, Is easier because I am familiar with the brand.

KFC measures: *Deciding whether to purchase fast food at KFC:* Does not require a lot of effort; Is easier because it is a well-known brand; and, Is easier because I am familiar with the brand.

3.) Anticipated confidence in the purchase decision refers to the degree of balance between a consumer's cognitive attitudes and beliefs about a brand, and their memories, feelings, needs, behaviors, role commitments, and cultural norms (The Handbook of Social Psychology 1985, 1998). For example, this reflects the consistency of a consumer's cognitions about a brand, including their beliefs and attitudes to support, rather than contradict their behaviors (The Handbook of Social Psychology 1998).

Coca-Cola measures: *Whenever I purchase Coca-Cola, I:* Have confidence in the quality of the product; Have confidence that my decision was good; and, Trust that the manufacturer produces a good product.

KFC measures: *Whenever I purchase fast food at KFC, I:* Am confident I will receive good service; Trust that the food is prepared properly; Have confidence in the quality of the product; and, Have confidence that my decision was good.

4.) Anticipated satisfaction with the product, resulting from the purchase decision refers to consumers' feelings of satisfaction, and their psychological state of mind (Oliver 1999).

Coca-Cola measures: *Typically, whenever I'm about to drink Coca-Cola, I feel:* Happy with my decision to drink the product; Satisfied with my decision to drink the product; and, Good about my decision to purchase the product.

KFC measures: *Typically, whenever I'm about to eat at KFC, I feel:* Happy with my decision to eat at KFC; Content with their food; and, Good about my decision to eat their product.

5.) ***Purchase intent*** refers to the degree of likelihood that a consumer will buy a brand in the future. This reflects their disposition, or general intention, or willingness to purchase a brand (McKnight, Choudhury, and Kacmar 2002), as well as the likelihood of them switching from the referenced brand to another brand (Keller 2003).

Coca-Cola measures: *In the future:* The next time I want a soft drink I am likely to buy Coca-Cola; I will drink Coca-Cola more often than other brands of soft drinks; and, I am likely to buy a different brand of soft drink than Coca-Cola.

KFC measures: *In the future:* The next time I want fast food I am likely to eat at KFC; I will eat at KFC within the next month; and, I am more likely to buy a different brand of fast food than KFC.

Data analysis method

Structural equation modeling (SEM) was chosen to be the method for testing the research models for the four following reasons: *First,* the dissertation's theory and hypotheses assert that brand equity's functional and experiential antecedents have dissimilar influence on U.S. and Chinese consumers, and may dissimilarly influence brand equity's consequences. SEM is appropriate for such a study because the theory and hypotheses fundamentally assert that a comparative study will reveal that there are dissimilar beta and gamma weights between Chinese and American consumers in the model (Steenkamp and Baumgartner 2000). *Second,* literature does not indicate whether the overall brand equity model should be expected to hold up with both Americans and Chinese. However, due the potential influences of mode of thought, cultural values, and emotional experiences and expressions on brand equity that are discussed in this dissertation, and their differences between Americans and Chinese, it posits that one should not automatically assume that either of the overall models would hold up in both China and the U.S. Thus, this dissertation puts forth an overall model pre-hypothesis question as to whether either model holds up with both Americans and Chinese. Similar to examining the theory and hypotheses, SEM would also be appropriate for such a comparative study of each of the overall models. *Third,* Steenkamp and Baumgartner (2000) indicate that SEM is a very good methodology to use in a marketing studies that entail constructs such as brand equity that cannot be directly observed, but "…can only be measured through observable measures or indicators that vary in their degree of observational meaningfulness and validity" (p. 196). *Fourth,* SEM is especially useful in cross-cultural studies because it can "…be used to compare relationships between

constructs across different groups" (Steenkamp and Baumgartner 2000, p. 199), such as different cultures.

As indicated in chapter 2, this dissertation's hypotheses; exploratory proposition; pre-hypothesis question, that will be tested for each brand (e.g. Coca-Cola and KFC) in this dissertation study are:

Hypothesis 1a: The path weight between reliability and perceived quality and perceived performance will be stronger for Chinese than for Americans.

Hypothesis 1b: The path weight between effectiveness and perceived quality and perceived performance will be stronger for Chinese than for Americans.

Hypothesis 2a: The path weight between awareness and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 2b: The path weight between behavioral loyalty and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 2c: The path weight between attitude and resonance and imagery will be stronger for Americans than for Chinese.

Hypothesis 3a: The path weight between perceived quality and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Chinese than for Americans.

Hypothesis 3b: The path weight between perceived performance and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Chinese than for Americans.

Hypothesis 4a: The path weight between resonance and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Americans than for Chinese.

Hypothesis 4b: The path weight between imagery and *anticipated: risk* of the purchase decision, *confidence* in the purchase decision, *satisfaction* with the product, and *difficulty* of the purchase decision process, will be stronger for Americans than for Chinese.

Exploratory proposition: The path weights between *anticipated:* a) *risk* of the purchase decision, b) *confidence* in the purchase decision, c) *satisfaction* with the product, and d) *difficulty* of the purchase decision process and purchase intent may be dissimilar for Chinese and Americans.

Pre-hypothesis question: Does the overall model hold up with both Americans and Chinese?

In addition, as indicated in chapter 2, the study also examined whether there is bi-directionality between brand equity and its antecedents, as well as with its consequences, with respect to both Coca-Cola and KFC. Based on the initial interviews to secure data for Coca-Cola and KFC, and the resultant purified measures, there are various dissimilar measures for each brand. Thus, each brand has a unique overall model. Figure 3-1 presents the U.S. and Chinese cross-cultural brand equity SEM model for Coca-Cola, and Figure 3-2 presents the U.S. and Chinese cross-cultural brand equity SEM model for KFC.

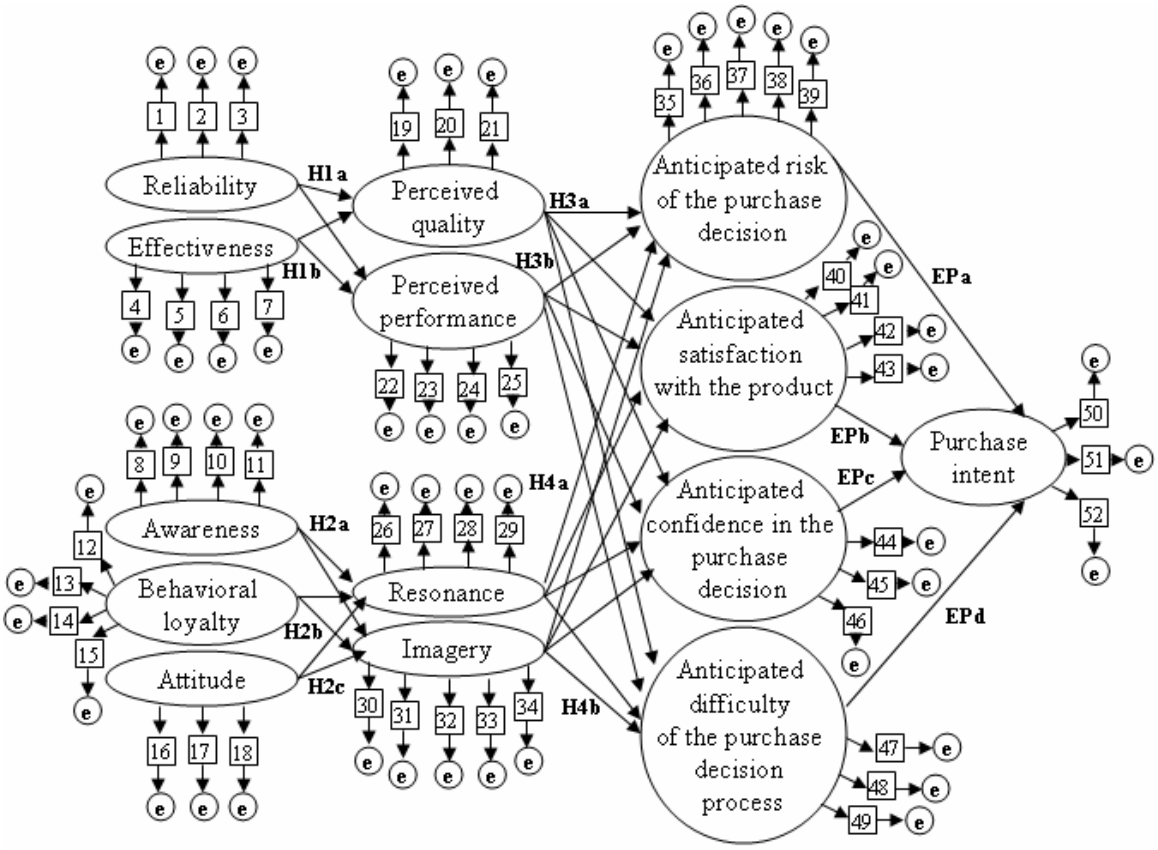


Figure 3-1

U.S. and Chinese cross-cultural brand equity SEM model for Coca-Cola

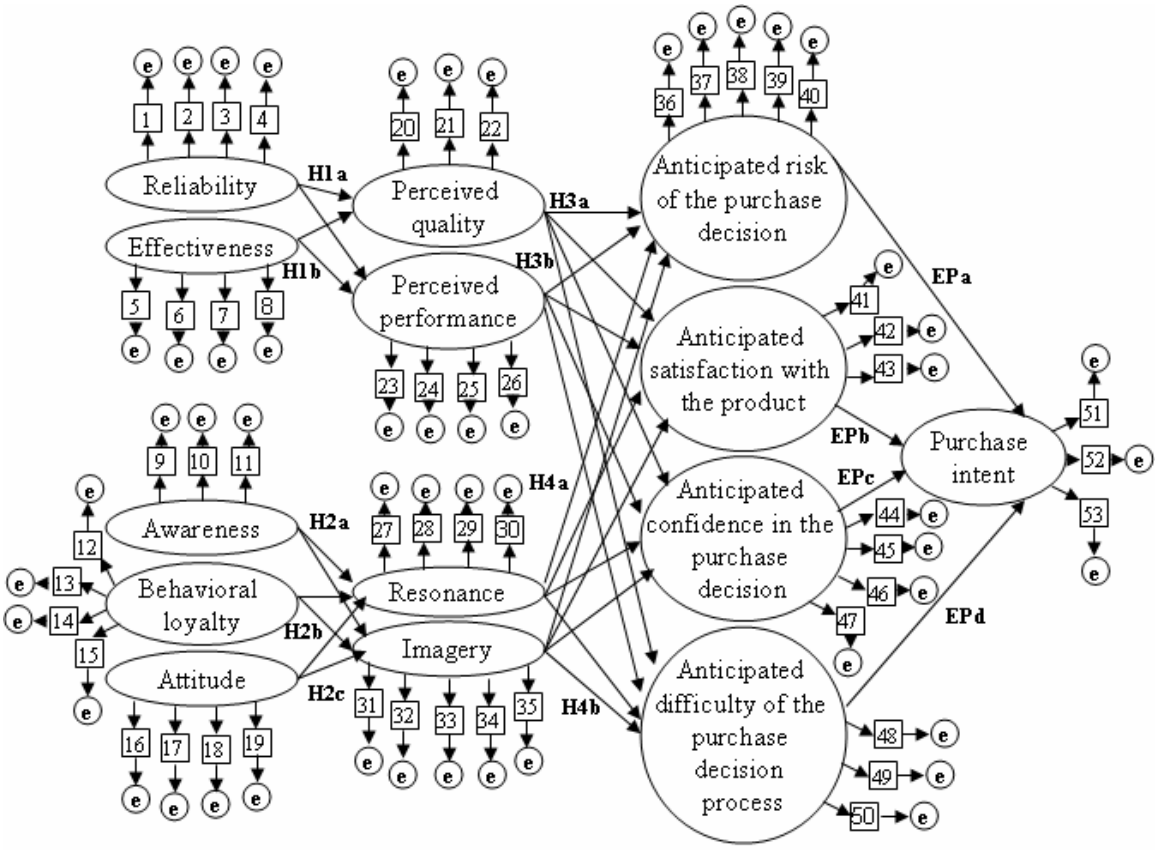


Figure 3-2

U.S. and Chinese cross-cultural brand equity SEM model for KFC

CHAPTER 4

RESEARCH FINDINGS

Introduction

This chapter reviews the findings of this dissertation's research, and includes discussion of: 1) the steps taken to purify the Coca-Cola and KFC models, 2) the purified Coca-Cola and KFC models, and 3) results of testing the dissertation's hypotheses, exploratory proposition, and pre-hypothesis question. Because this dissertation's research required using dissimilar measurement items for Coca-Cola and KFC, this chapter addresses each brand separately.

Before proceeding with these discussions, it is important to first discuss the researcher's assessment of the Coca-Cola and KFC models that were used in the study. While the models are novel, having been developed from conceptual marketing, cognitive and affective psychology, and cultural anthropology literatures; they appear to have been relatively sound based on three rationales. First, the study's focus was to examine whether there were significantly measurable differences for any of the relationships in the Coca-Cola and KFC brand equity models between Americans and Chinese. While this chapter's presentation of the results reveals that many of the comparative hypotheses were not supported (US versus China), this lack of support does not necessarily indicate that the relationship paths in the models were insignificant.

Second, as will be discussed in this chapter, the purification process resulted in the elimination of fewer relationship paths for KFC than for Coca-Cola, suggesting that as the complexity of a brand increases, the various constructs and relationship paths

presented in the model may become increasingly relevant. For example, Coca-Cola has relatively limited aspects, such as taste, quality of ingredients, and ability to quench one's thirst. In contrast, KFC has significantly more aspects, such as: taste, quality of product and service, friendliness of employees, cleanliness of the restaurant on the inside and outside. Thus, the future research agenda that will be discussed in chapter 5, will entail brands with an even greater number of aspects (i.e. possibly such as clothing and makeup brands, which will likely entail a greater strength of the psychological constructs of resonance and imagery), which may lead to these model paths being even stronger for such brands.

And, third, while the initial models' statistics were unsatisfactory for publication, they were an acceptably sound foundation for this study. For example, with respect to Coca-Cola, CFI was .838 for Americans and .820 for Chinese, and the model-fit indices for U.S. were 2.3 and 2.0 for Chinese (suggesting that the data fits the models relatively similar for the two groups. With respect to KFC, CFI was .890 for Americans and .843 for Chinese, while the model-fit indices were 1.8 for Americans and 1.9 for Chinese. These statistics suggest that the models' constructs have similar cohesiveness for the two groups, and that the data fits the models relatively similarly. Based on these various thoughts, the researcher views that the Coca-Cola and KFC models that were put forth in this dissertation were sufficiently stable to warrant use in this study.

With respect to the examination and purification processes of the dissertation's measurement and research models, the study fundamentally followed Singh's (1995) and Mullen's (1995) methodological recommendations for cross-cultural empirical studies. For example, Singh discusses that with a single sample group, standardized coefficients

may “eliminate any across-group differences on account of disparate variances” (p. 600), which will lead to a common metric for comparative analysis within a sample. However, he recommends the use of unstandardized coefficients for cross-cultural studies because he perceives that comparability cannot be assumed to exist across samples. Interestingly though is Singh’s (1995) discussion that “some researchers prefer standardized coefficients on the grounds of their (1) interpretability, (2) common metric or ‘scale’, and/or (3) ‘emic’ comparison standard (p. 598). He further acknowledges that some researchers prefer standardized coefficients for bringing “the disparate regression estimates to a common metric” (p. 599). As will be discussed in this chapter, in order to achieve across-group comparability, significant attention was given to 1) securing American and Chinese respondents that were very similar, and 2) multiple interviews and discussions were conducted with various Americans and Chinese in order to develop measurement items that samples from both groups indicated as having similar understanding and conceptualization. Thus it was felt that sufficient comparability was achieved for the use of standardized coefficients for data analysis in this study.

The second cross-cultural research issue addressed by Singh (1995) is the risk of measurement error. He states that “when the same construct is measured in different cross-national contexts” that the “estimates are likely to vary” (p. 601). Significant focus was given for avoiding this risk in this study. For example, Lamba weights for each measurement item were closely examined for both Americans and Chinese, with those items that had unacceptably low Lambda weights for both groups (i.e, < .4) being dropped. In addition, items with marginally acceptable Lambda weights for both groups (i.e. between .4 and .6) were closely examined to determine whether they should be

retained. As a result, the vast majority of retained measurement items had significant Lambda weights (i.e. >.6 for each group).

The third cross-cultural research issue discussed by Singh (1995) is his view that research should focus on the "direction….of the significant differences" for each group in order to avoid an overall error rate. This was a key focus for this study, based on the dissertation's thesis that the functional aspects of brand equity would be measurably more influential with Chinese, while the experiential aspects would be measurably more influential with Americans. To that regard, the dissertation's hypotheses tested whether such directional differences existed between the two groups. Related to this concept is Singh's view that all pairwise comparisons should be examined simultaneously in order to control the overall error rate within predetermined bounds. The use of Amos 5 in this study entailed such simultaneous comparison.

A cross-cultural research issue discussed at length by Singh (1995) and Mullen (1995) is the necessity for equivalence of constructs, measurement items and samples, in order to avoid "the validity of substantive inferences in cross-national research" being threatened. As will be discussed in this chapter, various steps were taken throughout the study in order to attempt to achieve such equivalence. As discussed by Singh, conceptual and instrument equivalence for the two groups was addressed before cross-national data was collected by conducting interviews and discussions with numerous Americans and Chinese. The information secured from the interviews and discussions was used to develop initial items, which were then converted into items that were as brief as possible, using a 1-5 Likert scale. This strategy resulted from the recommendation by numerous Chinese individuals that the survey should avoid detailed or lengthy items, with the scale

limited to no more than 5 points, in order to increase the likelihood of Americans and Chinese having similar conceptualization and understanding, and to increase the potential for familiarity with the scaling and scoring format each group of samples. As indicated by Mullen (1995), these steps were critical for increasing the likelihood that American and Chinese respondents would respond similarly, and to reduce the threat to "the reliability of the measurements" (p. 576).

Next, the items were reviewed by various Americans and Chinese in order to confirm similar conceptualization and understanding among the two groups. Translation and back-translation of the survey was then completed by a bilingual person, with all discrepancies corrected, and the corrected survey evaluated by additional bilingual people in order to ensure that the Chinese survey was equivalent to the original English version, such that the scores obtained from the Americans and Chinese would have the same meaning and interpretation (Mullen 1995).

Based on Singh's position that equivalence assessment can only be completed after the data collection stage, after the data was collected the modification indices and Lambda weights were closely examined for each group, in order to eliminate any items that were strongly cross-loading within a construct, or with items in other constructs, and to identify/remove any items that had insignificant weights for each group. This step was to attain constructs and measurement items that were as equivalent across the two groups as possible. Mullen (1995) clearly communicates the importance of having taken these various steps for achieving equivalence because it reduces "the threats to measuring reliability and validity," (p. 574) which is critical for cross-cultural research.

Next, consistent with Singh's (1995) suggestions for helping ensure model equivalence; multivariate, simultaneous analysis of the American and Chinese data sets for the Coca-Cola and KFC research models were run in Amos 5. Interestingly, Mullen (1995) discusses that Structural Equation Modeling is "a general technique for exploring whether the same measurement model is operating in multiple groups" (p. 574). By using Amos 5, the researcher was able to simultaneously examine the cross-national relationship paths between the various constructs, as well as the CFI and model-fit indices which enabled examination of the goodness-of-fit. As indicated by Singh (1995), this stage of the study also included examination of the critical ratios for both the Americans and Chinese, in order to ensure that the paths which were examined were significant for each group.

Based on the knowledge that the preceding strategies were used in the model purification and analysis, with more detailed discussion provided within this chapter, this chapter's discussion of the findings for Coca-Cola and KFC will first begin with dialog about each brand's measurement model being examined in order to determine whether a congeneric model (i.e. Lambda's and errors constrained to be equal for each measurement item) could be used, or whether a freely estimated model would be preferred (Singh 1995). Discussion will then proceed to steps taken to examine the Coca-Cola and KFC measurement models in order to evaluate the cohesiveness of their constructs, and to determine whether any measurement items should be dropped to make the constructs more cohesive. Next, the chapter will discuss how each brand's research model (i.e. directional relationships drawn between constructs that reflect the dissertation's hypotheses) was examined in order to evaluate the model's cohesiveness,

and to determine whether some items, constructs, and/or directional relationships should be dropped. And, finally, the chapter will conclude by addressing each brand's hypotheses, pre-hypothesis question, and exploratory proposition, with some additional comments about unexpected findings that were identified during the model purification process.

Coca-Cola

Model evaluation and identification of potential model improvements

Examination of the Coca-Cola measurement model indicated that a freely estimated model should be used. This is because the nested model comparisons had DF of 104, CMIN of 714.857, and a resultant CMIN/DF of 6.87, indicating that the model is under stress (i.e. because the CMIN/DF value was significantly greater than 2.0). Next, in order to identify the cohesiveness of the freely estimated model and its constructs, examination of the measurement model indicated the following scores: CFI of .867, RMSEA of .041, and model fit (CMIN/DF) of 1.870 (see Table 4-1). While the RMSEA and the model fit scores are within the desired range, the CFI is lower than desired.

To begin determining whether the CFI score could be improved, the measurement model was examined for U.S. and Chinese respondents, using confirmatory factor analysis. Table 4-2 provides a comparative analysis of U.S. and Chinese respondents, which indicates that while the CFI score was dissimilar for the two groups (i.e. .891 for U.S. respondents, and .831 for Chinese), indicating that there is dissimilarity of the constructs for each group; the RMSEA score was similar for the two groups (.059 for U.S. respondents, and .058 for Chinese), indicating similar convergence; and, CMIN/DF

Table 4-1

Initial measurement model's scores for Coca-Cola

Score of analysis	**Score**	**Desired score**
CFI	.867	=/> .900
RMSEA	.041	</= .05
CMIN (Chi Square)	4425.010	NA
DF	2366	NA
Model fit (CMIN/DF)	1.870	</= 2.00

Table 4-2

Initial comparative analysis of U.S. and Chinese respondents for Coca-Cola

Score of analysis	**U.S.**	**Chinese**	**Desired score**
CFI	.891	.831	>/=.900
RMSEA	.059	.058	</= .05
CMIN (Chi Square)	2196.650	2228.347	NA
DF	1183	1183	NA
Model fit (CMIN/DF)	1.857	1.884	</= 2.000

had only a minor difference between the two groups (i.e. 1.857 for U.S. respondents, and 1.884 for Chinese).

To begin examining how to improve the model and its constructs, and to see if more similar CFI scores could be achieved for each group, the measurement items for each group were examined to identify potential cross-loading or insignificant Lambda weights. This examination identified four items that needed to be dropped from the model (shown in Table 4-3). As depicted in Table 4-4, removing these items improved the measurement model's scores (as compared to Table 4-1). In addition, as shown in Table 4-5, comparative analysis of U.S. and Chinese respondents after removing the items, indicates a slight narrowing of the CFI gap between the two groups (as compared to Table 4-2).

While Table 4-5 indicates that a CFI gap remains between the U.S. and Chinese respondents after removal of the items (i.e. .907 for U.S. and .857 for Chinese), indicating that the constructs are not equally cohesive across the two groups, this dissertation posits that at this point in the model purification process there is acceptable similarity between the two groups. Thus, it was decided that at this point of analysis that no additional items should be dropped because of weak loading or cross-loading.

The next step was to run the research model to examine how to improve the model. Table 4-6 indicates that the research model's scores reflect that RMSEA met the desired result, but not the CFI and model fit scores. A comparative analysis of U.S. and Chinese respondents (see Table 4-7) indicates that while there is similarity between the U.S. and Chinese CFI and RMSEA scores, the only score to meet the desired result was the model fit score for Chinese respondents. Next, critical ratios for each relationship

Table 4-3

Items dropped from the model

Construct	Item dropped	Reason for dropping the item
Perceived performance	Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola gives me the energy that I hope it will	Strongly cross-loads with an item in the effectiveness construct with Chinese respondents
Imagery	Drinking Coca-Cola is something that popular people do	Strongly cross-loads with 2 other imagery items with U.S. respondents
Anticipated risk of the purchase decision	Whenever I am deciding whether to buy Coca-Cola, I am concerned that it will be a risky soft drink for me to drink	Low Lambda weight with Chinese respondents (.267)
Effectiveness	Coca-Cola improves the taste of fast food, such as McDonald's	Low Lambda weight with Chinese respondents (.344, and with U.S. respondents (.415)

Table 4-4

Measurement model's scores after removing items

Score of analysis	Score	Desired score
CFI	.887	=> .900
RMSEA	.040	<= .05
CMIN (Chi Square)	3585.571	NA
DF	1978	NA
Model fit (CMIN/DF)	1.813	<= 2.00

Table 4-5

Comparative analysis of U.S. and Chinese respondents after removing items

Score of analysis	U.S.	Chinese	Desired score
CFI	.907	.857	=> .900
RMSEA	.057	.055	<= .05
CMIN (Chi Square)	1790.653	1794.905	NA
DF	989	989	NA
Model fit (CMIN/DF)	1.811	1.815	<=.200

Table 4-6

Research model's scores

Score of analysis	Score	Desired score
CFI	.831	=> .900
RMSEA	.048	<= .05
CMIN (Chi Square)	4495.638	NA
DF	2080	NA
Model fit (CMIN/DF)	2.161	<= 2.00

Table 4-7

Comparative U.S. and Chinese scores

Score of analysis	U.S.	Chinese	Desired score
CFI	.838	.820	>/= .900
RMSEA	.074	.061	</=.500
CMIN (Chi Square)	2440.781	2054.793	NA
DF	1040	1040	NA
Model fit (CMIN/DF)	2.347	1.976	</= 2.000

were evaluated, with 2.000 the desired minimum value for both groups. Various relationships were identified with low critical ratios for both groups (see Table 4-8). Removal of these relationships resulted in elimination of all the awareness relationships with other constructs. Thus, it was examined whether the awareness items loaded onto either the behavioral loyalty or the attitude construct (all were experiential antecedents).

Table 4-9 indicates that of the alternatives for handling awareness and its items, removing the construct and its items lead to better scores. An additional problem identified was that attitude had strong relationships with two brand equity constructs (i.e. path weights of 1.08 for the attitude and resonance relationship, and 1.07 for the attitude and imagery relationship), indicating suppression between behavioral loyalty and attitude. To address this suppression, the model was run with the attitude and behavioral loyalty constructs dropped, independently, and their items loaded to the other. As shown in Table 4-10, of the alternatives for handling the suppression, the better alternative was to drop attitude and its items; as this lead to the better CFI and model fit scores.

Table 4-8

Relationships with low critical ratios

Relationship	Critical ratio for U.S.	Critical ratio for Chinese	Path weight
Reliability -> perceived performance	-.541	-.206	-.051
Awareness -> resonance	-.393	-1.242	-.069
Awareness -> imagery	-.846	-.529	-.053
Quality -> difficulty of the purchase decision	-1.382	-.945	-.238
Resonance -> difficulty of the purchase decision	1.441	-1.329	-.008
Resonance -> confidence in the purchase decision	-.202	-.650	-.029
Resonance -> satisfaction with product	-.255	.345	.015
Imagery -> confidence in the purchase decision	-.567	-.134	-.043
Imagery -> satisfaction with the product	1.123	1.732	.094
Risk of decision -> future purchase intent	.015	-.612	-.008

Table 4-9

Alternatives for handling the awareness construct and its items

Score of analysis	Awareness items loaded onto behavioral loyalty	Awareness items loaded onto attitude	Awareness and items removed
CFI	.797	.803	.836
RMSEA	.052	.051	.050
Model fit (CMIN/DF)	2.376	2.332	2.277

Table 4-10

Alternatives for handling behavioral loyalty and attitude suppression

Score of analysis	Drop attitude and load its items to behavioral loyalty	Drop attitude and its items	Drop behavioral loyalty and load its items to attitude	Drop behavioral loyalty and its items
CFI	.822	.840	.822	.833
RMSEA	.052	.050	.052	.051
Model fit (CMIN/DF)	2.385	2.294	2.385	2.354

Next, modification indices were examined to determine whether there were any items significantly cross-loading. Two effectiveness items were identified as strongly cross-loading (i.e. "quenches my thirst" and "is refreshing"). However, because qualitative interviews indicated the existence of both items, it was decided not to drop either from the model at this point of analysis. In addition, indices indicated that adding a relationship between effectiveness and future purchase intent might improve the model (i.e. a 1.215 parameter change). Adding this relationship did improve the model (see Table 4-11). Indices then indicated that adding a relationship between imagery and resonance might further improve the model (i.e. a .566 parameter change). Intuitively, it also seemed logical to have a linkage between one's psychological bond with a product and their self-image. Adding the relationship did improve the model (see Table 4-12).

Table 4-11

Adding a relationship between effectiveness and future purchase intent

Score of analysis	Score	Desired score
CFI	.873	=> .900
RMSEA	.045	<= .050
CMIN (Chi Square)	3070.769	NA
DF	1514	NA
Model fit (CMIN/DF)	2.028	<= 2.000

Table 4-12

Adding a relationship between imagery and resonance

Score of analysis	Score	Desired score
CFI	.883	=> .900
RMSEA	.043	<= .05
CMIN (Chi Square)	2945.239	NA
DF	1512	NA
Model fit (CMIN/DF)	1.948	<= 2.00

Two weaknesses identified in the model at this point were: 1) two relationships had path weights greater than 1 for the U.S. respondents (i.e. the relationship between perceived performance and satisfaction had a path weight of 1.561, and the relationship between effectiveness and future purchase intent had a path weight of 1.022), and 2) some relationships were weak (i.e. had low path weights). Examination indicated that four relationships were weak for both the U.S. and Chinese respondents (see Table 4-13), those being the relationships between: 1) reliability and perceived quality, 2) decision difficulty and future purchase intent, 3) satisfaction and future purchase intent, and 4) behavioral loyalty and resonance. Before removing any relationships, two additional steps were taken. First, examination of the remaining relationships identified that there were three that had critical ratios below 2 for both groups of respondents, those being the relationships between: 1) reliability and perceived quality, 2) decision difficulty and future purchase intent, and 3) satisfaction and future purchase intent (see Table 4-14).

Second, qualitative interview data was examined to confirm whether any of these relationships should not be removed from the model. This examination indicated that reliability is an important construct. Because removal of the relationship between reliability and perceived quality would essentially remove the reliability construct, it was loaded onto the perceived performance construct to determine if that might yield a stronger relationship. The result was positive, in that as compared to the relationship between reliability and perceived quality having a path weight of -.041 for U.S. respondents, and -.020 for Chinese, the relationship between reliability and perceived performance had a path weight of .14 for U.S. respondents, and .09 for Chinese, reflecting slight model improvement.

Table 4-13

Relationships with low path weights for both the U.S. and Chinese

Relationship	Path weight for U.S.	Path weight for Chinese
Reliability -> perceived quality	-.041	-.020
Behavioral loyalty -> resonance	-.056	.174
Decision difficulty -> future purchase intent	.030.	.011
Satisfaction -> future purchase intent	-.049	-.082

Table 4-14

Relationships with low critical ratios for U.S. and Chinese respondents

Relationship	Critical ratio for U.S.	Critical ratio for Chinese
Reliability -> perceived quality	-1.290	-.265
Decision difficulty -> future purchase intent	.903	.220
Satisfaction -> future purchase intent	-1.063	-1.055

As shown in Table 4-15, the research model's scores after removing the relationships between decision difficulty and future purchase intent, and between satisfaction and purchase intent, and moving the reliability relationship from quality to perceived performance, resulted in slight improvement in the model (as compared to Table 4-12).

Another review of the modification indices continued to indicate that two of the effectiveness items are strongly cross-loading (i.e. "quench thirst" and "refreshes me"). Because the "quenches thirst" item had the lower Lambda weight for both the U.S. and Chinese respondents, it was dropped from the model. While this left the effectiveness construct with only two measurement items, it was decided that it was preferable to have a construct with two good items, rather than have a construct with two good items that are damaged by a bad third one. As shown in Table 4-16 the research model's scores after dropping the thirst item resulted in further improvement of the model (as compared to Table 4-15).

After the various model changes discussed to this point, a problem identified was that two remaining relationships had path weights =/> 1. The relationship between perceived performance and satisfaction had a path weight of 1.32 for U.S. respondents, compared to .79 for Chinese; and, the relationship between effectiveness and future purchase intent had a path weight of 1.00 for U.S. respondents, compared to .84 for Chinese. Using "manage models", the relationship between perceived performance and satisfaction was assigned a value of .9, and the relationship between effectiveness and future purchase intent was assigned a value of 1. As shown in Table 4-17, the research model's scores worsened after these changes (as compared to Table 4-16).

Table 4-15

Research model's scores after relationship changes

Score of analysis	Score	Desired score
CFI	.885	=> .900
RMSEA	.043	<= .05
CMIN (Chi Square)	2934.168	NA
DF	1516	NA
Model fit (CMIN/DF)	1.935	<= 2.00

Table 4-16

Research model's scores after dropping the thirst item

Score of analysis	Score	Desired score
CFI	.895	=> .900
RMSEA	.041	<= .05
CMIN (Chi Square)	2701.472	NA
DF	1438	NA
Model fit (CMIN/DF)	1.879	<= 2.00

Table 4-17

Research model's scores after changing relationship weights

Score analysis	Score	Desired score
CFI	.884	=> .900
RMSEA	.043	<= .05
CMIN (Chi Square)	2840.684	NA
DF	1442	NA
Model fit (CMIN/DF)	1.970	<= 2.00

To determine whether other changes would improve the model, the critical ratios were re-examined. This identified two remaining relationships that had critical ratio values below 2 for both groups: a) imagery and risk of the decision, and b) confidence in the decision and future purchase intent (see Table 4-18). After their removal, it was identified that of the prior discussed forced values, the one for the relationship between effectiveness and future purchase intent could be removed. However, the .9 forced value for the relationship between perceived performance and satisfaction was identified as needing to be maintained.

The model purification process, which incorporates the changes discussed in this chapter, resulted in the revised Coca-Cola research model's scores (see Table 4-19), and the comparative U.S. and Chinese scores (see Table 4-20), reflecting significant improvement. For example, the revised model's RMSEA and model fit scores meet the desired results, the CFI score is very close to the desired score, and the model fit scores

Table 4-18

Relationships removed due to having low critical ratios with both groups

Relationship	Critical ratio for U.S.	Critical ratio for Chinese
Imagery -> risk of the purchase decision	1.778	.404
Confidence in the decision -> future purchase intent	1.577	-.322

Table 4-19

Revised Coca-Cola research model's scores

Score analysis	Score	Desired score
CFI	.895	=> .900
RMSEA	.041	<= .05
CMIN (Chi Square)	2716.684	NA
DF	1444	NA
Model fit (CMIN/DF)	1.881	<= 2.00

Table 4-20

Comparative U.S. and Chinese scores for revised Coca-Cola model

Group	CFI	RMSEA	Model fit (CMIN/DF)
U.S.	.919	.057	1.813
Chinese	.859	.060	1.994
Desired result	=> .900	<= .050	=< 2.000

for the U.S. and Chinese respondents meet the desired result. The revised Coca-Cola research model is shown in Figure 4-1.

Hypotheses testing

As a result of the model purification process, the initial Coca-Cola research model that was presented in Figure 3-1 has been significantly changed. Various items, constructs, and relationships that were in the original model were removed during the purification process, which leads to an inability to test some of the hypotheses. However, this section will address each hypothesis that was put forth for Coca-Cola.

The standard that was used for determining whether there was support for stating that there were significantly measurable differences between U.S. and Chinese respondents, was a p-value < .05 (p-values between .05 and .10 indicated that there were marginally measurable differences between the two groups).

Hypothesis 1a: The path weight between reliability and perceived quality and perceived performance will be stronger for Chinese than for Americans. The strength of the relationship between reliability and perceived quality *could not be tested* because the path was removed from the model during the purification process. Examination of the relationship strength between reliability and perceived performance indicated a path weight of .183 for U.S. respondents and .089 for Chinese. The p-value for this relationship was .204, indicating that there was *no support* that the relationship is measurably stronger for Chinese respondents.

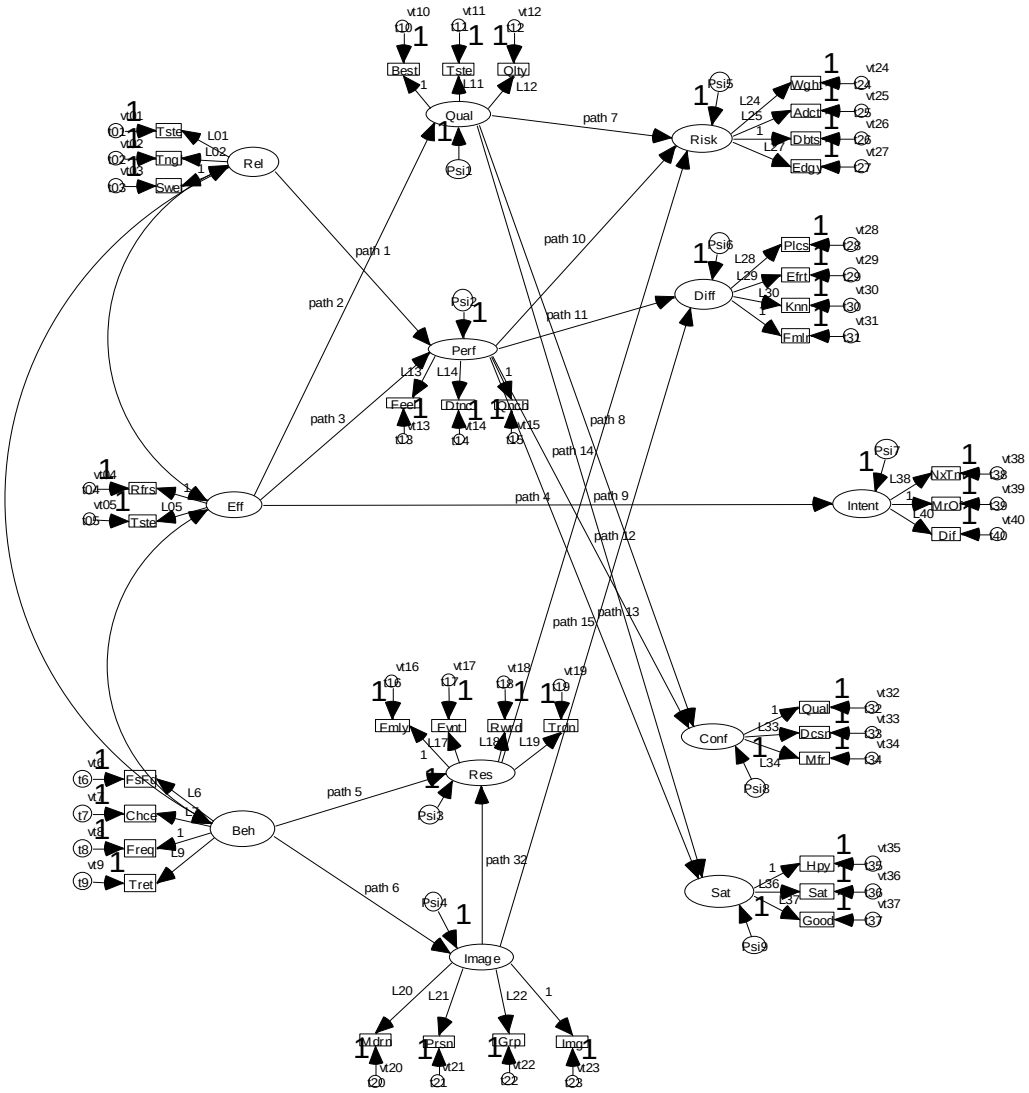


Figure 4-1

Revised Coca-Cola Model

Hypothesis 1b: The path weight between effectiveness and perceived quality and perceived performance will be stronger for Chinese than for Americans. Examination of the strength of the relationship between effectiveness and perceived quality indicated a path weight of .958 for U.S. respondents and .842 for Chinese. The p-value was .003, indicating that counter to the prediction; this relationship is measurably stronger for U.S. respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for Chinese respondents. The test of the relationship strength between effectiveness and performance indicated a path weight of .849 for U.S. respondents and .903 for Chinese. The p-value was .006, indicating that there is support for the hypothesis that the relationship is measurably stronger for Chinese respondents.

Hypothesis 2a: The path weight between awareness and resonance and imagery will be stronger for Americans than for Chinese. The strength of these relationships could not be tested because the awareness construct and its measurement items were removed from the model during the purification process.

Hypothesis 2b: The path weight between behavioral loyalty and resonance and imagery will be stronger for Americans than for Chinese. Findings indicated that the strength of the relationship between behavioral loyalty and resonance had a path weight of -.056 for U.S. respondents and .174 for Chinese. The p-value was .031, indicating that counter to the prediction; this relationship is measurably stronger for Chinese respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for U.S. respondents. The test of the relationship strength between behavioral loyalty and imagery indicated a path weight of .459 for U.S. respondents and .609 for Chinese respondents. The p-value was .003, indicating that counter to the

prediction; this relationship is measurably stronger for Chinese respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for U.S. respondents.

Hypothesis 2c: The path weight between attitude and resonance and imagery will be stronger for Americans than for Chinese. The strength of these relationships could not be tested because the attitude construct and its measurement items were removed during the model purification process.

Hypothesis 3a: The path weight between perceived quality and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Chinese than for Americans. Examination of the strength of the relationship between perceived quality and anticipated risk of the purchase decision revealed a path weight of .117 for U.S. respondents and .454 for Chinese. The p-value was .096, indicating that there is marginal support for the hypothesis that this relationship is measurably stronger for Chinese. Tests of the relationship strength between perceived quality and anticipated confidence in the purchase decision revealed a path weight of .265 for U.S. respondents and -.275 for Chinese. The p-value was .773, indicating that there was no support for the hypothesis that this relationship is measurably stronger for Chinese. With respect to the relationship strength between perceived quality and anticipated satisfaction with the product, findings indicated a path weight of -.294 for U.S. respondents and .015 for Chinese. The p-value was .029, indicating that counter to the prediction; this relationship is measurably stronger for U.S. respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for Chinese. The relationship strength between

perceived quality and anticipated difficulty of the purchase decision could not be tested because the path was dropped from the model during the purification process.

Hypothesis 3b: The path weight between perceived performance and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Chinese than for Americans. Examination of the strength of the relationship between perceived performance and anticipated risk of the purchase decision revealed a path weight of -.383 for U.S. respondents and -.694 for Chinese. The p-value was .029, indicating that there is support for the hypothesis that this relationship is measurably stronger for Chinese. Findings revealed that the relationship strength between perceived performance and anticipated confidence in the purchase decision had a path weight of .853 for U.S. respondents and .679 for Chinese. The p-value was .506, indicating that there was no support for the hypothesis that this relationship is measurably stronger for Chinese respondents. Test of the relationship strength between perceived performance and anticipated satisfaction with the product indicated a path weight of .938 for U.S. respondents and .671 for Chinese. The p-value was .630, indicating that there was no support for the hypothesis that this relationship is measurably stronger for Chinese respondents. Examination of the relationship strength between perceived performance and anticipated difficulty of the decision revealed a path weight of .425 for U.S. respondents and .060 for Chinese. The p-value was .155, indicating that there was no support that this relationship is measurably stronger for Chinese respondents.

Hypothesis 4a: The path weight between resonance and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and

difficulty of the purchase decision process, will be stronger for Americans than for Chinese. Examination of the strength of the relationship between resonance and anticipated risk of the purchase decision indicated a path weight of .294 for U.S. respondents and .383 for Chinese. The p-value was .525, indicating that there was no support for the hypothesis that this relationship is measurably stronger for U.S. respondents. The strength of the relationships between resonance and anticipated: 1) confidence in the purchase decision, 2) satisfaction with the product relationship, and 3) difficulty of the purchase decision relationship could not be tested because each of these paths was dropped from the model during the purification process.

Hypothesis 4b: The path weight between imagery and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Americans than for Chinese. The strength of the relationships between imagery and anticipated: 1) risk of the purchase decision, 2) confidence in the purchase decision, and 3) satisfaction with the product could not be tested because each of these paths was dropped from the model during the purification process. Examination of the strength of the relationship between imagery and anticipated difficulty of the purchase decision revealed a path weight of .068 for U.S. respondents and .277 for Chinese. The p-value was .096, indicating that counter to the prediction; the relationship is marginally stronger for Chinese respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for U.S. respondents.

Exploratory proposition: The path weights between anticipated: a) risk of the purchase decision, b) confidence in the purchase decision, c) satisfaction with the

product, and d) difficulty of the purchase decision process, and purchase intent may be dissimilar for Chinese and Americans. The strength of these relationships could not be tested because each of these paths was removed from the model during the purification process.

Pre-hypothesis question: Does the overall model hold up with both Americans and Chinese? A comparative review of U.S. and Chinese statistics (see Table 4-20) indicates both similarities and differences in how well the revised model holds up with U.S. and Chinese respondents. While the model fit score meets the desired result for both groups, CFI only meets the desired score for U.S. respondents, and the desired RMSEA score is not met for either group. However, this dissertation posits that there are sufficient similarities to suggest that the purified Coca-Cola model holds up similar for each group.

Additional thoughts: Because relationships were added between imagery and resonance, and between effectiveness and future purchase intent during the model purification process, the strength of these relationships was examined to determine if there was a measurable difference between the U.S. and Chinese respondents. Examination of the relationship strength between imagery and resonance indicated a path weight of .723 for U.S. respondents and .484 for Chinese. The p-value was .022, indicating that there *is support* that this relationship is measurably stronger for U.S. respondents. Findings revealed that the strength of the relationship between effectiveness and future purchase intent had a path weight of .961 for U.S. respondents and .831 for Chinese. The p-value is .005, indicating that there *is support* that this relationship is measurably stronger for U.S. respondents.

KFC

Model evaluation and identification of potential model improvements

Examination of the KFC measurement model indicated that a freely estimated model should be used. This is because the nested model comparisons had DF of 106, CMIN of 843.699 and a resultant CMIN/DF of 7.96, indicating that the model is under stress (i.e. the CMIN/DF value was significantly greater than 2.0). To identify the cohesiveness of the freely estimated model and its constructs, examination of the measurement model indicated the following scores: CFI of .863, RMSEA of .040, and model fit (CMIN/DF) of 1.820 (see Table 4-21). Thus, while the RMSEA and the model fit scores are within the desired range, the CFI is lower than desired.

To begin determining whether the CFI score could be improved, the measurement model was examined for U.S. and Chinese respondents, using confirmatory factor analysis. A comparative analysis of U.S. and Chinese respondents (see Table 4-22) indicates that the CFI score was dissimilar for the two groups (i.e. .891 for U.S. respondents, and .826 for Chinese), indicating that there is dissimilarity of the constructs for each group; while the RMSEA score was similar for the two groups (i.e. .054 for U.S. respondents, and .059 for Chinese), indicating similar convergence, and the CMIN/DF score met the desired result for both groups (i.e. 1.735 for U.S. respondents, and 1.923 for Chinese). To examine how to improve the model and its constructs, and to see if more similar scores can be achieved for each group, the measurement items for each group were examined to identify potential cross-loading or insignificant Lambda weights.

This examination indicated six items that needed to be dropped from the model (see in Table 4-23). Table 4-24 indicates that removing these items improved the

Table 4-21

Initial measurement model's scores for KFC

Score analysis	Score	Desired score
CFI	.863	=/> .900
RMSEA	.040	</= .05
CMIN (Chi Square)	4513.938	NA
DF	2468	NA
Model fit (CMIN/DF)	1.829	</= 2.00

Table 4-22

Initial comparative analysis of U.S. and Chinese respondents for KFC

Score of analysis	U.S.	Chinese	Desired score
CFI	.891	.826	>/=.900
RMSEA	.054	.059	</= .05
CMIN (Chi Square)	2141.413	2372.535	NA
DF	1234	1234	NA
Model fit (CMIN/DF)	1.735	1.923	</= 2.000

Table 4-23

Items to be removed from the model

Construct	Item	Reason for dropping the item
Behavioral loyalty	KFC is the brand of fast food that I eat if it is convenient when I am hungry and need to eat in a rush	Low Lambda weight with U.S. (.406) and Chinese (.398) respondents, and strongly cross-loads with an effectiveness item
Awareness	KFC is a brand of fast food that I often see promoted or advertised	Low Lambda weight with U.S. (.332) and Chinese (.210) respondents
Risk of the decision	Whenever I am deciding whether to buy food at KFC, I am concerned that it will increase the likelihood that I will become obese	Strongly cross-loads with three other items in the risk of the purchase decision construct
Perceived performance	Compared to other brands of fast food (such as McDonald's), KFC serves chicken that is as tender and juicy on the inside as I expect	Strongly cross-loads with items in the effectiveness and perceived quality constructs
Effectiveness	KFC serves food that fills my hunger	Strongly cross-loads with two perceived performance construct items
Future purchase intent	In the future I am more likely to buy a different brand of fast food than KFC	Low Lambda weight with U.S. (-.358) and Chinese (-.379) respondents

Table 4-24

Measurement model's scores after removing the noted items

Score of analysis	Score	Desired score
CFI	.900	=> .900
RMSEA	.037	<= .05
CMIN (Chi Square)	3200.507	NA
DF	1886	NA
Model fit (CMIN/DF)	1.697	<= 2.00

measurement model's scores (as compared to Table 4-21), with the model fit, RMSEA and CFI scores each meeting the desired results. In addition, as shown in Table 4-25, the comparative analysis of U.S. and Chinese respondents after removing the items, indicates a narrowing of the CFI score gaps between the two groups (as compared to Table 4-22).

Although Table 4-25 indicates that a CFI gap remains between the U.S. and Chinese respondents after removal of the items, indicating that the constructs are not equally cohesive across the two groups, this dissertation posits that at this point in the model purification process that there is acceptable similarity between the two groups. Thus, it was decided that at this point of analysis that no additional items should be dropped because of weak loading or cross-loading.

The next step was to run the research model to examine how to improve the model. Table 4-26 indicates that the RMSEA and model fit scores meet the desired results, but not the CFI score. A comparative analysis of U.S. and Chinese respondents (see Table 4-27) indicates that while there is similarity between their RMSEA and CFI

Table 4-25

Comparative analysis of U.S. and Chinese respondents

Score of analysis	U.S.	Chinese	Desired score
CFI	.921	.873	>/=.900
RMSEA	.050	.054	</= .05
CMIN (Chi Square)	1523.864	1676.650	NA
DF	943	943	NA
Model fit (CMIN/DF)	1.616	1.778	</= 2.000

Table 4-26

Research model's scores

Score of analysis	Score	Desired score
CFI	.869	=/> .900
RMSEA	.041	</= .05
CMIN (Chi Square)	3703.985	NA
DF	1988	NA
Model fit (CMIN/DF)	1.863	</= 2.00

Table 4-27

Comparative analysis of U.S. and Chinese respondents

Score of analysis	U.S.	Chinese	Desired score
CFI	.890	.843	>/=.900
RMSEA	.057	.059	</= .05
CMIN (Chi Square)	1801.685	1902.184	NA
DF	994	994	NA
Model fit (CMIN/DF)	1.813	1.914	</= 2.000

scores, only the model fit score meets the desired result for both groups. Next, critical ratios for each relationship were evaluated, with 2.000 the desired minimum value for both groups. This evaluation identified various relationships with low critical low critical ratios for both groups that should be removed from the model (see Table 4-28).[2]

Removal of the relationships with low critical ratios for both groups did not improve the research model's scores (see Table 4-29). For example, CFI fell from .869 to .866, RMSEA remained at .841, and model fit increased from 1.863 to 1.877. However, the comparative scores for the U.S. and Chinese respondents became more similar. For example, the comparative U.S. and Chinese scores (see Table 4-30) indicate that the CFI, RMSEA and model fit gaps narrowed between the groups (as compared to Table 4-27). Thus, removal of the relationships with low critical ratios for both groups improved the model by making it more reflective of both groups of respondents.

[2] In contrast to Coca-Cola, because removing relationships in the KFC model with low critical ratios for both groups did not eliminate any of the model's constructs, and because suppression did not occur among constructs, was unnecessary to address these purification steps in the KFC section of this chapter.

Table 4-28

Relationships removed due to having low critical ratios with both groups

Relationship	**Critical ratio for U.S.**	**Critical ratio for Chinese**
Behavioral loyalty -> imagery	.304	1.774
Perceived quality -> anticipated difficulty of the decision process	-.823	-1.108
Resonance -> anticipated difficulty of the purchase decision	1.084	1.120
Resonance -> anticipated confidence in the purchase decision	.286	-1.365
Resonance -> anticipated satisfaction with the product	-.550	-.381
Imagery -> anticipated risk of the purchase decision	-1.717	.673
Imagery -> anticipated difficulty of the purchase decision	-.626	.342
Decision risk -> future purchase intent	.367	.473
Confidence in the decision -> future purchase intent	.975	-.740

Table 4-29

Research model after dropping paths

Score of analysis	Score	Desired score
CFI	.866	=/> .900
RMSEA	.041	</= .05
CMIN (Chi Square)	3764.818	NA
DF	2006	NA
Model fit (CMIN/DF)	1.877	</= 2.00

Table 4-30

Comparative U.S. and Chinese scores after dropping paths

Score of analysis	U.S.	Chinese	Desired score
CFI	.885	.842	>/=.900
RMSEA	.058	.059	</= .05
CMIN (Chi Square)	1845.694	1919.059	NA
DF	1003	1003	NA
Model fit (CMIN/DF)	1.840	1.913	</= 2.000

Next, modification indices were examined to determine whether there were any items that were strongly cross-loading. Two items in the confidence in the decision process construct were identified to be strongly cross-loading (i.e. "I trust that the food is prepared properly" and "I have confidence in the quality of the product"). Because a) qualitative interviews did not indicate there was strong support for "I trust that the food is prepared properly", b) the item had a relatively lower Lambda weight, and c) the item cross-loads onto two additional items within the construct, it was dropped. In addition, indices indicated that adding a relationship between awareness and future purchase intent and between behavioral loyalty and future purchase intent would improve the model. Dropping the "I trust that the food is prepared properly" item and adding these two relationships improved the cohesiveness of the model. For example, as shown in Table 4-31, the scores after dropping the item and adding the two relationships resulted in CFI increasing from .866 to .878, and model fit falling from 1.877 to 1.805. In addition, as shown in Table 4-32, the comparative U.S. and Chinese scores indicate that: a) the CFI gap between the two groups declined, b) RMSEA became identical for the two groups, and c) the model fit score improved for both groups (as compared to Table 4-30). Re-examination of critical ratios and item loadings indicated that the relationship between imagery and confidence in the decision should be dropped, because the critical ratio for this relationship was below 2 for both the U.S. and Chinese groups. Re-examination of the model's relationships with standardized path weights greater than 1, revealed nine such relationships (shown in Table 4-33). Using "manage models" in Amos to set a path weight of 1 for these relationships sufficiently addressed this

Table 4-31

Scores after dropping item and adding two relationships

Score of analysis	Score	Desired score
CFI	.878	=/> .900
RMSEA	.040	</= .05
CMIN (Chi Square)	3450.484	NA
DF	1912	NA
Model fit (CMIN/DF)	1.805	</= 2.00

Table 4-32

Comparative U.S. and Chinese scores after dropping item and adding relationships

Score of analysis	U.S.	Chinese	Desired score
CFI	.895	.857	>/=.900
RMSEA	.056	.056	</= .05
CMIN (Chi Square)	1694.762	1755.690	NA
DF	956	956	NA
Model fit (CMIN/DF)	1.773	1.836	</= 2.000

Table 4-33

Relationships with standardized path weights greater than 1

Relationship	**Path weight for U.S.**	**Path weight for Chinese**
Effectiveness -> perceived quality	.903	1.025
Effectiveness -> perceived performance	1.179	1.180
Perceived performance -> anticipated satisfaction with the produce	.948	1.193
Perceived performance -> anticipated confidence in the purchase decision	.928	1.217
Awareness -> resonance	20.427	-2.565
Awareness -> imagery	.842	-2.861
Attitude -> resonance	-7.051	2.702
Attitude -> imagery	-.324	3.270
Behavioral loyalty -> resonance	-14.400	.452

situation, except the relationship between effectiveness and perceived performance required a .9 value for the path weight. After these changes, the standardized weight for each of these paths was below 1, which was necessary for conducting a comparative analysis between the U.S. and Chinese respondents.

As shown in Table 4-34, the model after setting the path weights was less cohesive (as compared to Table 4-31). For example, CFI fell from .878 to .816; RMSEA increased from .040 to .048; and model fit increased from 1.805 to 2.204. Comparative U.S. and Chinese results indicates that there continues to be similar convergence between the groups, as their comparative revised RMSEA values are .068 vs. .069 (see Table 4-35). The CFI and model fit indices worsened similarly for each group, indicating that although the model does not meet the desired result for either group, it worsened by a similar degree for each group. Figure 4-2 presents the revised KFC model.

Hypotheses testing

As a result of the model purification discussed in this chapter, the original theoretical KFC research model that was presented in Figure 3-2 has been significantly changed. This purification resulted in various items and paths being removed, resulting in an inability to test some of the hypotheses. However, each hypothesis that was put forth will be addressed in this section. The standard that was used to determine if there are significantly measurable differences between the hypothesized relationships for U.S. and Chinese respondents was a p-value < .05 (p-values between .05 and .10 indicated that there were marginally measurable differences between the two groups).

Table 4-34

Results of setting path weights

Score of analysis	Score results	Desired score
CFI	.816	=> .900
RMSEA	.048	<= .05
CMIN (Chi Square)	4257.489	NA
DF	1932	NA
Model fit (CMIN/DF)	2.204	<= 2.00

Table 4-35

Comparative U.S. and Chinese results after setting path weights

Score of analysis	U.S.	Chinese	Desired score
CFI	.841	.785	>/=.900
RMSEA	.068	.069	<= .05
CMIN (Chi Square)	2086.266	2167.924	NA
DF	966	966	NA
Model fit (CMIN/DF)	2.160	2.244	<= 2.000

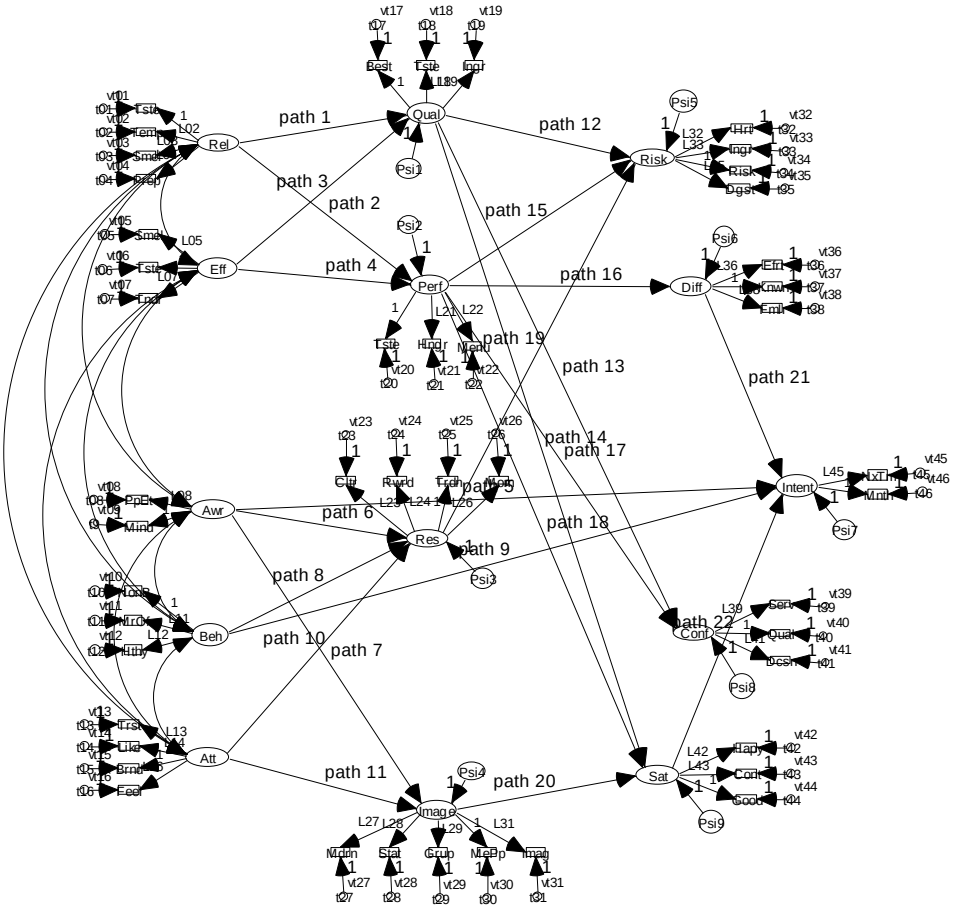


Figure 4-2

Revised KFC model

Hypothesis 1a: The path weight between reliability and perceived quality and perceived performance will be stronger for Chinese than for Americans. Examination of the strength of the relationship between reliability and perceived quality indicated a path weight of -.193 for U.S. respondents and -.157 for Chinese. The p-value for this relationship was .864, indicating that there was no support that the relationship is measurably stronger for Chinese respondents. Findings revealed that the relationship strength between reliability and perceived performance had a path weight of .010 for U.S. respondents and -.178 for Chinese. The p-value was .827, indicating that there was no support that the relationship is measurably stronger for Chinese respondents.

Hypothesis 1b: The path weight between effectiveness and perceived quality and perceived performance will be stronger for Chinese than for Americans. Tests for the relationship strength between effectiveness and perceived quality had a path weight of .826 for U.S. respondents and .843 for Chinese. The p-value was .389, indicating that there was no support that the relationship is measurably stronger for Chinese respondents. Examination of the relationship strength between effectiveness and perceived performance indicated a path weight of .891 for U.S. respondents and .992 for Chinese. The p-value was 1.0, indicating that there was no support that the relationship is measurably stronger for Chinese respondents.

Hypothesis 2a: The path weight between awareness and resonance and imagery will be stronger for Americans than for Chinese. Examination of the strength of the relationship between awareness and resonance indicated a path weight of .188 for U.S. respondents and .005 for Chinese. The p-value was 1.0, indicating that there was *no support* that the relationship is measurably stronger for U.S. respondents. Findings

indicated that the relationship strength between awareness and imagery had a path weight of .278 for U.S. respondents and .006 for Chinese. The p-value was .000, indicating that there *was support* that the relationship is measurably stronger for U.S. respondents.

Hypothesis 2b: The path weight between behavioral loyalty and resonance and imagery will be stronger for Americans than for Chinese. Examination of the relationship strength behavioral loyalty and resonance indicated a path weight of .425 for U.S. respondents and .343 for Chinese. The p-value was .012, indicating that there was support that the relationship is measurably stronger for U.S. respondents. The relationship strength between behavioral loyalty and imagery could be tested because the path was dropped during the model purification process.

Hypothesis 2c: The path weight between attitude and resonance and imagery will be stronger for Americans than for Chinese. Tests revealed that the relationship strength between attitude and resonance had a path weight of .565 for U.S. respondents and .498 for Chinese. The p-value was .003, indicating that there *was support* that this relationship is measurably stronger for U.S. respondents. Findings indicate that the strength of the relationship between attitude and imagery had a path weight of .836 for U.S. respondents and .604 for Chinese. The p-value was .000, indicating that there *was support* that this relationship is measurably stronger for U.S. respondents.

Hypothesis 3a: The path weight between perceived quality and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Chinese than for Americans. Examination of the strength of the relationship between perceived quality and anticipated risk of the purchase decision indicated a path weight of .140 for U.S.

respondents and .290 for Chinese. The p-value was .328, indicating that there was no support that this relationship is measurably stronger for Chinese respondents. Findings indicated that the relationship strength between perceived quality and anticipated confidence in the purchase decision had a path weight of -.029 for U.S. respondents and -.102 for Chinese. The p-value was .064, indicating that there was marginal support that this relationship is stronger for Chinese respondents. Tests of the relationship strength between perceived quality and anticipated satisfaction with the product indicated a path weight of .006 for U.S. respondents and -.209 for Chinese. The p-value was .012, indicating that there was support that this relationship is measurably stronger for Chinese respondents. The relationship between perceived quality and anticipated difficulty of the purchase decision could not be tested because the path was dropped during the model purification process.

Hypothesis 3b: The path weight between perceived performance and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Chinese than for Americans. Examination of the strength of the relationship between perceived performance and anticipated risk indicated a path weight of -.555 for U.S. respondents and -.514 for Chinese. The p-value was .376, indicating that there was no support that this relationship is measurably stronger for Chinese respondents. Tests of the strength of the relationship between perceived performance and anticipated confidence indicated a path weight of .803 for U.S. respondents and .858 for Chinese. The p-value was .356, indicating that there was no support that this relationship is measurably stronger for Chinese respondents. Findings indicate that the relationship strength between perceived

performance and anticipated satisfaction had a path weight of .809 for U.S. respondents and .855 for Chinese. The p-value was .674, indicating that there was no support that this relationship is measurably stronger for Chinese respondents. Examination of the relationship strength between perceived performance and anticipated difficulty of the purchase decision process indicated a path weight of .557 for U.S. respondents and .544 for Chinese. The p-value was .874, indicating that there was no support that this relationship is measurably stronger for Chinese respondents.

Hypothesis 4a: The path weight between resonance and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Americans than for Chinese. Examination of the relationship strength between resonance and anticipated risk indicated a path weight of .113 for U.S. respondents and -.014 for Chinese. The p-value was .078, indicating that there was marginal support that this relationship is stronger for U.S. respondents. The relationships between resonance and anticipated: 1) confidence in the purchase decision, 2) satisfaction with the product, and 3) difficulty of the purchase decision process could not be tested because each of these paths was dropped during the model purification process.

Hypothesis 4b: The path weight between imagery and anticipated: risk of the purchase decision, confidence in the purchase decision, satisfaction with the product, and difficulty of the purchase decision process, will be stronger for Americans than for Chinese. The relationships between imagery and anticipated: 1) risk of the purchase decision, 2) confidence in the purchase decision, and 3) difficulty of the purchase decision process could not be tested because each of the paths was dropped during the

model purification process. Examination of the relationship strength between imagery and anticipated satisfaction with the product indicated a path weight of .053 for U.S. respondents and .348 for Chinese. The p-value was .001, indicating that that counter to the prediction; this relationship is measurably stronger for Chinese respondents. Thus, there was no support for the hypothesis that this relationship is measurably stronger for U.S. respondents.

Exploratory proposition: The path weights between anticipated: a) risk of the purchase decision, b) confidence in the purchase decision, c) satisfaction with the product, and d) difficulty of the purchase decision process, and purchase intent may be dissimilar for Chinese and Americans. The relationship strength between anticipated risk and future purchase intent and between anticipated confidence and future purchase intent could not be tested because each of the paths was dropped during the model purification process. Examination of the relationship strength between anticipated satisfaction and future purchase intent indicated a path weight of .158 for U.S. respondents and .226 for Chinese. The p-value was .422, indicating that there was no support that there is a measurable difference of the strength of the relationship for either group. Findings indicate that the relationship strength between anticipated difficulty and future purchase intent had a path weight of .143 for U.S. respondents and .200 for Chinese. The p-value was 1.000, indicating that there was no support that there is a measurable difference of the strength of the relationship for either group.

Pre-hypothesis question: Does the overall model hold up with both Americans and Chinese? As shown in Table 4-35, a comparative review of U.S. and Chinese statistics indicates both similarities and differences of the revised KFC model for U.S.

and Chinese respondents. Interestingly, the similar RMSEA values (.068 for U.S. respondents and .069 for Chinese) indicate similar convergence for the two groups; and, the similar model fit scores (2.160 for U.S. respondents and 2.244 for Chinese) indicates that although the model does not meet the desired score for either group, it does reflect that the data has similar fit for the two groups to the model. Finally, although the CFI score does not meet the desired result for either group (.841 for U.S. respondents and .785 for Chinese), the gap for this score with respect to KFC is similar to the score's gap between the two groups with respect to the Coca-Cola model (see Table 4-20). Thus, this dissertation posits that the purified KFC model essentially holds up similar for each group.

Additional thoughts: Because relationships were added during the model purification process between awareness and future purchase intent, and between behavioral loyalty and future purchase intent, these relationships were examined to determine whether either has measurable differences between the U.S .and Chinese respondents. Tests revealed that the strength of the relationship between awareness and future purchase intent path had a path weight of -.030 for U.S. respondents and -.696 for Chinese. The p-value was .373, indicating that there was no support that this relationship is stronger for either group of respondents. Findings indicated that the relationship strength behavioral loyalty and future purchase intent had a path weight of .689 for U.S. respondents and -.079 for Chinese. The p-value was .017, indicating that there was support that this relationship is measurably stronger for U.S. respondents.

Summary

Although the initial Coca-Cola and KFC research models had dissimilar measurement items, the fundamental structure of each brand's model was the same (i.e. constructs and relationships). Before addressing each brand's hypotheses, exploratory proposition, and pre-hypothesis question, it was necessary to purify each brand's research model. This purification resulted in the removal of: 1) measurement items that had insignificant Lambda weights, or were strongly cross-loading for both the U.S. and Chinese respondents, 2) relationships that had insignificant critical ratios for both groups, and 3) constructs that were either suppressed by other constructs, or that were eliminated as a result of all their paths being removed. In addition, the model purifying process resulted in adding relationships to both the Coca-Cola and the KFC model.

After the model purifying process was completed, the resultant Coca-Cola and KFC research models were noticeably different. For example, (A) two brand equity experiential antecedent constructs were removed from the Coca-Cola model (i.e. attitude and awareness). In contrast, no constructs were removed from the KFC model. (B) The final Coca-Cola model had only one construct that had a relationship with future purchase intent (i.e. effectiveness), as compared to the KFC model having four constructs that had relationships with future purchase intent (i.e. difficulty of the decision process, awareness, behavioral loyalty, and confidence in the decision). And, (C) while the purified Coca-Cola model's scores essentially met the required results (i.e. CFI was .895, RMSEA was .041, and model fit was 1.881), the purified KFC model did not (i.e. its CFI was .816, RMSEA was .048, and model fit was 2.204). However, because the desired scores that were used as comparative points throughout this chapter were primarily driven

by publication standards, this dissertation posits that the resultant scores of the Coca-Cola and KFC model are sufficient for testing the dissertations' hypotheses. Appendix D provides a summary review of Coca-Cola's hypothesis test results, and Appendix E provides a summary review of hypothesis test results.

Chapter 5 will discuss this chapter's findings, and their potential underlying foundations. It will also present future research ideas that can stem from this dissertation's research, and will discuss potential academic and practitioner implications.

CHAPTER 5

DISCUSSION AND CONCLUSIONS

Discussion of research findings

The dissertation theory, research question and the chapter's structure

This dissertation put forth and examined a theory that the dissimilarities between U.S. and Chinese cultures (e.g., values, modes of thought and emotional experiences and expressions), would lead to differential influence of brand equity's functional and experiential antecedents on brand equity and its consequences. Specifically, the dissertation examined whether brand equity's experiential antecedents and brand equity's experiential dimension would be more influential with U.S. consumers, while the functional antecedents and the functional brand equity dimension would be more influential with Chinese consumers. Theoretical foundations from which the dissertation's conceptual model was drawn include the marketing, cognitive and affective psychology, cultural anthropology, and sociology literatures (e.g. Firat 1995, Inglehart and Baker 2000, Inglehart 2000, Briley and Wyer 2001, Hirschman 1982, and Holbrook and Hirschman 1982). This dissertation sought to address the following research questions: Do the antecedents and consequences of brand equity differ for American and Chinese consumers? If so, in what way(s) do they differ? Also, in what way(s) are they similar?

In order to address these relatively comprehensive research questions, the dissertation asks the following more-pointed questions, and presents hypotheses that were designed to address the following:

1. For American and Chinese consumers, do brand equity's functional and experiential antecedents have dissimilar relationship strength with brand equity? If so, how do they differ?
2. For American and Chinese consumers, do the functional and experiential dimension components of brand equity have dissimilar relationship strength with brand equity's consequences? If so, how do they differ?
3. For American and Chinese consumers, do brand equity's consequences have dissimilar relationship strength with purchase intent? If so, how do they differ?

Because the study's findings for Coca-Cola and KFC differed significantly, this chapter will first address each brand separately. For each brand, the chapter will examine and seek to interpret the results for: 1) the influence of brand equity's antecedents on brand equity, 2) brand equity's influence on its consequences, and 3) the influence of brand equity's consequences on future purchase intent.

The model purification process resulted in significant, and dissimilar changes to the initial Coca-Cola and KFC research models' antecedents and the relationships between the antecedents of brand equity and between brand equity and its consequences. Thus, each section will first discuss its related changes before considering the hypothesized results, after which it will address that section's respective research question. After a discussion of the findings for each brand, this chapter will then discuss:

1) limitations of the research, 2) academic and practitioner implications, 3) planned future research, and 4) conclusions drawn from this study.

Although the dissertation employed quantitative analysis to test the hypotheses, qualitative protocols were collected to provide further insights into the quantitative findings. The qualitative protocols were was secured from in-depth interviews that were conducted to better help understand perceptions of what contributes to the value of Coca-Cola and KFC, and the consequences anticipated from the perceived value these brands provide. These interviews were conducted with three groups of respondents. First, various U.S. and Chinese students at The University of Tennessee were interviewed prior to the pre-test. While these interviews were primarily for securing data to identify which brands to use in the study and for developing the initial measurement items, they produced insights that proved to be valuable in better understanding what leads to Coca-Cola's and KFC's perceived value and the anticipated consequences of that perceived value. The second set of interviews was conducted with representatives of the local Coca-Cola bottling company and the regional KFC franchise headquarters. The third set of interviews, consisting of six students in China, was conducted after the surveys were completed in China.

Additional qualitative insights came from a daily journal that was maintained by the researcher during his study in China. This journal contains thoughts and perceptions from conversations with Chinese acquaintances discussing their similarities/differences with Americans. Of final note for the reader is that, because this chapter discusses numerous relationships between constructs in the Coca-Cola and KFC research models, the relationship paths are italicized in order to simplify the readers' recognition of them.

Coca-Cola

Comparative influence of brand equity antecedents

Initial data analysis for Coca-Cola indicated that there was significant suppression between brand equity's experiential antecedents (i.e. awareness, attitude, and behavioral loyalty). After various unsuccessful attempts to handle the suppression by loading the items from one construct onto another, it was determined that the awareness and attitude constructs and their items should be removed from the research model, leaving behavioral loyalty as the only experiential antecedent in the Coca-Cola model (the revised Coca-Cola research model is depicted in Figure 4-1).

When considering the three original experiential antecedents, prior to the model purification process, the literature reflects that behavioral loyalty is of notable importance to firms for helping ensure that consumers will not "…change from their current brands" (Aaker 1991, p. 47). Thus, it would seem crucial that behavioral loyalty was maintained when determining how to address the suppression between the three experiential antecedents. Interestingly, qualitative discussions support the contention that behavioral loyalty (i.e. repeat usage or frequency of use) is of greater importance than awareness or attitude. For example, one U.S. interviewee indicated that a key aspect of Coca-Cola which leads to his valuing the brand is because whenever he eats fatty food, Coca-Cola improves the taste of the food. He stated "I'll drink a Coke when I eat fatty foods...like a pizza…Coca-Cola compliments the flavor." He further indicated that since he frequently eats fatty foods, Coca-Cola is a brand he regularly consumes. Similarly, another U.S. interviewee said that Coca-Cola "goes with hamburgers and fries. It's a good compliment – like the whole package deal," and then indicated that such foods are something that he

regularly consumes, leading to fairly regular consumption of Coca-Cola. The importance of behavioral loyalty was also indicated by a representative of a local bottling company. When asked why he thought people valued Coca-Cola, the company representative indicated that a fundamental reason why people value Coca-Cola is their personal and family historical experiences of consuming the brand (i.e. repeat usage behavior).

The significance of behavioral loyalty with respect to why people value Coca-Cola, as compared to attitude and awareness, might explain the suppression between attitude, awareness, and behavioral loyalty. Supporting this thought is the infrequency that U.S. and Chinese interviewees discussed Coca-Cola in terms related to either favoring or disfavoring the brand, or whether they consider their awareness of the brand without being prompted. However, given the brand's usage rate with the survey's respondents, it is unlikely that they disfavor, or are unaware of the brand. This comment is based on quantitative data indicating that of the 516 respondents surveyed (250 U.S. and 266 Chinese), the average respondent consumed slightly over 16 Coca-Cola's during the 60 days prior to the study (the comparative usage was 8.3 Coca-Cola's drunk by Chinese and 25.2 by U.S. respondents). Further, of the soft drinks consumed by the respondents, 31-40% was Coca-Cola during the 60 days prior to the study (the comparative rate was approximately 35% for Chinese respondents and 45% for U.S. respondents). Based on the ability of the U.S. and Chinese interviewees to discuss the brand, they clearly are aware of Coca-Cola. Thus, a question to be addressed in future research is: What is the relationship between the frequency of a person's usage of a brand, and the brand's share of its product category that is consumed by the person, with the person's awareness and/or attitude toward the brand?

In addition to discussing the antecedent constructs that were dropped from the Coca-Cola model, it is also necessary to address the *effectiveness -> future purchase intent* relationship that was added during the research model purification process. Reflection on the definitions of two constructs that were in the initial model (i.e. effectiveness and satisfaction) offers insight into the existence of this relationship.

Drawing from Keller (2003), this dissertation defines effectiveness as how completely a brand meets consumers' requirements, and drawing from Oliver (1999), it defines satisfaction as reflecting consumers' psychological state of mind, i.e. their feeling state. However, some satisfaction theorists define satisfaction with respect to consumers' expectations and requirements being met (Day 1982). Thus, there are similarities between the definition of effectiveness and at least one definition of satisfaction (i.e. meeting consumers' requirements). Based on literature reflecting that satisfaction is instrumental in securing consumers' future purchase intent (Anderson and Sullivan 1993), it would seem logical that effectiveness likely has a relationship with future purchase intent as well.

Quantitative data analysis indicated that while U.S. and Chinese respondents associate Coca-Cola's reliability (i.e. consistency of performance over time and from purchase to purchase) with their perception of the its performance (i.e. fulfilling its intended functions), they do not associate Coca-Cola's reliability with their perception of its quality (i.e. its overall excellence and superiority as compared to competitive products). Qualitative protocols appear to support the *reliability -> perceived performance* relationship path. For example, a Chinese interviewee discussed that a reason why Coca-Cola is important because whenever she is tired, "drinking Coca-Cola

helps her regain her energy" (i.e. ability to give people energy was a performance item in the survey), and another discussed that Coca-Cola is important because whenever he drinks Coca-Cola it quenches his thirst (i.e. ability to quench one's thirst was another performance item in the survey). Similarly, one U.S. interviewee discussed that a reason why Coca-Cola is important is because every time he drinks Coca-Cola he feels refreshed (referring to it giving him an energy boost), and another discussed that Coca-Cola is important because it consistently satisfies his thirst.

A unique aspect of the Coca-Cola brand that may have lead to removal of the *reliability -> perceived quality* relationship path is because Coca-Cola has been such a famous brand worldwide for so long. Qualitative protocols suggest that this aspect of Coca-Cola likely leads to Americans and Chinese assuming that the brand's quality is not something that they need to consider. For example, one Chinese student stated that because "Coca-Cola has been around for a long time" that she assumes they "produce a better quality of product." Similarly, a U.S. student discussed that Coca-Cola has "been around for so many years" that he assumes it's the best product." This begs a question for future research: Is there a relationship between the time period that a brand has been marketed and consumers' perception of its quality?

With the research model's antecedents and their path relationship changes now discussed, the next step is to address the question: For American and Chinese consumers do brand equity's functional and experiential antecedents have dissimilar relationship strengths with brand equity? If so, how do they differ?

Of the testable hypotheses that examine the relationships between brand equity's functional antecedents (i.e. reliability and effectiveness) and brand equity's functional

dimension components (i.e. quality and performance); only one is supported, that being the *effectiveness -> perceived performance* relationship is significantly stronger for Chinese than for U.S. respondents (i.e. $p < .006$). In contrast to the hypothesis that the *effectiveness -> perceived quality* relationship would be stronger for Chinese respondents, the results reflect that the relationship was actually significantly stronger for U.S. respondents than for Chinese (i.e. path weight of .958 for U.S. respondents, .842 for Chinese, and $p < .003$). With respect to the *reliability -> perceived performance* relationship, the study found no measurable difference (i.e. $p > .20$) between U.S. and Chinese respondents (Table 5-1 provides the hypothesis results for brand equity's functional antecedent dimension's influence on brand equity's functional components).

Theses results indicates that there are dissimilar relationships between brand equity functional antecedents and brand equity's functional dimension components with U.S. and Chinese respondents. However, in contrast to what was hypothesized, it appears that the pattern of the results is inconsistent. Thus, it cannot be argued from the findings that functional antecedents are stronger for Chinese respondents. Given that no previous research has been uncovered suggesting similar results between Americans and Chinese, any explanation at this point would be naïve conjecture."

Of the testable hypotheses that examine the relationships between brand equity's experiential antecedent (i.e. behavioral loyalty) and brand equity's experiential dimension components (i.e. resonance and imagery); neither was supported. In contrast the hypotheses that the *behavioral loyalty -> resonance* and the *behavioral loyalty -> imagery* relationships would be measurably stronger for U.S. respondents than for Chinese, the results indicate that the relationships are actually significantly stronger for

Table 5-1

Hypothesis results for brand equity's functional antecedent dimension's influence on brand equity's functional components for Coca-Cola

Hypothesis	**U.S.**	**Chinese**	**P-value**	**Result**
The *reliability -> perceived quality* relationship will be stronger for Chinese than for U.S.	NA	NA	NA	Hypothesis could not be tested
The *reliability -> perceived performance* relationship will be stronger for Chinese than for U.S.	.183	.089	.204	Hypothesis is not supported
The *effectiveness -> perceived quality* relationship will be stronger for Chinese than for U.S.	.958	.842	.003	Because the relationship is measurably stronger for U.S., the hypothesis is not supported
The *effectiveness -> perceived performance* relationship will be stronger for Chinese than for U.S. respondents	.849	.903	.006	Hypothesis is supported

the Chinese respondents (i.e.the *behavioral loyalty -> resonance* path had a weight of -.056 for U.S., .174 for Chinese, $p < .031$; the *behavioral loyalty -> imagery* path had a weight of .459 for U.S., .609 for Chinese, $p < .003$). Table 5-2 provides the hypothesis results for brand equity's experiential antecedent dimension's influence on brand equity's experiential components.

Various interviews and discussions that occurred throughout the study provide insights that support why the *behavioral loyalty -> resonance* and *behavioral loyalty -> imagery* relationships are stronger for Chinese than for U.S. For example, when conducting interviews with American students, several individuals indicated that although their repetitive/routine purchasing and drinking of Coca-Cola might be interpreted as reflecting brand loyalty, these individuals consider that consumption of Coca-Cola is simply a habitual part of their life. Some people discussed that whenever they order fast food, they almost inevitably order Coca-Cola and do not even consider different soft drink brands or different types of beverages. They stated that because Coca-Cola makes fatty fast foods such as burgers and pizza, which are typical parts of their diet, taste better, the brand is a typical part of their diet as well.

Another reason why consumption of Coca-Cola is habitual with some of the U.S. acquaintances stems from them primarily having being born and growing up in the southeastern U.S., which the Coca-Cola representative stated is an area where Coca-Cola is the dominant brand of soft drink. Thus, southeastern Americans were typically exposed to, and likely began their consumption of Coca-Cola at home at an early age. Some respondents indicated that because they grew up drinking Coca-Cola at home, and they view the brand as a part of their historical heritage, which they believed contributed

Table 5-2

Hypotheses results for brand equity's experiential antecedent dimension's influence on brand equity's experiential components for Coca-Cola

Hypothesis	**U.S.**	**Chinese**	**P-value**	**Result**
The *awareness -> resonance* relationship will be stronger for U.S. than for Chinese respondents	NA	NA	NA	Hypothesis could not be tested
The *awareness -> imagery* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *behavioral loyalty -> resonance* relationship will be stronger for U.S. than for Chinese	-.056	.174	.031	The relationship is measurably stronger for Chinese, thus hypothesis is not supported
The *behavioral loyalty -> imagery* relationship will be stronger for U.S. than for Chinese	.459	.609	.003	Because the relationship is measurably stronger for Chinese, the hypothesis is not supported
The *attitude -> resonance* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *attitude -> imagery* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested

to the product as being habitually consumed.

Interestingly, when asked about their psychological bond with Coca-Cola, or any imagery associated with it, the U.S. interviewees' replies were not indicative that either of these were major factors with respect to Coca-Cola. However, since the purchase and drinking of Coca-Cola is such a habitual part of their life, it may be that these U.S. respondents may not be aware of psychological or imagery aspects of the brand.

In contrast, in discussions with the Chinese during the study, they indicated the existence of psychological connections between their consumption of Coca-Cola and the imagery associated with the brand. For example, various Chinese citizens discussed that the color 'red' represents good luck and happiness in their culture. Because the Coca-Cola logo is red, some of the Chinese respondents indicated that although they had not considered the thought prior to being asked, they may possibly be associating the brand with luck and happiness, which the researcher views as representative of a psychological bond with the brand. With respect to imagery, discussions and interviews with the Chinese reflected an awareness of this with respect to Coca-Cola. Some stated that purchasing and drinking Coca-Cola indicates to others that one can afford to purchase and drink the best brand of soft drink. Some even mentioned that whenever they host a party they want to impress their family and friends, thus they will serve Coca-Cola because it is a way of showing others that they can afford to buy, and serve the best quality soft drink on the market.

Interviews and discussions throughout the study indicated that, as compared to the Americans, the Chinese have significantly less discretionary spending money. Thus, even the purchase and consumption of Coca-Cola, which Americans typically perceive to

be an inexpensive brand, is something that the Chinese typically take time to consider. Demonstrative of this is that students at the university in China where the study was conducted receive a monthly stipend of 30 RMB for food, etc. (equivalent to slightly less than $4 U.S.). For many Chinese students, this stipend is a major part of their monthly funds for food, etc. In comparison, a Coca-Cola costs 1.5 RMB, which is a relatively large percentage of the stipend. Thus, the purchase of a Coca-Cola has significant meaning to many Chinese students. Therefore, it seems apparent that the psychological bonds and imagery associated with the purchase and use of Coca-Cola are more important to the Chinese than to the Americans.

Comparative influence of brand equity dimensions with U.S. and Chinese respondents

Before addressing this section's question, there are various changes in the Coca-Cola research model that need to be discussed with respect to brand equity's functional and experiential dimensions and brand equity's consequences. The first item of note was the addition of an *imagery -> resonance* relationship path in the model (see Figure 4-1). While not in the original research model, the psychological aspect of imagery (i.e. the ability of a brand to meet consumers' psychological or social needs) and resonance (i.e. consumers' psychological bond with a brand) seems to suggest an underlying logic why the data analysis leads to a relationship path between the constructs. For example, Tetlock and Manstead's (1985) impression management research suggests that people's intrapsychic processes may lead to behaviors that are reflective of psychological bonds that have been developed with things in order to help them create desired social images

or identities. Tetlock and Manstead (1985) suggest that some people may develop such bonds in order to help reduce any 'dissonance' that exists between their desired and actual self-image. Therefore, some people may develop a psychological bond with the Coca-Cola brand (i.e. resonance) in order to help create their desired self-identity and/or social image (i.e. imagery), and/or to have consistency between their self-image and their desired self-image (i.e. impression management).

A second item of note is that while no relationship paths were removed from the research model between perceived performance and brand equity's consequences, various other relationships were removed during the purification process. For example, with respect to the perceived quality construct, the *perceived quality -> anticipated difficulty of the purchase decision* relationship was dropped due to a weak standardized weight for the relationship. Although this relationship path was dropped based on quantitative analysis, qualitative protocols also data support the action.

Throughout the study, discussions with various U.S. and Chinese students reflected that they perceive Coca-Cola as the best quality soft drink on the market, and one which always has the same quality ingredients, taste, ability to make them feel refreshed and quench their thirst, and is always available whenever they want to purchase and/or consume a soft drink (i.e. whether they are at school or social events, shopping, etc.). Many indicated that because of these aspects of Coca-Cola, it is not difficult to select Coca-Cola whenever they are deciding whether to purchase/consume a soft drink. Based on these thoughts and the awareness that many people indicated that consumption of Coca-Cola is a habitual part of their life, it may be so easy to decide on the purchase or consumption of Coca-Cola that it is not often a conscious decision. Thus, a question

appropriate for future study is: Does the frequency and length of time of usage of a brand influence one's perception of the importance of the relationship between perceived brand quality and anticipated difficulty in deciding whether to purchase that brand?

In contrast, the *perceived quality -> anticipated risk of the purchase decision, perceived quality -> anticipated confidence in the purchase decision,* and *perceived quality -> anticipated satisfaction with the product* relationship paths were not removed during the purification process. While these paths were maintained in the model based on quantitative analysis, qualitative responses also provided support for their existence. For example, one U.S. interviewee associated quality with confidence by stating "I know when I get a Coke; it's going to taste like a Coke. I know. I have confidence in that." Another alluded to quality's association with risk by stating that when he purchases Coca-Cola "I know exactly what it's going to taste like...it stays the same every time. I know exactly what I'm getting out of it whenever I purchase it." And finally, a U.S. interviewee associated quality with feelings of satisfaction by stating "I've never picked up a Coke, and it be bad (sic). Usually I'm kind of excited, almost."

With respect to the resonance construct, the only relationship path with brand equity's consequences that was not removed during the purification process was *resonance -> anticipated risk of the purchase decision*. One U.S. interviewee alluded to this relationship when he stated "I guess it's just, really, the brand loyalty that you have. It's the preference of what you would require for whatever you love." He indicated that while he perceives that there is a risk when deciding whether to drink Coca-Cola, by stating "It is not very healthy, but still, it is enjoyable," but even recognizing this risk he stated that "…you just look past that and drink it."

With respect to the imagery construct, the only relationship path with brand equity's consequences that was not removed during purification process was the *imagery -> anticipated difficulty of the purchase decision* relationship. One Chinese interviewee supported the existence of this relationship by discussing that his self-image of being able to afford to drink the brand leads to it being easier for him to decide to purchase the brand. Another Chinese interviewee discussed that drinking Coca-Cola was associated with a self-image of wealth, and then discussed that deciding to purchase Coca-Cola is not difficult because "it comes to her mind first when she thinks of a soft drink."

It appears likely that because Coca-Cola is such a well known brand that the U.S. and Chinese acquaintances have consumed so frequently, and for such a lengthy time period, that they may have developed psychological and sociocultural bonds with the brand that leads to them essentially having a relationship with it (Fournier 1998). It may be possible that this relationship is sufficiently purposive, adds meaning to the lives of the acquaintances, and affects their self-concept (Fournier 1998), such that they are not aware of any relationships that may exist between any imagery that they associate with the brand and *anticipated* risk of the purchase decision, confidence in the purchase decision, and satisfaction with the product relationships. Thus, a potential question is: Does the frequency and length of time of usage of a brand by a consumer influence their perception of the influence of their imagery that is associated with a brand and their *anticipated*: 1) risk of the purchase decision, 2) confidence in the purchase decision, and 3) satisfaction with the product.

With the relationship path changes between brand equity and its consequences having now been discussed, the next step is to address this section's question: For

American and Chinese consumers do brand equity's functional and experiential dimension components have dissimilar relationship strengths with brand equity's consequences? If so, how do they differ?

Of the testable hypotheses that examine the relationships between brand equity's functional constructs (i.e. perceived quality and perceived performance) and brand equity's consequences, one relationship was supported as being significantly stronger for Chinese than for U.S., that being the *perceived performance -> anticipated risk of the purchase decision* relationship ($p < .029$). The *perceived quality -> anticipated risk of the purchase decision* relationship was marginally supported as being stronger for Chinese ($p < .096$). In contrast to the hypothesis, the *perceived quality -> anticipated satisfaction with the product* relationship was stronger for U.S. than for Chinese. Hypotheses examining whether the other relationships between brand equity's functional constructs and its consequences were measurably different between U.S. and Chinese were not supported (Table 5-3 provides the hypothesis results for brand equity's functional dimension components' influence on brand equity's consequences). Based on the dissimilar strengths of the relationships between brand equity's functional dimension components and brand equity's consequences there does not appear to be support that the relationships are measurably stronger for Chinese.

Of the testable hypotheses examining the relationships between brand equity's experiential constructs (i.e. resonance and imagery) and brand equity's consequences, the *resonance -> anticipated risk of the purchase decision* relationship was not supported as being measurably stronger for U.S. respondents ($p > .50$). And, in contrast to the

Table 5-3

Hypothesis results for brand equity's functional dimension components' influence on brand equity's consequences for Coca-Cola

Hypothesis	U.S.	Chinese	P-value	Result
The *perceived quality -> anticipated risk of the purchase decision* relationship will be stronger for Chinese than for U.S.	.117	.454	.096	Hypothesis is marginally supported
The *perceived quality -> anticipated confidence in the purchase decision* relationship will be stronger for Chinese than for U.S.	-.265	-.275	.776	Hypothesis is not supported
The *perceived quality -> anticipated satisfaction with the product relationship* will be stronger for Chinese than for U.S.	-.294	.029	.015	Because the relationship is measurably stronger for U.S., the hypothesis is not supported
The *perceived quality -> anticipated difficulty of the purchase decision* relationship will be stronger for Chinese than for U.S.	NA	NA	NA	Hypothesis could not be tested
The *perceived performance -> anticipated risk of the purchase decision* relationship will be stronger for Chinese than for U.S.	-.383	-.694	.029	Hypothesis is supported
The *perceived performance -> anticipated confidence in the purchase decision* relationship will be stronger for Chinese than for U.S.	.853	.679	.506	Hypothesis is not supported
The *perceived performance -> anticipated satisfaction with the product* relationship will be stronger for Chinese than for U.S.	.938	.671	.630	Hypothesis is not supported
The *perceived performance -> anticipated difficulty of the purchase decision* relationship will be stronger for Chinese than for U.S.	.425	.060	.155	Hypothesis is not supported

hypothesis, the *imagery -> anticipated difficulty of the purchase decision* relationship was marginally stronger for Chinese respondents ($p < .096$). Thus, there is no support for the hypothesis that brand equity's experiential dimension components' relationship paths with brand equity's consequences are more influential with U.S. respondents than with Chinese. Table 5-4 provides the hypothesis results for brand equity's experiential dimension components' influence on brand equity's consequences).

Qualitative protocols suggest that while consumption of Coca-Cola is a habitual part of the daily life for various Americans and Chinese, that this discussion point was noticeably stronger for the typical American than for the typical Chinese. It might be that people who habitually consume a brand are not as aware of the linkage between their psychological bond with it and any potential risk associated with deciding whether to purchase the brand. Thus, the U.S. respondents may not have been as aware of the *resonance -> decision risk* relationship as were the Chinese, which likely supports why this experiential relationship was not stronger for Americans. With respect to the *imagery -> decision difficulty* relationship, various Americans and Chinese discussed the imagery associated with Coca-Cola. However, because Coca-Cola is a relatively expensive product for the Chinese, as compared to their monthly food stipend, they may be more conscious than Americans of the imagery aspect of the brand. This likely leads to the relationship between the imagery associated with Coca-Cola and the difficulty of deciding whether to drink it being a stronger for Chinese than for Americans.

Table 5-4

Hypothesis results for brand equity's experiential dimension components' influence on brand equity's consequences for Coca-Cola

Hypothesis	U.S.	Chinese	P-value	Result
The *resonance -> anticipated risk of the purchase decision* relationship will be stronger for U.S. than for Chinese	.294	.383	.525	Hypothesis is not supported
The *resonance -> anticipated confidence in the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *resonance -> anticipated satisfaction with the product* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *resonance -> anticipated difficulty of the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated risk of the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated confidence in the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated satisfaction with the product* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated difficulty of the purchase decision* relationship will be stronger for U.S. than for Chinese	.068	.277	.096	Because the relationship is marginally stronger for Chinese, the hypothesis is not supported

Comparative influence of brand equity's consequences on purchase intent

Because all of the relationship paths between brand equity's consequences and future purchase intent were dropped from the Coca-Cola research model during the purification process, none of the hypotheses related to the exploratory proposition could be tested. Therefore, one cannot address the question "for American and Chinese consumers, do brand equity's consequences have dissimilar relationship strengths with purchase intent? If so, how do they differ?"

Interestingly, quantitative protocols indicated that the only construct in the Coca-Cola research model that had a relationship with future purchase intent was effectiveness. As positioned in the dissertation research model, effectiveness is an antecedent of brand equity, not a dimensional component of brand equity. Although the hypotheses did not include this relationship, because effectiveness is a functional antecedent, if it had been included it would have been hypothesized to be a stronger relationship for Chinese. However, in contrast, data analysis indicated the opposite. The *effectiveness -> future purchase intent* is significantly stronger for U.S. respondents than for Chinese. This is an interesting finding based on previous discussion in this chapter about the similarity of effectiveness and satisfaction, with respect to their definitions, because it is Western research which indicates that meeting consumers' requirements is instrumental in securing their future purchase intent (Anderson and Sullivan 1993). Given that no previous research has been uncovered suggesting similar results in China, any explanation at this point would be naïve conjecture.

KFC

Comparative influence of brand equity antecedents

Unlike Coca-Cola, no KFC brand equity antecedents were dropped from the research model during the purification process, and only one relationship in the initial model between the KFC brand equity antecedents and brand equity was dropped (i.e. *behavioral loyalty -> imagery*). However, quantitative data analysis resulted in adding two experiential brand equity antecedent relationships to the model: 1) *awareness -> future purchase intent*, and 2) *behavioral loyalty -> future purchase intent* (the revised KFC research model is depicted in Figure 4-2).

Review of literature may explain why these paths occurred during the model purification process. For example, Aaker's (1991) indication that behavioral loyalty is vital for avoiding having consumers change from the products they currently use, to competitive products, would seem to suggest a logical connection between loyalty and future purchase intent. With respect to awareness, Keller (2003) discusses its importance by stating "Brand awareness relates to the likelihood that a brand will come to mind and the ease with which it does so given different types of cues" (p. 453). He then indicates that awareness (i.e. recognition and recall) may be influential on consumers' decisions made at the point of purchase, as well as "in settings away from the point of purchase" (Keller 2003, p. 453). Thus, while conceptual literature suggests the feasibility, it would seem that this empirical study has found that behavioral loyalty and awareness are factors that influence consumers' future purchase intent for KFC.

In addition, the *behavioral loyalty -> future purchase intent* and the *awareness -> future purchase* relationship paths appear to be supported by qualitative data. For

example, support for the *awareness -> future purchase intent* relationship was indicated by the following: when asked "what determines your likelihood of eating at KFC in the future?", one U.S. interviewee stated: "…probably new advertising campaigns," and "if I was looking for something to pick up and eat, and I was looking for that type of food, if I saw a KFC, I might be more likely to pull in there. If I knew one 2 miles down the road, but I'm looking at McDonalds or Taco Bell, and other things, I would most likely go out of the way to get KFC." With respect to the *behavioral loyalty -> future purchase intent relationship*, when asked "what do you think leads to you deciding whether or not you're going to eat at KFC in the future?" another U.S. interviewee's response was "past experiences, and if you're in the mood for chicken."

With the research model's antecedent path relationship changes now having been discussed, the next step is to address the question: For American and Chinese consumers do brand equity's functional and experiential antecedents have dissimilar relationship strengths with brand equity? If so, how do they differ?

In contrast to the hypothesized predictions, this study found no measurable differences for the relationship path strengths between KFC brand equity's functional antecedents and brand equity's functional dimension components (Table 5-5 provides the hypothesis results for brand equity's functional antecedent dimension's influence on brand equity's functional components). Various Chinese and American protocols suggest similar functional reasons why the U.S. and Chinese students value KFC. For example, American and Chinese students discussed that their busy schedules often limits the amount of time that they have to eat. Thus, they frequently eat quickly, and often at fast food restaurants. Because of their limited time, various Americans and Chinese

Table 5-5

Hypothesis results for brand equity's functional antecedent dimension's influence on brand equity's functional components for KFC

Hypothesis	**U.S.**	**Chinese**	**P-value**	**Result**
The *reliability -> perceived quality* relationship will be stronger for Chinese than for U.S. respondents	-.193	-.157	.864	Hypothesis is not supported
The *reliability -> perceived performance* relationship will be stronger for Chinese than for U.S. respondents	.010	-.178	.827	Hypothesis is not supported
The *effectiveness -> perceived quality* relationship will be stronger for Chinese than for U.S. respondents	.826	.843	.389	Hypothesis is not supported
The *effectiveness -> perceived performance* relationship will be stronger for Chinese than for U.S. respondents	.891	.992	1.000	Hypothesis is not supported

discussed that they prefer to eat at places where they do not have to worry whether their requirements that their hunger be filled, with quality food that tastes and smells good, are met. In other words, as stated by a U.S. and a Chinese student, they want to "know what to expect" when eating. This suggests that because the U.S. and Chinese students have similar functional reasons for why they value a fast food brand, that it would be logical that the relationships between the functional brand equity antecedents and the functional dimension components of brand equity with U.S. and Chinese respondents, with respect to KFC, would have similar strengths.

Of the hypotheses examining whether there are dissimilar relationship strengths for brand equity's experiential antecedents and its experiential dimension components, the following relationships were supported as being significantly stronger for U.S. respondents: *awareness -> imagery* ($p < .000$), *behavioral loyalty -> resonance* ($p < .012$), *attitude -> resonance* ($p < .003$), and *attitude -> imagery* ($p < .000$). The *awareness -> resonance* relationship was the only result where relationship strength was not supported as being stronger for Americans (Table 5-6 provides the hypothesis results for brand equity's experiential antecedent dimension's influence on brand equity experiential components). Thus, it appears that, with one exception, there is support that for KFC the relationship paths between brand equity's experiential antecedents and its experiential dimension components are measurably stronger for U.S. than for Chinese respondents.

Qualitative protocols also support these findings. For example, one U.S. student indicated that he periodically eats (i.e. behavioral loyalty) at KFC because it psychologically connects him to experiences in his memory of going on picnics to North

Table 5-6

Hypothesis results for brand equity's experiential antecedent dimension's influence on brand equity's experiential components for KFC

Hypothesis	**U.S.**	**Chinese**	**P-value**	**Result**
The *awareness -> resonance* relationship will be stronger for U.S. than for Chinese respondents	.188	.005	1.000	Hypothesis is not supported
The *awareness -> imagery* relationship will be stronger for U.S. than for Chinese respondents	.278	.006	.000	Hypothesis is supported
The *behavioral loyalty -> resonance* relationship will be stronger for U.S. than for Chinese respondents	.425	.343	.012	Hypothesis is supported
The *behavioral loyalty -> imagery* relationship will be stronger for U.S. than for Chinese respondents	NA	NA	NA	Hypothesis could not be tested
The *attitude -> resonance* relationship will be stronger for U.S. than for Chinese respondents	.565	.498	.003	Hypothesis is supported
The *attitude -> imagery* relationship will be stronger for U.S. than for Chinese respondents	.836	.604	.000	Hypothesis is supported

Carolina as a child with his family (i.e. resonance). He stated "I can remember the times we drove to North Carolina with a bucket of chicken…So KFC reminds me of that, and it's good. KFC – I think they're good." Another U.S. student indicated that he associates his recall of KFC (i.e. awareness) with the imagery of being "at a college park with a bunch of guys hanging out." With respect to attitude, a U.S. student indicated that if a KFC restaurant is dirty on either the inside or outside, or has a staff that is not clean and tidy, that leads to him having a negative attitude which reduces his bond with KFC as well as the imagery associated with eating at the restaurant.

In contrast, it was noticeable how less frequently that the Chinese indicated the experiential antecedents with respect to KFC. Thus there may be two essential aspects of KFC that may have lead to the lesser importance of the experiential antecedents for the Chinese. First, students at the Chinese university can purchase freshly cooked sandwiches that contain eggs or meat from vendors near the campus, or eat a meal in the campus cafeteria for 1 RMB. If they want, the students can eat a nutritious meal at some of the small restaurants near the university for 2-3 RMB, which would include free hot green tea. In contrast, a meal at KFC easily costs 8 RMB, or more. Thus, a typical Chinese student with limited discretionary funds may rarely eat at KFC, which likely reflects an absence of behavioral loyalty. Second, while various U.S. acquaintances indicated having a psychological bond (i.e. resonance) with KFC because of memories of taking KFC food on family picnics when they were children, none of the Chinese students indicated such a memory. Thus, it may be likely, as compared to the Americans, the Chinese have weak psychological bonds and imagery associated with KFC.

Comparative influence of brand equity dimensions with U.S. and Chinese respondents

Similar to Coca-Cola, quantitative data analysis lead to the removal of various relationship paths between brand equity and its consequences in the KFC research model during the purification process (the revised KFC model is depicted in Figure 4-2). Following is a discussion of the relationships between brand equity's functional and experiential dimensions and brand equity's consequences.

Of the relationships between brand equity's functional dimension (i.e. perceived quality and perceived performance) and brand equity's consequences, quantitative data analysis lead to removal of the *perceived quality -> anticipated difficulty of the purchase decision process* relationship. Qualitative protocols suggest that a potential reason why this relationship does not exist is because the interviewees assume the quality of KFC is always the same, which may suggest that they do not consciously consider quality when deciding whether to eat at KFC. For example, one U.S. interviewee said "they don't serve hamburgers or hotdogs or anything else. It's just purely chicken. You know they can't mess chicken up. They have been in it so long. Everything is going to taste the same."

Of the relationships between brand equity's experiential dimension (i.e. resonance and imagery) and brand equity's consequences, quantitative data analysis lead to removal of all of the relationship paths except for the *resonance -> anticipated risk of the purchase decision*, and the *imagery -> anticipated satisfaction with the product* relationships. Qualitative protocols support the existence of the *resonance -> anticipated risk of the purchase decision* relationship path. For example, a U.S. interviewee

indicated having a psychological bond with KFC (i.e. resonance) by associating KFC with having fun with family and friends when eating (i.e. based on his historical consumption experiences). However, this individual discussed feeling that there is risk when deciding whether to eat KFC food. For example, in discussing his thoughts and feelings about deciding whether to purchase and/or eat KFC food, he indicated that with respect to the flavor and quality "…it's not consistent though...there's a bit of uneasiness – not uneasiness but a little bit of uncertainty of what I'm going to get."

With respect to the *imagery -> anticipated feelings of satisfaction with the product* relationship, a Chinese interviewee appeared to support the existence of this relationship by stating "the surroundings inside a KFC provide an environment that feels Western, which is more leisurely and relaxed than the feelings one gets at a typical Chinese restaurant". Other than this relationship, qualitative protocols did not suggest that Americans or Chinese associated any imagery associated with KFC with the other brand equity consequences.

It was interesting to note that of the relationships between brand equity's experiential dimension components and its consequences, that KFC only retained the *resonance -> anticipated risk of the purchase decision* and the *imagery -> anticipated satisfaction with the* product relationship paths. Reflection on qualitative protocols suggest that these paths may be reflective of the relatively high cost of eating at KFC, as compared to students' food budget, which may lead to risk of the purchase decision and feelings of satisfaction being more important to the respondents. For example, as compared to a Chinese student at the Beijing University of Business and Technology receiving a monthly food stipend of 30 RMB, a meal at KFC easily costs 8 RMB or

more. Thus, because of the relatively significant cost of eating at KFC (i.e. relative to their food budget), U.S. and Chinese students may be conscious of the anticipated risk of the purchase decision and the satisfaction with the product constructs.

With the relationship path changes between brand equity and its consequences having now been discussed, the next step is to address the question: For American and Chinese consumers do brand equity's functional and experiential dimensional components have dissimilar relationship strengths with brand equity's consequences? If so, how do they differ?

Of the testable hypotheses that examined relationships between the functional dimension components of brand equity and its consequences, the *perceived quality -> anticipated confidence in the purchase decision* relationship was marginally supported ($p < .064$), and the *perceived quality -> anticipated satisfaction with the product relationship* was supported as being measurably stronger for Chinese ($p < .012$). None of the other testable hypotheses were supported (Table 5-7 provides the hypothesis results for brand equity's functional dimension components'influence on brand equity'). These quantitative results indicate that there is only very weak support that the functional dimension components of brand equity have stronger relationships with brand equity's consequences with Chinese respondents.

Interviews and general discussions with various Americans and Chinese during the study support these results. For example, it was noticeable while conducting the study in China that many individuals reflected the belief that KFC serves high quality food that is made from high quality ingredients and tastes good. As a result, they assume (i.e. anticipate) that whenever they decide to eat at KFC, that they feel confident in their

Table 5-7

Hypothesis results for brand equity's functional dimension components' influence on brand equity's consequences for KFC

Hypothesis	U.S.	Chinese	P-value	Result
The *perceived quality -> anticipated risk of the purchase decision* relationship will be stronger for Chinese than for U.S.	.140	.290	.328	Hypothesis is not supported
The *perceived quality -> anticipated confidence in the purchase decision* relationship will be stronger for Chinese than for U.S.	-.029	-.102	.064	The hypothesis is marginally supported
The *perceived quality -> anticipated satisfaction with the product* relationship will be stronger for Chinese than for U.S.	.006	-.209	.012	The hypothesis is supported
The *perceived quality -> anticipated difficulty of the purchase decision* relationship will be stronger for Chinese than for U.S.	NA	NA	NA	Hypothesis could not be tested
The *perceived performance -> anticipated risk of the purchase decision* relationship will be stronger for Chinese than for U.S.	-.555	-.514	.376	Hypothesis is not supported
The *perceived performance -> anticipated confidence in the purchase decision* relationship will be stronger for Chinese than for U.S.	.803	.858	.356	Hypothesis is not supported
The *perceived performance -> anticipated satisfaction with the product* relationship will be stronger for Chinese than for U.S.	.809	.855	.674	Hypothesis is not supported
The *perceived performance -> anticipated difficulty of the purchase decision* relationship will be stronger for Chinese than for U.S.	.557	.544	.874	Hypothesis is not supported

decision, and that they will be satisfied with the food. They discussed this is important because many of the Chinese restaurants at which they can afford to eat (i.e. when eating away from the campus area) do not serve high quality food that is made from high (or even good) quality ingredients, and often serve food that does not taste very good.

In contrast, while some Americans made similar qualitative comments, their beliefs were not as commonly held when compared to the Chinese, and not emphasized as strongly when made. While difficult, this researcher attempted to put aside any personal thoughts/opinions about the dissimilar diets of a typical student at The University of Tennessee and the university in China. To that regard, based on various interviews and general discussion and personal experience, it is the researcher's opinion that that the typical Chinese student has less access to affordable food that has quality as high as where a typical student at The University of Tennessee eats. This would suggest that the functional aspect of KFC food is likely more influential with the Chinese than with the U.S. respondents.

Of the testable hypotheses that examined relationships between brand equity's experiential dimension components and its consequences (see Table 5-8 for the hypothesis results for brand equity's experiential dimension components' influence on brand equity's consequences), the *resonance -> anticipated risk of the purchase decision* relationship was marginally supported as being stronger for U.S. respondents ($p < .078$). In contrast to the hypothesized result, the *imagery -> anticipated satisfaction with the product* relationship was stronger for Chinese respondents. None of the other hypotheses were supported.

Table 5-8

Hypothesis results for brand equity's experiential dimension components' influence on brand equity's consequences for KFC

Hypothesis	U.S.	Chinese	P-value	Result
The *resonance -> anticipated risk of the purchase decision* relationship will be stronger for U.S. than for Chinese	.113	-.014	.078	Hypothesis is marginally supported
The *resonance -> anticipated confidence in the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *resonance -> anticipated satisfaction with the product* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis cannot be tested
The *resonance -> anticipated difficulty of the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated risk of the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated confidence in the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested
The *imagery -> anticipated satisfaction with the product* relationship will be stronger for U.S. than for Chinese	.053	.348	.001	Because the relationship is measurably stronger for Chinese, the hypothesis is not supported
The *imagery -> anticipated difficulty of the purchase decision* relationship will be stronger for U.S. than for Chinese	NA	NA	NA	Hypothesis could not be tested

Regarding the last contradictory finding, qualitative protocols support that the *imagery -> anticipated satisfaction with the product* relationship is stronger for Chinese. For example, a Chinese interviewee indicated that KFC has an imagery aspect for her when she stated that KFC is a place where she takes friends to eat when she wants "to show them thanks for something." She then indicated this imagery aspect leads to feelings of satisfaction by discussing that KFC enables a person to feel "more leisurely and relaxed than the feelings one gets at a typical Chinese restaurant." These findings reflect mixed results at best regarding the relationships between brand equity's experiential dimension components and its consequences.

While conducting the study in China, it appeared that Chinese students primarily ate at KFC when dining with, or entertaining friends or family. It seemed that whenever they ate at KFC it was an important meal, and one which involved an imagery component (i.e. especially self-image and image enhancement). The reason for this might be that KFC food is relatively expensive, which limits their ability to eat there. For example, as discussed earlier, a meal at KFC near the Chinese university costs 8 RMB or more, as compared to a meal at/near campus costing 1-2 RMB (especially when one considers that the students only receive a monthly stipend of 30 RMB for food, etc.). In contrast, none of the people who were interviewed, or participated in general discussion in the U.S. indicated that the cost of KFC was an issue for them. Thus, the imagery path is likely stronger for Chinese respondents because eating at KFC is of greater significance to them than to the typical U.T. student.

In contrast, because the Chinese respondents are unable to eat frequently at KFC due to the cost, and because the U.S. respondents do not eat as frequently at KFC as they

do at other fast food establishments, such as McDonald's, etc. (which they indicated was primarily because KFC restaurants are not as readily accessible to them as are various other fast food restaurants), neither group of respondents appeared to have developed a bond (i.e. resonance) with KFC. This likely explains why the resonance path was only marginally dissimilar for the two groups. Thus, there is no support of the experiential dimension of brand equity being more influential with U.S. respondents for KFC, as compared to Chinese respondents.

Comparative influence of brand equity's consequences on purchase intent

The third question designed to help answer the comprehensive research question for KFC was: For American and Chinese consumers, do brand equity's consequences have dissimilar relationship strengths with future purchase intent? If so, how do they differ? As depicted in Table 5-9 (results of the exploratory proposition) none of the testable hypotheses were supported. Based on these findings, no differences were forthcoming between U.S. and Chinese respondents with respect to the relationships between brand equity's consequences and purchase intent.

Qualitative interviews and general discussion with various Americans and Chinese suggest that the similar relationship paths between brand equity's consequences and purchase intent likely stem from similar perceptions of brand equity's consequences that remained in the model after purification. Americans and Chinese exhibited similar levels of anticipated satisfaction with the product and anticipated difficulty of the purchase decision. For example, people in each culture discussed that because KFC is such a well known brand, and has been around for so long, that they believe that KFC

Table 5-9

Hypothesis results of brand equity's consequences influence on future purchase intent exploratory propositions for KFC

Hypothesis	U.S.	Chinese	P-value	Result
The *anticipated risk of the purchase decision -> future purchase intent* relationship will have dissimilar relationship strengths with U.S. and Chinese respondents	NA	NA	NA	Hypothesis cannot be tested
The *anticipated confidence in the purchase decision -> future purchase intent* relationship will have dissimilar relationship strengths with U.S. and Chinese respondents	NA	NA	NA	Hypothesis cannot be tested
The *anticipated satisfaction with the product -> future purchase intent* relationship will have dissimilar relationship strengths with U.S. and Chinese respondents	.158	.226	.422	Hypothesis is not supported
The *anticipated difficulty of the purchase decision -> future purchase intent* relationship will have dissimilar relationship strengths with U.S. and Chinese respondents	.143	.200	1.000	Hypothesis is not supported

knows how to cook chicken better than any other fast food restaurants. As a result, they perceive that anyone who eats at KFC "knows what they will get". The Americans and Chinese indicated that this results in their ability to essentially assume 1) if they eat at KFC that they can be confident of their decision, and in the service and quality of food that they will receive (i.e. confidence), and 2) that they will feel happy and content with the food (i.e. satisfaction). These protocols appear to support quantitative data finding no measurably dissimilar relationship paths between brand equity's consequences and future purchase intent with Americans and Chinese.

Limitations of the dissertation

While the study was subject to various limitations, five are of notable significance. First, the study only involved two brands (i.e. Coca-Cola and KFC), with each in the same product class (i.e. food group). Because both Coca-Cola and KFC are, at a minimum, intermittently consumed by the typical U.S. and Chinese respondent, neither brand can be perceived as either "exclusive" or "conspicuous". This is because, as compared to many other product type brands, KFC and Coca-Cola are relatively affordable and available to anyone within the two groups of respondents. As discussed by Bourne (1957) and Bearden and Etzel (1982), people are significantly less likely to be influenced by others when they are purchasing brands that are not "exclusive" or "conspicuous". Therefore, this dissertation's findings may not be reflective of other brands or product classes. Interestingly, Melewar et al. (2004) appears to recognize this potential dissimilarity by suggesting there is a need for research in China that examines different brand and product class attitudes and behaviors.

Another limitation was that the study employed only junior and senior level undergraduate business students in the U.S. and China as respondents. While the study used these respondents in order to have U.S. and Chinese respondents that were as similar as possible, other than being from different cultures, in order to reduce the within-group heterogeneity (Ter Hofstede et al. 2002), it is unlikely that they are representative of the general population within their respective culture, or of other age groups. Not until the study was conducted in China was the potential significance of this limitation recognized or understood. For example, during dinner with two Chinese assistants that helped with the study in China, at one point the topic of discussion was the Chinese policy of one child per family, which was implemented in 1983. This time frame means that the Chinese participants (i.e. the typical respondent was 20-22 years of age) were part of the first generation to be born, and grow up in China under this policy.

During the time spent in China conducing the study, it was noticeable that various Chinese students discussed that because Chinese parents have only been permitted to have one child since 1983, that the child is considered the 'emperor' or 'empress' of the family, which results in many Chinese families doing everything possible to give the one child whatever they want. The assistants and other Chinese perceive that the result has been that Chinese born since 1983, as compared to those born earlier, are spoiled, want/ expect more things, and are self-focused. The perception of various Chinese involved in this study was that the Chinese respondents involved in this study may be more similar to a typical U.S. student than would be older Chinese as compared to older Americans.

The third limitation is that while numerous steps were taken to ensure that the English and Chinese versions of the study were conceptually similar in both languages,

there was the potential risk that some respondents might have had dissimilar interpretations/understandings of some of the questions. In preparing for the study, significant steps were taken in order to minimize this potential risk. A Chinese graduate student who is fluent in both Chinese and English translated the English survey into Chinese. During the translation process she frequently consulted with other Chinese students at The University of Tennessee in order to confirm that her Chinese translation captured the essence of the English version. After the translation was completed, the Chinese version was back-translated from Chinese into English to verify semantic equivalence (Mallinckrodt and Wang 2004), by a former University of Tennessee student who is originally from China, and currently lives in Atlanta. Any differences that were found between the original English version and the back-translated version were revised in order to strengthen the conceptual similarity of the two versions. The subsequent Chinese and the original English versions were then reviewed by a professor and a student (who are each very fluent in English) at the Beijing University of Business and Technology. Their review confirmed that the two versions were conceptually the same. However, in order to confirm that the respondents had similar perceptions, after the surveys were completed in China, general discussions were held with various respondents in order to evaluate their understanding of the measurement items, and whether their conceptual understanding was similar to the intent of the question. While all indications were that the final Chinese and the initial English versions of the study were essentially identical, one cannot discount the possibility that the dissimilarities and nuances of each culture's language may have lead to some unfound differences between the two versions (Huang 2002).

Fourth, the dissertation's initial research model stemmed primarily from conceptual Western research. This was necessary for two reasons. First, limited international brand equity research and the essential absence of such research in China necessitated relying on Western research. Second, the limited empirical brand equity research necessitated relying primarily on conceptualization (e.g., Aaker 1991; Keller 2003). Thus, it is possible that our current brand equity theories may not extend to non-Western cultures because our theories insufficiently capture whatever factors likely reflect any brand equity dissimilarities that exist between different cultures.

The final limitation was the difficulty for the researcher to conduct interviews in China due to the interviewees' dissimilar language nuances. To help offset this problem, a Chinese assistant who is very fluent in English, accompanied the researcher on interviews. However, it was sometimes so difficult to understand the interviewees' words or intent, that some key points may not have been sufficiently understood.

Potential academic and practitioner implications

Although this study only entailed two brands, Coca-Cola and KFC, it produced some interesting findings that lead to several fundamental implications. First, various literatures suggest that the strong dissimilarity of Americans and Chinese (e.g. Inglehart and Baker 2000, Briley and Wyer 2001, Gilmore and Dumont 2003, Ferraro 2002) essentially necessitates that to develop brand equity and strengthen consumers' future purchase intent in the U.S. and China, marketers should implement different marketing strategies in the two cultures.

This study provides insights into potential (dis)similarities of how Coca-Cola and KFC should be marketed in the U.S. and China in order to strengthen consumers' future purchase intent, which literature indicates is an instrumental role of brand equity (Aaker 1991; Keller 2003), and should be a strategic goal for marketing a brand(s) in any market (Day 1990). This is because future purchase intent is "most likely to be predictive of actual purchase" (Keller 2003, p. 462), which is vital for a firm to succeed financially and grow (Aaker 1992). Interestingly the study found some future purchase intent dissimilarities with the U.S. and Chinese respondents, and some differences from the original research model.

With respect to Coca-Cola the study found that effectiveness was the only construct to have significant influence on future purchase intent. A facet of the study which helps explain this finding is that while literature describes satisfaction from two perspective: 1) as a feeling state (Oliver 1999), and 2) meeting consumers' expectations and requirements (Day 1982), this dissertation defines satisfaction from the feeling state perspective. Some research suggests that satisfaction as a feeling state has not been consistently shown to have a strong influence on future purchase intent (Garbarino and Johnson 1999; Selnes 1993). In contrast, other research suggests that whether a brand meets one's requirements does consistently influence future purchase intent (Selnes 1993). Thus, it would appear that this dissertation's definition of effectiveness as how completely a brand meets consumers' requirements (Keller 2003) helps explain why the study found that effectiveness influences future purchase intent, that indeed, it captures the expectation aspect of satisfaction. Throughout the study, interviews and discussions with various Americans and Chinese appeared to support this interpretation by their

frequent reference that Coca-Cola's ability to quench their thirst influences their future purchase intent. In contrast, it was rare that anyone associated their feeling state with their future purchase intent.

The study also found that the influence of Coca-Cola's effectiveness on (re)purchase intent was measurably stronger for the U.S. respondents than for the Chinese ($p < .005$). From a hypothetical perspective this would suggest that a marketing strategy for Coca-Cola in the U.S. should have a greater emphasis on understanding and meeting consumers' requirements than in China. However, because the path weights indicate the relationship has significant strength with both U.S. and Chinese respondents (i.e. a path weight of .961 for U.S. and .831 for Chinese), it would seem logical that whether marketing Coca-Cola in the U.S. or China, one should focus on understanding and meeting each country's consumers' requirements, which is the underlying essence of current marketing theories (Armstrong and Kotler 2003).

In contrast to conceptual literature (e.g.,Aaker 1991; Keller 2003), the study found no significant relationship paths between brand equity's consequences and future purchase intent, which may suggest limited value of a Coca-Cola marketing strategy that addresses the consumer's anticipated risk and difficulty of, and confidence in the purchase decision; and feelings of satisfaction. However, because Coca-Cola is a relatively inexpensive product that respondents have consumed frequently and for a long period of time, and is a well known brand, these findings may not be applicable to other brands and/or product classes.

With respect to KFC, the study uncovered some future purchase intent findings that contrast those of Coca-Cola. First, the KFC model purification process did not

remove the *anticipated difficulty of the purchase decision -> future purchase intent*, and the *anticipated satisfaction with the product -> future purchase intent* relationship paths from the model, indicating that decision difficulty and the respondents' state of feeling influence their future purchase intent with KFC. As discussed previously, qualitative protocols support the existence of these two paths. For example, the accessibility of a KFC restaurant whenever a person is hungry impacts the difficulty of their deciding whether to eat at KFC, which influences their decision to eat at KFC (i.e. *decision difficulty -> purchase intent*). And, various Chinese and Americans suggested that their feeling state about KFC does influence their future decisions as to whether they will eat at KFC (i.e. *satisfaction -> purchase intent*).

Second, the KFC model purification process lead to the addition of *awareness -> future purchase intent* and *behavioral loyalty -> future purchase intent* relationship paths to the KFC research model. Qualitative protocols support the existence of these two relationships. For example, various Americans and Chinese discussed that new KFC advertising campaigns and/or promotional specials impact their awareness of the brand, which influences their future purchase intent (i.e. *awareness -> purchase intent*). Also, various Americans and Chinese discussed that their past experiences eating at KFC and their loyalty to the brand impacts their future decisions of whether to eat there again (i.e. behavioral loyalty -> purchase intent).

Of the KFC relationship paths with future purchase intent, the only one supported as being dissimilar for U.S. or Chinese respondents was the *behavioral loyalty -> future purchase intent* path, which was measurably stronger for U.S. respondents than for Chinese ($p < .017$). This suggests that a KFC marketing strategy designed to strengthen

consumers' future purchase intent in the U.S. and China should essentially be similar, other than having a stronger focus on emphasizing behavioral loyalty with U.S. consumers. However, discussions and observations in the U.S. and China question the appropriateness of this. For example, when discussing KFC various students at The University of Tennessee mentioned having to drive in order to find a KFC restaurant, and stated that KFC restaurants are infrequently accessible whenever they are hungry. In contrast, a typical student at the Beijing University of Business and Technology has access to various KFC restaurants by either walking (one is only a few blocks from their campus), or taking public transportation or riding a bicycle to other KFC restaurants that are only a little further away. Thus, as compared to U.S. students, behavioral loyalty may not be as influential with Chinese students because of their easy access to a KFC.

As discussed, literature suggests that dissimilar marketing strategies are likely appropriate when marketing a brand in dissimilar cultures such as the U.S. and China (e.g. Gilmore and Dumont 2003, Ferraro 2002) and attempting to secure strong consumer future purchase intent. However, this study's findings suggest that a Coca-Cola and KFC marketing strategy focused on strengthening U.S. and Chinese consumers' future purchase likely could be similar in the two cultures.

The second implication of this study is that its findings suggest that different brands and/or product classes may have dissimilar paths that lead to future purchase. This statement draws from the study's differential findings with respect to KFC and Coca-Cola that were discussed above and from interviews/discussions with various Americans and Chinese during the study. For example, during the study it was notable that with respect to Coca-Cola, that various Americans and Chinese discussed a relatively

limited number of brand aspects, such as its: 1) good taste and ability to quench their thirst, 2) availability whenever they are thirsty, and 3) being a habit to drink. In comparison, they frequently discussed a significantly greater number of brand aspects with respect to KFC, potentially indicating that they perceive KFC as a more complex brand that Coca-Cola. For example, they discussed whether it 1) will fulfill their hunger and taste good, 2) will be served in a restaurant that is clean on the inside and outside, 3) will be served to them by employees that are clean and friendly, 4) will be convenient when people are hungry, 5) can be eaten in a restaurant that is relatively quiet and relaxing, among other aspects. These differences lead to at least two conclusions. First, the different aspects of KFC and Coca-Cola that were discussed by the various U.S. and Chinese students may be underlying factors why the purification process lead to Coca- and KFC having dissimilar revised research models, and second, they may be indicative that different brands and/or product types have dissimilar complexities, which call for dissimilar brand equity based marketing strategies.

Interestingly, Moyer (2005) and Negroponte (2004) suggested that different brands have dissimilar complexities that sometimes serve to confound consumers. Dissimilar complexities associated with different brands was discussed by Schreiber (2002) who suggests that the dissimilar complexities of B2C and B2B brands typically require different marketing strategies because of the dissimilar variables that need to be considered in the purchase decision process. With respect to B2B brands, he discusses that they often entail a greater number of complexities that must be considered, such as: price, quality, service, ability to meet deadlines, past history of the relationship, and consequences associated with the purchase decision. In contrast to B2B brands, he

discusses that for many B2C brands there is less fear, uncertainty, and doubt associated with a purchase decision. For example, Schreiber (2003) states "There are few consequences to an individual who buys a Coke rather than Pepsi" as compared to "An engineer at one of the Big Three automobile manufacturers would probably experience FUD (i.e. fear, uncertainty and doubt) when selecting a supplier for engines or electrical components, as would the chief information officer (CIO) at a company when making decisions on a new communications network for the company" (p. 126). These various thoughts reflect the need to further research the question: Do different brands and/or classes of products have dissimilar constructs that influence future purchase intent, and are those influences different with U.S. and Chinese consumers? If future research finds any differences there would be theoretical consequences. For example, differences would potentially suggest that brand equity forms differently, and has dissimilar consequences with different brands and/or product classes. Thus, different brands and/or product classes may require dissimilar marketing strategies in order to attain similar brand equity and brand equity consequences.

The third implication of this study is that its empirical findings lead to significant changes in the dissertation's initial Coca-Cola and KFC research models which were based primarily on conceptual literature (Figure 3-1 presents the dissertation's initial U.S. and Chinese cross-cultural brand equity SEM model for Coca-Cola, and Figure 3-2 presents the initial U.S. and Chinese cross-cultural brand equity SEM model for KFC. Figure 4-1 presents the revised Coca-Cola model, and Figure 4-2 presents the revised KFC model). For example, with respect to Coca-Cola, the purification process removed the brand equity antecedent constructs of awareness and attitude, removed various

relationship paths in the model, and found that effectiveness was the only construct with significant influence on future purchase intent. With respect to KFC, the purification process removed, and added various relationship paths in the model. While these findings are based on empirical research with only two brands, they likely suggest that the influences on the development of brand equity and its consequences may differ from our present conceptual thinking. Findings from this study reflect that such knowledge can serve as a foundation for helping to design future research that will help develop a stronger understanding of brand equity differences across brand and cultures. This badly needed understanding can be used by academicians to build theories and models that can be used to develop knowledge that can be disseminated to practitioners to help them develop more successful marketing strategies for different markets.

Future research

At best, the dissertation found mixed results with respect to its theory. It found no support that brand equity's functional antecedents, or its functional dimension has more influence with Chinese, for Coca-Cola. In comparison, it found no support that brand equity's functional antecedents have more influence with Chinese, and only very weak support that the functional dimension has more influence with Chinese, for KFC. With respect to the experiential dimension components, the study found that in contrast to the hypothesis, that the experiential antecedents are more influential with Chinese, and no support that the experiential dimension is more influential for Americans, for Coca-Cola. In comparison, it found support that the experiential antecedents are more influential with Americans, but no support that brand equity's functional dimension is more influential

with Americans, for KFC. Finally, it found no support of brand equity having dissimilar influence on future purchase intent with Americans or Chinese.

Because this study included only two brands, Coca-Cola and KFC, which each are well known and relatively inexpensive brands that are food group products, it cannot be assumed that any of the findings can be generalized to other brands. However, based on literature discussing the strategic importance of brand equity (Keller 2003), finding even mixed support for the dissertation's theory suggests that additional empirical research is warranted to strengthen our understanding of potential brand equity differences with respect to different brands and different product classes with U.S. and Chinese groups. Because of its ability to elaborate and extend existing theory, and develop insights into, and a rich understanding of people's perceptions and the meaning of things to them (Strauss and Corbin 1998), grounded theory is likely a good research methodology for future exploration of the insights produced by this study. In addition, a ground theory study would provide insights that would help researchers develop better measures that could be used in subsequent quantitative brand equity studies.

Drawing from any findings that stem from a grounded theory study, and subsequent quantitative studies, future research should be conducted with people in different age groups in the U.S. and China, with people in different cultures, such as India, Russia, Latin America, among others, and with various cultural groups within the United States (i.e. the majority of U.S. respondents in this study were primarily southeastern U.S. Caucasians, and it cannot be assumed the results of this study can be extended to other cultural groups, or people in other geographical parts of the U.S.). It will only be by conducting such studies that empirical cross-cultural knowledge can be

developed that will strengthen our understanding of potential brand equity (dis)similarities in various cultures.

In addition, as discussed throughout this chapter, future research should also be designed to address specific questions that are based on this study's findings. To that respect, the following questions should be considered for future research:

1) What is the relationship between the frequency of a person's usage of a brand, and the brand's share of its product category that is consumed by the person, with the person's awareness and/or attitude toward the brand?
2) Is there a relationship between the time period that a brand has been marketed and consumers' perception of its quality?
3) Does the frequency and length of time of usage of a brand influence one's perception of the importance of the relationship between perceived brand quality and anticipated difficulty in deciding whether to purchase that brand?
4) Does the frequency and length of time of usage of a brand by a consumer influence their perception of the influence of their imagery that is associated with a brand and their *anticipated*: 1) risk of the purchase decision, 2) confidence in the purchase decision, and 3) satisfaction with the product?
5) Do different brands and/or classes of products have dissimilar constructs that influence future purchase intent, and are those influences different with U.S. and Chinese consumers?

Conclusions

This dissertation produced mixed findings with respect to its theory that brand equity's experiential antecedents would have greater influence on brand equity's experiential dimension and its consequences with U.S. consumers, while the functional antecedents would have greater influence on brand equity's functional dimension and its consequences with Chinese consumers. The study also found that while the initial Coca-Cola and KFC research models had similar structures (i.e. constructs and relationship paths), the model purification process resulted in various brand equity experiential antecedent constructs being removed from the Coca-Cola model, and various relationship paths being dropped from the Coca-Cola and KFC research models. This resulted in the purified KFC and Coca-Cola models being relatively dissimilar (see Figure 4-1 and Figure 4-2).

This suggests that brand equity potentially has dissimilarities with different brands. Also, because KFC and Coca-Cola are each well-known food type brands that are relatively inexpensive and frequently consumed, there may be even greater brand equity dissimilarities with brands in other product classes. For example, with respect to an automobile one might find that brand equity would entail significantly more complex tangible and intangible aspects (Keller 2003), such as physical comfort, appearance, style, speed, durability, performance, price, public conspicuousness and social influence, among others (Bearden and Etzel 1982)

Brand equity in the clothing product class, with a brand such as Abercrombie & Fitch would likely entail aspects such as exclusivity, style (i.e. hip and fashionable), lifestyle, visual appeal of the sales people, and image of the brand (Keller 2003). And,

brand equity for personal care product brands such as Maybelline would entail brand equity aspects such as price, trade promotions, new product innovation, and image of places to purchase the brand (Aaker 1991). It is hoped that the future research efforts will seek to answer questions put forth in this dissertation and will shed light upon the potential of brand equity dissimilarities, not just with different cultures, but also with different brands and product classes.

Reflecting on the study in its entirety, the researcher believes that Coca-Cola and KFC are brands that each has one dominant factor that likely is a key determinant of their value as perceived by respondents, and has significant impact on people's future purchase intent of each brand. This likely was an underlying factor as to why this dissertation found mixed results with respect to its theory.

With respect to Coca-Cola, it was interesting to note that throughout the study that both Americans and Chinese discussed that purchasing and drinking the brand is essentially a habitual part of their daily lives. Students in each culture discussed that whenever they eat fast food they automatically ask for a Coca-Cola, and do not even give thought to other brands of soft drink. And some said that whenever they are given a choice of soft drinks they almost automatically ask for Coca-Cola. It is as if Coca-Cola is such an integral part of the daily life of American and Chinese students that other brands and/or beverages typically are not even given consideration. With a brand such as Coca-Cola that is so ingrained in the regular daily lives of people, they may not be as aware of, or give thought to the various relationships that were tested in the study as they would have been of other brands and/or product classes. It would seem likely that respondents'

would answer the survey differently for Coca-Cola than they would for other brands that are not so ingrained in their lifestyle.

With respect to KFC, it was noticeable that both Americans and Chinese discussed that the accessibility of KFC whenever they are hungry is a key determinant of their perceived value of the brand and their decision as to whether to eat there. It was as if when KFC is not easily accessible to the students whenever they are hungry that they do not perceive a value of the brand, and will automatically decide to eat elsewhere. This seems to suggest that people primarily perceive a value of KFC (i.e. brand equity) only when they are hungry. If this thought is even somewhat reflective of reality, it would seem that the respondents' replies to the survey would likely differ if they are hungry or not hungry, which would have significantly impacted the study's findings.

Because brand equity for Coca-Cola and KFC is significantly influenced by one key aspect for each brand, it cannot be assumed that this dissertation's findings are reflective of other brands in the beverage, food, or other product classes. Thus, future research with other brands and product classes is needed for developing a stronger understanding of brand equity's similarities and differences, especially with respect to comparative findings with different cultures. Thus, continued empirical brand equity research needs to be conducted for helping academicians develop theories and knowledge that can be disseminated to practitioners who are attempting to market their brands into foreign markets to help offset the mounting pressures on their brands, and to help the firms grow their business.

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APPENDICES

Appendix A

Pre-test survey instrument

INFORMED CONSENT FORM

You are invited to participate in a marketing research study. The purpose of this study is to examine consumer perceptions of brands.

INFORMATION

The questions in this questionnaire are designed to be simple, every-day type questions about your attitudes, thoughts, and opinions about Coca-Cola and KFC. You will be asked how strongly you agree or disagree with each item. The questionnaire will take you approximately 20 to 30 minutes to complete. When you have completed questionnaire, please turn it in.

RISKS

Because this study involves the use of a questionnaire that asks relatively simple, every-day type questions about Coca-Cola and KFC, no risks to you are foreseen for your participation in this study.

BENEFITS

The knowledge that will be obtained from this study will be valuable in helping develop models and theories about how people perceive brands.

CONFIDENTIALITY

The information in the study records will be kept confidential. Data will be stored securely and will be made available only to persons conducting the study unless you specifically give permission in writing to do otherwise. No reference will be made in oral or written reports which could link you to the study.

CONTACT

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Department of Marketing and Logistics; 310 Stokely Management Center
The University of Tennessee Telephone: (865) 974-5311
Knoxville, TN (U.S.A.) 37996-0530 E-mail: sbroyles@utk.edu

If you have questions about your rights as a participant, contact the University of Tennessee's Research Compliance Services section of the Office of Research at (865) 974-3466.

PARTICIPATION

Your participation in this study is voluntary; you may decline to participate without penalty. If you decide to participate, you may withdraw from the study at anytime without penalty and without loss of benefits to which you are otherwise entitled. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

CONSENT

I have read the above information and agree to participate in this study. I have received a copy of this form.

Participant's name (print) _____
Participant's signature _____
Date _____

Cola-Cola and KFC Brand Equity Survey

By:

Allen Broyles
Marketing Doctoral Candidate
The University of Tennessee
310 Stokely Management Center
Knoxville, Tennessee 37996-0530 (U.S.A.)
Office telephone: (865) 974-5311
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E-Mail: sbroyles@utk.edu

Directions for taking this survey

The purpose of this survey is to help me better understand people's thoughts about brands. This survey contains a variety of questions that ask about your thoughts and opinions about Coca-Cola and KFC. It is important that you understand that there are no "right" or "wrong" answers to any of the questions. Instead, your own thoughts and opinions are the best answer for each question.

Please read each question carefully and circle the number that best represents your thoughts and opinions. It is very important that you answer all of the questions.

I very much appreciate your willingness to take the time to complete this survey. Also, please know that all of the information that you provide in this survey will be confidential and anonymous.

Coca-Cola Questions

Every time I drink Coca-Cola, it has the same:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Taste	1	2	3	4	5
Tingle in my mouth	1	2	3	4	5
Sweetness	1	2	3	4	5
Color	1	2	3	4	5
Logo / trademark	1	2	3	4	5

Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Makes my mouth feel tingly	1	2	3	4	5
Satisfies my thirst	1	2	3	4	5
Improves the taste of fast food, such as McDonald's	1	2	3	4	5
Makes me feel refreshed	1	2	3	4	5
Tastes good	1	2	3	4	5

Coca-Cola is a brand that:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is everywhere around me	1	2	3	4	5
I see at local sports events	1	2	3	4	5
I see at local school events	1	2	3	4	5
Many people drink	1	2	3	4	5
I am familiar with	1	2	3	4	5
Comes to my mind when I think of a soft drink	1	2	3	4	5
Is often promoted or advertised	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola is the brand of soft drink that I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Buy more often	1	2	3	4	5
Drink whenever I eat at a fast food restaurant, such as McDonald's	1	2	3	4	5
Buy whenever I am given a choice of soft drinks	1	2	3	4	5
Drink more frequently	1	2	3	4	5
Drink whenever I want to treat myself with a soft drink	1	2	3	4	5

When I drink Coca-Cola, it is because Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is a brand I can trust	1	2	3	4	5
Has a taste that I like	1	2	3	4	5
Is a brand that I like	1	2	3	4	5
Is the brand of soft drink that I prefer	1	2	3	4	5
Makes me feel good	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite, and 7-Up), Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is the best soft drink	1	2	3	4	5
Has the best taste	1	2	3	4	5
Is the most refreshing	1	2	3	4	5
Is a high quality soft drink	1	2	3	4	5
Makes my mouth feel the most tingly	1	2	3	4	5
Is made with high quality ingredients	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is available when I want it	1	2	3	4	5
Makes me feel the way I hope it will	1	2	3	4	5
Has the distinctive taste that I like	1	2	3	4	5
Quenches my thirst better than the other soft drinks	1	2	3	4	5
Makes fast food (such as McDonald's) taste the way I hope it will	1	2	3	4	5
Gives me the energy that I hope it will	1	2	3	4	5
Generally, is better with fast food, such as McDonald's	1	2	3	4	5

Drinking Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Reminds me of doing things with my family and friends	1	2	3	4	5
Reminds me of special events such as holidays and parties	1	2	3	4	5
Makes me feel like I am rewarding myself	1	2	3	4	5
Is a tradition with my family and friends	1	2	3	4	5
Makes me feel like I am treating myself	1	2	3	4	5
Is part of the American culture	1	2	3	4	5

Drinking Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is fun	1	2	3	4	5
Makes me feel youthful	1	2	3	4	5
Makes me feel modern	1	2	3	4	5
Fits my personality	1	2	3	4	5
Fits my lifestyle	1	2	3	4	5
Makes me feel like a person with high social status	1	2	3	4	5
Makes me feel like part of the group	1	2	3	4	5
Is something that popular people do	1	2	3	4	5
Makes me feel popular	1	2	3	4	5
Fits my self-image	1	2	3	4	5

Whenever I am deciding whether to buy Coca-Cola, I am concerned that it will:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Increase the likelihood that I will gain weight	1	2	3	4	5
Be addictive	1	2	3	4	5
Increase the likelihood that I will become obese	1	2	3	4	5
Increase the likelihood that I will get diabetes	1	2	3	4	5
Make me feel edgy/nervous	1	2	3	4	5
Make it difficult for me to go to sleep	1	2	3	4	5
Contain ingredients that are unhealthy	1	2	3	4	5
Be a risky soft drink for me to drink	1	2	3	4	5

Deciding whether to purchase Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is easier because it is sold at so many places	1	2	3	4	5
Is more difficult if I am trying to have a healthier diet	1	2	3	4	5
Does not require a lot of effort	1	2	3	4	5
Is easier because it is a well-known brand	1	2	3	4	5
Is easier because I am familiar with the brand	1	2	3	4	5
Is easier because I see a lot of other people drink it	1	2	3	4	5
Is easier because of the variety of containers in which Coca-Cola is sold	1	2	3	4	5

Whenever I purchase Coca-Cola, I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Feel more comfortable with the product because so many people drink it	1	2	3	4	5
Have confidence in the quality of the product	1	2	3	4	5
Have confidence that my decision was good	1	2	3	4	5
Have confidence that my thirst will be quenched	1	2	3	4	5
Trust that the manufacturer produces a good product	1	2	3	4	5

Typically, whenever I'm about to drink Coca-Cola, I feel:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Happy with my decision to drink the product	1	2	3	4	5
Satisfied with my decision to drink the product	1	2	3	4	5
Content with the product	1	2	3	4	5
That my decision to drink the product was wise	1	2	3	4	5
Good about my decision to drink the product	1	2	3	4	5

In the future:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
I am likely to buy Coca-Cola again	1	2	3	4	5
The next time I want a soft drink I am likely to buy Coca-Cola	1	2	3	4	5
I will buy Coca-Cola within the next week	1	2	3	4	5
I am likely to purchase another brand of soft drink	1	2	3	4	5
I will drink Coca-Cola more often than other brands of soft drinks	1	2	3	4	5

In the last 30 days, how many times have you drunk Coca-Cola _____

Of the soft drinks that you have drunk in the last 30 days, what percentage was Coca-Cola?

a. 0%
b. 1 – 10%
c. 11-20%
d. 21-30%
e. 31-40%
f. 41-50%
g. 51-60%
h. 61-70%
i. 71-80%
j. 81-90%
k. 91-100%

KFC Questions

Every time I eat at KFC, the food has the same:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Taste	1	2	3	4	5
Temperature	1	2	3	4	5
Smell	1	2	3	4	5
Package	1	2	3	4	5
Logo / Trademark	1	2	3	4	5

Every time I eat at KFC, the food:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is prepared the same	1	2	3	4	5
Is served with the same level of service	1	2	3	4	5

KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Serves food that smells good	1	2	3	4	5
Serves food that fills my hunger	1	2	3	4	5
Serves food that tastes good	1	2	3	4	5
Serves chicken that is crispy on the outside	1	2	3	4	5
Serves chicken that is juicy on the inside	1	2	3	4	5
Serves chicken that is tender on the inside	1	2	3	4	5
Has prompt service	1	2	3	4	5
Gets my order correct	1	2	3	4	5

KFC is a brand:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Of fast food that many people eat	1	2	3	4	5
Of fast food with which I am familiar	1	2	3	4	5
Of fast food that is often promoted or advertised	1	2	3	4	5
Of fast food that comes to my mind when someone asks me to join them for a quick meal	1	2	3	4	5
That comes to my mind when I think of fast food	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC is the brand of fast food that I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Buy more often	1	2	3	4	5
Eat whenever I want to eat a non-burger type of fast-food	1	2	3	4	5
Eat more often	1	2	3	4	5
Eat whenever I want fast food	1	2	3	4	5
Eat when I want to eat something that is healthier than the typical fast food	1	2	3	4	5
Eat if it is convenient when I am hungry and need to eat in a rush	1	2	3	4	5

When I eat at KFC, it is because KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is a brand I can trust	1	2	3	4	5
Serves food that I like	1	2	3	4	5
Is a brand that I like	1	2	3	4	5
Is the brand of fast food that I prefer	1	2	3	4	5
Makes me feel good	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is the best fast food	1	2	3	4	5
Has the best service	1	2	3	4	5
Has the best taste	1	2	3	4	5
Is made with high quality ingredients	1	2	3	4	5
Is very nutritious food	1	2	3	4	5
Does not serve food that will harm me	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Has restaurants that are clean inside	1	2	3	4	5
Has restaurants that are clean outside	1	2	3	4	5
Sells food that provides my body with the nutrition that it needs	1	2	3	4	5
Sells food that tastes the way I hope it will	1	2	3	4	5
Sells food that fills my hunger the way I hope it will	1	2	3	4	5
Provides me with the quick service that I hope it will	1	2	3	4	5
Sells food that smells the way I hope it will	1	2	3	4	5
Serves chicken that is as tender and juicy on the inside as I expect	1	2	3	4	5
Serves chicken that is as crispy on the outside as I expect	1	2	3	4	5
Provides me with the menu options that I want	1	2	3	4	5

Eating KFC food:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Reminds me of doing things with my family and friends	1	2	3	4	5
Reminds me of special events such as holidays and parties	1	2	3	4	5
Is part of the American Culture	1	2	3	4	5
Makes me feel like I am rewarding myself	1	2	3	4	5
Is a tradition with my family and friends	1	2	3	4	5
Is like eating a meal that my mom cooked	1	2	3	4	5
Makes me feel like I am treating myself	1	2	3	4	5

Eating at KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is fun	1	2	3	4	5
Makes me feel youthful	1	2	3	4	5
Makes me feel modern	1	2	3	4	5
Fits my personality	1	2	3	4	5
Fits my lifestyle	1	2	3	4	5
Makes me feel like a person with high social status	1	2	3	4	5
Makes me feel like part of the group	1	2	3	4	5
Is something that popular people do	1	2	3	4	5
Makes me feel popular	1	2	3	4	5
Fits my self-image	1	2	3	4	5

Whenever I am deciding whether to buy food at KFC, I am concerned that it will:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Increase the likelihood that I will develop heart disease	1	2	3	4	5
Increase the likelihood that I will gain weight	1	2	3	4	5
Increase the likelihood that I will become obese	1	2	3	4	5
Contain ingredients that are unhealthy	1	2	3	4	5
Be a risky food to eat	1	2	3	4	5
Be difficult to digest	1	2	3	4	5
Lead to stomach problems	1	2	3	4	5

Deciding whether to purchase fast food at KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is easier when the outside of the restaurant is clean	1	2	3	4	5
Is easier when I know that the inside of the restaurant is clean	1	2	3	4	5
Is more difficult if I am trying to eat healthier	1	2	3	4	5
Does not require a lot of effort	1	2	3	4	5
Is easier because it is a well-known brand	1	2	3	4	5
Is easier because I am familiar with the brand	1	2	3	4	5
Is easier because I see a lot of other people eating there	1	2	3	4	5

Whenever I purchase fast food at KFC, I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Am confident I will receive good service	1	2	3	4	5
Trust that the food is prepared properly	1	2	3	4	5
Am confident that my hunger will be filled	1	2	3	4	5
Am confident they will have friendly employees	1	2	3	4	5
Feel more comfortable with the product because so many people eat there	1	2	3	4	5
Have confidence in the quality of the product	1	2	3	4	5
Have confidence that my decision was good	1	2	3	4	5

Typically, whenever I'm about to eat at KFC, I feel:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Happy with my decision to eat at KFC	1	2	3	4	5
Satisfied with my decision to eat at KFC	1	2	3	4	5
Content with their food	1	2	3	4	5
That my decision to eat their food was wise	1	2	3	4	5
Good about my decision to eat their product	1	2	3	4	5

In the future:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
I am likely to eat at KFC again	1	2	3	4	5
The next time I want fast food I am likely to eat at KFC	1	2	3	4	5
I will eat at KFC within the next month	1	2	3	4	5
I am likely to purchase another brand of fast food	1	2	3	4	5
I will eat at KFC more often than at other fast food restaurants	1	2	3	4	5

In the last 6 months, how many times have you eaten at KFC _____

Of the times that you ate fast food in the last 6 months, what percentage of the time did you eat at KFC?

a. 0%
b. 1– 10%
c. 11-20%
d. 21-30%
e. 31-40%
f. 41-50%
g. 51-60%
h. 61-70%
i. 71-80%
j. 81-90%
k. 91-100%

Demographic questions

1. What is your age group?

   a. 18 or under b. 19-29 c. 30-39 d. 40-49 e. 50 or more

2. Are you: Male _____ Female_____

3. What is your nationality?

Black / African American	_____
White / Caucasian	_____
Chinese living in mainland China	_____
Chinese not living in mainland China	_____
Other Asian	_____
Hispanic	_____
Other (please describe)	_____

4. What is your educational status?
   a. I am currently an undergraduate student
   b. I am currently in a Master's degree program
   c. I am currently in a Ph.D. degree program
   d. Other (please describe_____)

Thank you for taking the time to complete this survey. Your information is very valuable, and greatly appreciated.

Appendix B

English version of survey instrument

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CONSENT

I have read the above information and agree to participate in this study. I have received a copy of this form.

Participant's name (print) _____
Participant's signature _____
Date _____

Cola-Cola and KFC Brand Equity Survey

By:

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Please read each question carefully and circle the number that best represents your thoughts and opinions. It is very important that you answer all of the questions.

I very much appreciate your willingness to take the time to complete this survey. Also, please know that all of the information that you provide in this survey will be confidential and anonymous.

Coca-Cola Questions

Every time I drink Coca-Cola, it has the same:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Taste	1	2	3	4	5
Tingle in my mouth	1	2	3	4	5
Sweetness	1	2	3	4	5

Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Satisfies my thirst	1	2	3	4	5
Improves the taste of fast food, such as McDonald's	1	2	3	4	5
Makes me feel refreshed	1	2	3	4	5
Tastes good	1	2	3	4	5

Coca-Cola is a brand that:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is everywhere around me	1	2	3	4	5
I see at local sports events	1	2	3	4	5
I see at local school events	1	2	3	4	5
I see many people drink	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola is the brand of soft drink that I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Drink whenever I eat at a fast food restaurant, such as McDonald's	1	2	3	4	5
Buy whenever I am given a choice of soft drinks	1	2	3	4	5
Drink more frequently	1	2	3	4	5
Drink whenever I want to treat myself with a soft drink	1	2	3	4	5

When I drink Coca-Cola, it is because Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is a brand that I like	1	2	3	4	5
Is the brand of soft drink that I prefer	1	2	3	4	5
Makes me feel good	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite, and 7-Up), Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is the best soft drink	1	2	3	4	5
Has the best taste	1	2	3	4	5
Is a high quality soft drink	1	2	3	4	5

Compared to other brands of soft drinks (such as Pepsi, Sprite and 7-Up), Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Makes me feel the way I hope it will	1	2	3	4	5
Has the distinctive taste that I like	1	2	3	4	5
Quenches my thirst better than the other soft drinks	1	2	3	4	5
Gives me the energy that I hope it will	1	2	3	4	5

Drinking Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Reminds me of doing things with my family and friends	1	2	3	4	5
Reminds me of special events such as holidays and parties	1	2	3	4	5
Makes me feel like I am rewarding myself	1	2	3	4	5
Is a tradition with my family and friends	1	2	3	4	5

Drinking Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Makes me feel modern	1	2	3	4	5
Fits my personality	1	2	3	4	5
Makes me feel like part of the group	1	2	3	4	5
Is something that popular people do	1	2	3	4	5
Fits my self-image	1	2	3	4	5

Whenever I am deciding whether to buy Coca-Cola, I am concerned that it will:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Increase the likelihood that I will gain weight	1	2	3	4	5
Be addictive	1	2	3	4	5
Increase the likelihood that I will get diabetes	1	2	3	4	5
Make me feel edgy/nervous	1	2	3	4	5
Be a risky soft drink for me to drink	1	2	3	4	5

Deciding whether to purchase Coca-Cola:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is easier because it is sold at so many places	1	2	3	4	5
Does not require a lot of effort	1	2	3	4	5
Is easier because it is a well-known brand	1	2	3	4	5
Is easier because I am familiar with the brand	1	2	3	4	5

Whenever I purchase Coca-Cola, I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Have confidence in the quality of the product	1	2	3	4	5
Have confidence that my decision was good	1	2	3	4	5
Trust that the manufacturer produces a good product	1	2	3	4	5

Typically, whenever I'm about to drink Coca-Cola, I feel:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Happy with my decision to drink the product	1	2	3	4	5
Satisfied with my decision to drink the product	1	2	3	4	5
Good about my decision to drink the product	1	2	3	4	5

In the future:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
The next time I want a soft drink I am likely to buy Coca-Cola	1	2	3	4	5
I will drink Coca-Cola more often than other brands of soft drinks	1	2	3	4	5
I am more likely to buy a different brand of soft drink than Coca-Cola	1	2	3	4	5

In the last 60 days, how many times have you drunk a Coca-Cola _____

Of the soft drinks that you have drunk in the last 60 days, what percentage was Coca-Cola?

l. 0%
m. 1 – 10%
n. 11-20%
o. 21-30%
p. 31-40%
q. 41-50%
r. 51-60%
s. 61-70%
t. 71-80%
u. 81-90%
v. 91-100%

KFC Questions

Every time I eat at KFC, the food has the same:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Taste	1	2	3	4	5
Temperature	1	2	3	4	5
Smell	1	2	3	4	5

Every time I eat at KFC, the food:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is prepared the same	1	2	3	4	5

KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Serves food that smells good	1	2	3	4	5
Serves food that fills my hunger	1	2	3	4	5
Serves food that tastes good	1	2	3	4	5
Serves chicken that is tender on the inside	1	2	3	4	5

KFC is a brand:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Of fast food that many people eat	1	2	3	4	5
Of fast food that I often see promoted or advertised	1	2	3	4	5

When I think of going out for a quick meal:

KFC is a brand that comes to my mind	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC is the brand of fast food that I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Eat whenever I want to eat a non-burger type of fast-food	1	2	3	4	5
Eat more often	1	2	3	4	5
Eat when I want to eat something that is healthier than the typical fast food	1	2	3	4	5
Eat if it is convenient when I am hungry and need to eat in a rush	1	2	3	4	5

When I eat at KFC, it is because KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is a brand I can trust	1	2	3	4	5
Serves food that I like	1	2	3	4	5
Is a brand that I like	1	2	3	4	5
Makes me feel good	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is the best fast food	1	2	3	4	5
Has the best taste	1	2	3	4	5
Is made with high quality ingredients	1	2	3	4	5

Compared to other brands of fast food (such as McDonald's), KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Sells food that tastes the way I hope it will	1	2	3	4	5
Sells food that fills my hunger the way I hope it will	1	2	3	4	5
Serves chicken that is as tender and juicy on the inside as I expect	1	2	3	4	5
Provides me with the menu options that I want	1	2	3	4	5

Eating KFC food:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Is part of the American (Chinese) culture	1	2	3	4	5
Makes me feel like I am rewarding myself	1	2	3	4	5
Is a tradition with my family and friends	1	2	3	4	5
Is like eating a meal that my mom cooked	1	2	3	4	5

Eating at KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Makes me feel modern	1	2	3	4	5
Makes me feel like a person with high social status	1	2	3	4	5
Makes me feel like part of the group	1	2	3	4	5
Makes me feel popular	1	2	3	4	5
Fits my self-image	1	2	3	4	5

Whenever I am deciding whether to buy food at KFC, I am concerned that it will:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Increase the likelihood that I will develop heart disease	1	2	3	4	5
Increase the likelihood that I will become obese	1	2	3	4	5
Contain ingredients that are unhealthy	1	2	3	4	5
Be a risky food to eat	1	2	3	4	5
Be difficult to digest	1	2	3	4	5

Deciding whether to purchase fast food at KFC:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Does not require a lot of effort	1	2	3	4	5
Is easier because it is a well-known brand	1	2	3	4	5
Is easier because I am familiar with the brand	1	2	3	4	5

Whenever I purchase fast food at KFC, I:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Am confident I will receive good service	1	2	3	4	5
Trust that the food is prepared properly	1	2	3	4	5
Have confidence in the quality of the product	1	2	3	4	5
Have confidence that my decision was good	1	2	3	4	5

Typically, whenever I'm about to eat at KFC, I feel:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Happy with my decision to eat at KFC	1	2	3	4	5
Content with their food	1	2	3	4	5
Good about my decision to eat their product	1	2	3	4	5

In the future:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
The next time I want fast food I am likely to eat at KFC	1	2	3	4	5
I will eat at KFC within the next month	1	2	3	4	5
I am more likely to buy a different brand of fast food than KFC	1	2	3	4	5

In the last 6 months, how many times have you eaten at KFC _____

Of the times that you ate at a fast food restaurant in the last 6 months, what percentage of the time did you eat at KFC?

l. 0%
m. 1– 10%
n. 11-20%
o. 21-30%
p. 31-40%
q. 41-50%
r. 51-60%
s. 61-70%
t. 71-80%
u. 81-90%
v. 91-100%

Demographic questions

1. What is your age group?

   a. 18 or under b. 19-29 c. 30-39 d. 40-49 e. 50 or more

2. Are you: Male _____ Female_____

3. What is your nationality?

Black / African American	_____
White / Caucasian	_____
Chinese living in mainland China	_____
Chinese not living in mainland China	_____
Other Asian	_____
Hispanic	_____
Other (please describe)	_____

4. What is your educational status?
   e. I am currently an undergraduate student
   f. I am currently in a Master's degree program
   g. I am currently in a Ph.D. degree program
   h. Other (please describe_____)

Thank you for taking the time to complete this survey. Your information is very valuable, and greatly appreciated.

Appendix C

Chinese version of survey instrument

知情同意书

您被征求参加一项市场研究调查。此项研究的目的是为了调查消费者对品牌认知的状况。

基本介绍

问卷调查中的问题设计为简单的日常生活问题，了解有关您对可口可乐和肯德基两个品牌的态度，想法和意见。您将会被问及对各项陈述的同意或不同意的程度。完成整个问卷需要您20至30分钟的时间。完成后，请务必上交。

风险可能性

因为此项研究涉及的调查问卷仅限于询问有关可口可乐和肯德基两品牌的一些简单的日常生活问题，参加这项研究没有任何可预见性风险。

研究利益

通过这次研究所获得的知识将有助于建立人们对品牌认知的模型和理论。

保护隐私

这项研究中所涉及的个人信息受隐私保护。数据将被安全存放。除非争得您的书面同意，个人数据只供研究者本次研究使用，而不为它用。这项研究不会以任何形式，无论口头还是书面形式，将您与本次调查联系起来。

联络方式

作为这项调查的参加者，
如果您对此次研究及其步骤有任何疑问，或者对参加本调查感到任何不适，可按以下地址与S. Allen Broyles联系:

Department of Marketing and Logistics; 310 Stokely Management Center
（市场物流系，310 Stokely 管理中心）
The University of Tennessee（田纳西大学）
Knoxville, TN（诺克斯维尔，田纳西州）
USA, 37996-0533（美国，邮编: 37996－0533）
电话:（865）974－5311　　电子邮箱: sbroyles@utk.edu

如果您对成为被调查对象的权利有任何疑问，您可以与the University of Tennessee's Research Compliance Services section of the Office of Research (田纳西大学学术研究部研究规范服务处) 联系。电话号码:（865）974－3466。

参加协议

您参加本研究纯属自愿；您可以拒绝参加而不受任何处罚。即使您同意参加，也可以在任何时候中止而不受处罚和失去既得利益。如果您在数据收集完成前退出，您的数据将会被退回或销毁。

同意参加

我已阅读以上所有内容，而且同意参加这项研究。我已获得此知情同意书的复本。

参加者姓名（正楷）：_____

参加者签名: _____

日期: _____

可口可乐肯德基品牌市场价值调查

塞缪尔•艾伦•布罗依莱斯

市场营销博士研究生

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诺克斯维尔，田纳西州 37996－0530，美国

办公电话:（865）974－5311

传真:（865）974－1932

电子邮箱: sbroyles@utk.edu

关于参加本项调查的指导说明

这项市场调查的目的是为了帮助我更好的理解人们对品牌的认知。问卷调查包括一系列的问题，问及您对可口可乐和肯德基这两个品牌的想法和意见。希望您能了解，对于任何一个问题没有正确或错误的回答；相反您的真实想法和意见就是最好的答案。

请您仔细阅读每一个问题，在最能代表您的想法和意见的数字上勾圈。请您务必回答问卷中的所有问题。

本人非常感谢您愿意抽出时间完成本调查问卷。同时，也再次向您保证您所提供的所有信息将会被匿名和保密。

关于可口可乐的问题

每次我喝可口可乐时，它都有相同的：

	强烈不同意	不同意	中立	同意	强烈同意
味道	1	2	3	4	5
在嘴里的麻刺感	1	2	3	4	5
甜度	1	2	3	4	5

喝可口可乐：

	强烈不同意	不同意	中立	同意	强烈同意
能使我解渴	1	2	3	4	5
能提高麦当劳等快餐食品的口味	1	2	3	4	5
使我精神焕发	1	2	3	4	5
觉得味道好	1	2	3	4	5

可口可乐这一品牌：

	强烈不同意	不同意	中立	同意	强烈同意
在我的周围随处可见	1	2	3	4	5
在地方体育比赛中可以见到	1	2	3	4	5
在学校活动中可以见到	1	2	3	4	5
我看到很多人都喝其饮料	1	2	3	4	5

与其它品牌的软饮料相比（如百事可乐，雪碧和七喜），可口可乐品牌的软饮料是我:

	强烈不同意	不同意	中立	同意	强烈同意
每当在快餐店（如麦当劳）就餐时，都会喝的	1	2	3	4	5
在众多软饮料中，会选择购买的	1	2	3	4	5
更常喝的	1	2	3	4	5
想用软饮料奖励自己时，必选择的	1	2	3	4	5

我喝可口可乐是因为:

	强烈不同意	不同意	中立	同意	强烈同意
我喜欢这一品牌	1	2	3	4	5
我偏爱这一软饮品牌	1	2	3	4	5
喝可口可乐让我感觉舒服	1	2	3	4	5

与其它品牌的软饮料相比（如百事可乐，雪碧和七喜），可口可乐:

	强烈不同意	不同意	中立	同意	强烈同意
是最好的软饮料	1	2	3	4	5
味道最好	1	2	3	4	5
是一高品质的软饮料	1	2	3	4	5

与其它品牌的软饮料相比（如百事可乐，雪碧和七喜），可口可乐：

	强烈不同意	不同意	中立	同意	强烈同意
喝起来给我带来我想要的感觉	1	2	3	4	5
具有我所喜爱的独特口味	1	2	3	4	5
与其它软饮料相比更能使我解渴	1	2	3	4	5
能如我所愿地使我精力充沛	1	2	3	4	5

喝可口可乐：

	强烈不同意	不同意	中立	同意	强烈同意
让我想起了与家人和朋友在一起共同度过的时刻	1	2	3	4	5
让我想起了节日和聚会等特别的活动	1	2	3	4	5
让我有一种自我奖励的感觉	1	2	3	4	5
是我的家人和朋友的一项传统	1	2	3	4	5

喝可口可乐:

	强烈不同意	不同意	中立	同意	强烈同意
让我具有现代感	1	2	3	4	5
符合我的个性	1	2	3	4	5
让我有一种群体归属感	1	2	3	4	5
是受欢迎人士的选择	1	2	3	4	5
符合我的形象	1	2	3	4	5

每当我选择是否购买可口可乐时，我担心:

	强烈不同意	不同意	中立	同意	强烈同意
它会增加我发胖的可能性	1	2	3	4	5
它会让我上瘾	1	2	3	4	5
它会增加我患糖尿病的可能性	1	2	3	4	5
它会使我神经紧张	1	2	3	4	5
其品质的安全性	1	2	3	4	5

决定是否购买可口可乐:

	强烈不同意	不同意	中立	同意	强烈同意
较容易，因为它在许多地方都有售	1	2	3	4	5
不需要费劲考虑	1	2	3	4	5
较容易，因为它是一个知名品牌	1	2	3	4	5
较容易，因为它是一个我所熟知的品牌	1	2	3	4	5

每当我购买可口可乐时，我:

	强烈不同意	不同意	中立	同意	强烈同意
对产品的质量有信心	1	2	3	4	5
对我的选择正确有信心	1	2	3	4	5
对生产厂家有信心	1	2	3	4	5

通常当我要喝可口可乐时，我:

	强烈不同意	不同意	中立	同意	强烈同意
对我作的选择感到开心	1	2	3	4	5
对我的选择感到满意	1	2	3	4	5
对我的选择感到舒服	1	2	3	4	5

以后:

	强烈不同意	不同意	中立	同意	强烈同意
我想喝软饮料时，有可能会买可口可乐	1	2	3	4	5
在所有品牌的软饮料中，我会更经常地选择可口可乐	1	2	3	4	5
我更有可能会选择其它的软饮品牌，而非可口可乐	1	2	3	4	5

在过去的60天内，你喝过_____次可口可乐。

过去的60天内你喝的所有软饮料中，可口可乐占多少百分比？

a. 0%

b. 1－10%

c. 11－20%

d. 21－30%

e. 31－40%

f. 41－50%

g. 51－60%

h. 61－70%

i. 71－80%

j. 81－90%

k. 91－10%

关于肯德基的问题

每次我在肯德基就餐时，其食物都有相同的：

	强烈不同意	不同意	中立	同意	强烈同意
口味	1	2	3	4	5
温度	1	2	3	4	5
香味	1	2	3	4	5

每次我在肯德基就餐时，其食物的

	强烈不同意	不同意	中立	同意	强烈同意
烹制都相同	1	2	3	4	5

肯德基：

	强烈不同意	不同意	中立	同意	强烈同意
闻起来香	1	2	3	4	5
能消除我的饥饿	1	2	3	4	5
味道好	1	2	3	4	5
肉质很嫩	1	2	3	4	5

肯德基:

	强烈不同意	不同意	中立	同意	强烈同意
是许多人选择的快餐食物品牌	1	2	3	4	5
经常有相关广告和促销活动	1	2	3	4	5

当我想外出吃快餐时:

	强烈不同意	不同意	中立	同意	强烈同意
我会想到肯德基	1	2	3	4	5

与其它品牌的快餐相比(如麦当劳,:

	强烈不同意	不同意	中立	同意	强烈同意
当我想吃非汉堡类的快餐食物时,我会选择肯德基	1	2	3	4	5
我更经常地选择肯德基	1	2	3	4	5
当我想吃较健康的快餐时,我会选择肯德基	1	2	3	4	5
当我感到饥饿又需要快速进餐,而此时吃肯德基又方便的话,我会选择肯德基	1	2	3	4	5

选择在肯德基就餐是因为:

	强烈不同意	不同意	中立	同意	强烈同意
肯德基是我信赖的一个快餐品牌	1	2	3	4	5
我喜欢肯德基的食物	1	2	3	4	5
肯德基是我喜欢的一个快餐品牌	1	2	3	4	5
肯德基让我感觉好极了	1	2	3	4	5

与其它品牌的快餐食品相比（如麦当劳）肯德基:

	强烈不同意	不同意	中立	同意	强烈同意
是最好的快餐食物	1	2	3	4	5
食物味道最好	1	2	3	4	5
食物都是用上乘原料制作	1	2	3	4	5

与其它品牌的快餐食品相比（如麦当劳）肯德基的:

	强烈不同意	不同意	中立	同意	强烈同意
食物恰好符合我的口味	1	2	3	4	5
食物能如我所愿地填饱肚子	1	2	3	4	5
鸡肉块象我期待的那样肉质鲜嫩	1	2	3	4	5
菜单提供的选择满足我的需要	1	2	3	4	5

吃肯德基:

	强烈不同意	不同意	中立	同意	强烈同意
是中国文化的一部分	1	2	3	4	5
让我有一种自我奖励的感觉	1	2	3	4	5
是我与家人和朋友在一起时的一项传统	1	2	3	4	5
仿佛在吃亲切的家常菜	1	2	3	4	5

在肯德基就餐:

	强烈不同意	不同意	中立	同意	强烈同意
让我具有现代感	1	2	3	4	5
让我感觉自己有一定的社会地位	1	2	3	4	5
让我有一种群体归属感	1	2	3	4	5
让我感觉受欢迎	1	2	3	4	5
符合我的形象	1	2	3	4	5

每当我选择是否在肯德基就餐时，我担心它会：

	强烈不同意	不同意	中立	同意	强烈同意
增加我患心脏疾病的可能性	1	2	3	4	5
增加我过度肥胖的可能性	1	2	3	4	5
含有影响身体健康的成份	1	2	3	4	5
给我带来一定风险	1	2	3	4	5
让我消化不良	1	2	3	4	5

决定是否在肯德基吃快餐：

	强烈不同意	不同意	中立	同意	强烈同意
不需要费劲考虑	1	2	3	4	5
较容易，因为它是一个知名品牌	1	2	3	4	5
较容易，因为它是我所熟知的一个品牌	1	2	3	4	5

每当我选择在肯德基就餐时，我:

	强烈不同意	不同意	中立	同意	强烈同意
有信心会受到好的服务	1	2	3	4	5
相信食物的制作恰当	1	2	3	4	5
对食物的质量有信心	1	2	3	4	5
对我的选择有信心	1	2	3	4	5

通常当我要吃肯德基时，我:

	强烈不同意	不同意	中立	同意	强烈同意
对我作的选择感到开心	1	2	3	4	5
对食物感到满意	1	2	3	4	5
对自己的选择感到好极了	1	2	3	4	5

以后:

	强烈不同意	不同意	中立	同意	强烈同意
我想吃快餐时，我有可能会选择肯德基	1	2	3	4	5
我会在下个月的某个时候吃肯德基	1	2	3	4	5
我更有可能会选择其它品牌的快餐食品，而非肯德基	1	2	3	4	5

在过去的6个月内，你吃过_____次肯德基。

过去的6个月内你吃的所有快餐店食品中，肯德基占多少百分比？

a. 0%

b. 1－10%

c. 11－20%

d. 21－30%

e. 31－40%

f. 41－50%

g. 51－60%

h. 61－70%

i. 71－80%

j. 81－90%

k. 91－10%

个人信息统计

1. 您在以下哪个年龄阶段?

a. 18或18岁以下 b. 19-29岁 c. 30-39岁 d. 40-49岁 e. 50或50岁以上

2. 您的性别? 男性_____ 女性_____

3. 您的国籍?

黑人/非洲裔美国人 _____

白人/高加索人 _____

在中国大陆居住的中国人 _____

在非中国大陆居住的中国人_____

其它亚裔 _____

西班牙裔 _____

其它(请说明) _____

4. 您的教育状况

a. 我是正在就读的大学本科生
b. 我是正在就读的硕士研究生
c. 我是正在就读的博士研究生
d. 它(请说明_____)

感谢您抽出您宝贵的时间来完成这项问卷调查。您提供的信息非常宝贵,再次感谢!

Appendix D

Summary review of Coca-Cola's hypothesis results

Summary review of Coca-Cola's hypothesis results

Hypothesis	Relationship hypothesized	U.S. path	China path	p-value	Result
1ai	Reliability -> quality stronger for Chinese	NA	NA	NA	Could not be tested - removed
1aii	Reliability -> performance stronger for Chinese	.183	.089	.204	Not supported
1bi	Effectiveness -> quality stronger for Chinese	.958	.842	.003	Not supported - stronger for U.S.
1bii	Effectiveness -> performance stronger for Chinese	.849	.903	.006	Supported
2ai	Awareness -> resonance stronger for U.S.	NA	NA	NA	Could not be tested - removed
2aii	Awareness -> imagery stronger for U.S.	NA	NA	NA	Could not be tested - removed
2bi	Behavioral loyalty -> resonance stronger for U.S.	-.056	.174	.031	Not supported - stronger for Chinese
2bii	Behavioral loyalty -> imagery stronger for U.S.	.459	.609	.003	Not supported - stronger for Chinese
2ci	Attitude -> resonance stronger for U.S.	NA	NA	NA	Could not be tested - removed
2cii	Attitude -> imagery stronger for U.S.	NA	NA	NA	Could not be tested - removed
3ai	Quality -> risk stronger for Chinese	.117	.454	.096	Marginally supported
3aii	Quality -> confidence stronger for Chinese	.265	-.275	.773	Not supported
3aiii	Quality -> satisfaction stronger for Chinese	-.294	.029	.015	Not supported - stronger for U.S.
3aiv	Quality -> difficulty stronger for Chinese	NA	NA	NA	Could not be tested - removed
3bi	Performance -> risk stronger for Chinese	-.383	-.694	.029	Supported
3bii	Performance -> confidence stronger for Chinese	.853	.679	.506	Not supported
3biii	Performance -> satisfaction stronger for Chinese	.938	.671	.630	Not supported
3biv	Performance -> difficulty stronger for Chinese	.425	.060	.155	Not supported
4ai	Resonance -> risk stronger for U.S.	.294	.383	.525	Not supported
4aii	Resonance -> confidence stronger for U.S.	NA	NA	NA	Could not be tested - removed
4aiii	Resonance -> satisfaction stronger for U.S.	NA	NA	NA	Could not be tested - removed
4aiv	Resonance -> difficulty stronger for U.S.	NA	NA	NA	Could not be tested - removed
4bi	Imagery -> risk stronger for U.S.	NA	NA	NA	Could not be tested - removed
4bii	Imagery -> confidence stronger for U.S.	NA	NA	NA	Could not be tested - removed
4biii	Imagery -> satisfaction stronger for U.S.	NA	NA	NA	Could not be tested – removed
4biv	Imagery -> difficulty stronger for U.S.	.068	.277	.096	Not supported – stronger for Chinese

Appendix E

Summary review of KFC's hypothesis results

Summary review of KFC's hypothesis results

Hypothesis	Relationship hypothesized	U.S. path	China path	p-value	Result
1ai	Reliability -> quality stronger for Chinese	-.193	-.157	.864	Not supported
1aii	Reliability -> performance stronger for Chinese	.010	-.178	.827	Not supported
1bi	Effectiveness -> quality stronger for Chinese	.826	.843	.389	Not supported
1bii	Effectiveness -> performance stronger for Chinese	.891	.992	1.000	Not supported
2ai	Awareness -> resonance stronger for U.S.	.188	.005	1.000	Not supported
2aii	Awareness -> imagery stronger for U.S.	.278	.006	.000	Supported
2bi	Behavioral loyalty -> resonance stronger for U.S.	.425	.343	.012	Supported
2bii	Behavioral loyalty -> imagery stronger for U.S.	NA	NA	NA	Could not be tested - removed
2ci	Attitude -> resonance stronger for U.S.	.565	.498	.003	Supported
2cii	Attitude -> imagery stronger for U.S.	.836	.604	.000	Supported
3ai	Quality -> risk stronger for Chinese	.140	.290	.328	Not supported
3aii	Quality -> confidence stronger for Chinese	-.029	-.102	.064	Marginally supported
3aiii	Quality -> satisfaction stronger for Chinese	.006	-.209	.012	Supported
3aiv	Quality -> difficulty stronger for Chinese	NA	NA	NA	Could not be tested - removed
3bi	Performance -> risk stronger for Chinese	-.555	-.514	.376	Not supported
3bii	Performance -> confidence stronger for Chinese	.803	.858	.356	Not supported
3biii	Performance -> satisfaction stronger for Chinese	.809	.855	.674	Not supported
3biv	Performance -> difficulty stronger for Chinese	.557	.544	.874	Not supported
4ai	Resonance -> risk stronger for U.S.	.113	-.014	.078	Marginally supported
4aii	Resonance -> confidence stronger for U.S.	NA	NA	NA	Could not be tested - removed
4aiii	Resonance -> satisfaction stronger for U.S.	NA	NA	NA	Could not be tested - removed
4aiv	Resonance -> difficulty stronger for U.S.	NA	NA	NA	Could not be tested - removed
4bi	Imagery -> risk stronger for U.S.	NA	NA	NA	Could not be tested - removed
4bii	Imagery -> confidence stronger for U.S.	NA	NA	NA	Could not be tested - removed
4biii	Imagery -> satisfaction stronger for U.S.	.053	.348	.001	Not supported – stronger for Chinese
4biv	Imagery -> difficulty stronger for U.S.	NA	NA	NA	Could not be tested – removed

VITA

Samuel Allen Broyles was born in east Tennessee, being the third and youngest child of Jack and Jean Broyles. After completing his undergraduate degree in Marketing at The University of Tennessee in 1979, Allen worked in sales for Monsanto Company until 1983, when he returned to The University of Tennessee to secure his MBA with a focus in Marketing. Following the MBA program, his next step was into industrial sales with FMC Corporation, after which he held positions in strategic planning management, and product management. In 1993 he left FMC to serve as the sales and marketing manager for a privately-held industrial chemical firm in Green Bay Wisconsin. In 1997, after years of debating whether to return to The University of Tennessee for his Ph.D., or attempting his own entrepreneurial endeavors, Allen decided that entrepreneurism experiences would strengthen his background before pursuing his Ph.D. Thus, after many years working for major corporations, and owning his own business, in 2001 Allen decided to return to The University of Tennessee to pursue his Ph.D. and enter into the world of academia.

During his Ph.D. program, Allen was a finalist for The University of Tennessee's 2004 John R. Moore Graduate Teaching Award for the College of Business; was the recipient of: 1) The University of Tennessee's 2003 Business Alumni and Friends Marketing Logistics and Transportation Fellowship, 2) The University of Tennessee's College of Business Administration 2004 Bonham Doctoral Dissertation award, 3) the 2004 Davis, Golicic, McCarthy Annual Doctoral Research Award, 4) The University of Tennessee's Department of Marketing and Logistics' 2004 Integrated Value Chain Forum Endowment, and 5) The University of Tennessee's 2005 Graduate Student Teaching Award.

Allen is currently the Rudd Professor of Entrepreneurship at Wichita State University. He has published in the Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior. He has presented and published at conferences for the American Marketing Association, the Academy of Marketing Science, the Academy of International Business Southeast, and the Cultural Dimension of Business Research Doctoral Symposium at the University of Southern Denmark.