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An analysis of Chinese-Americans' purchase patterns of automobiles

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AN ANALYSIS OF CHINESE-AMERICANS' PURCHASE PATTERNS
OF AUTOMOBILES

A Thesis

Presented to

The Faculty of the School of Journalism and Mass Communications

San Jose State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

by

Yujie Ge

December 2004

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APPROVED FOR THE SCHOOL OF JOURNALISM
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ABSTRACT

AN ANALYSIS OF CHINESE-AMERICANS' PURCHASE PATTERNS OF AUTOMOBILES

By Yujie Ge

This study aims to examine what factors determine Chinese-American consumers' perceptions, evaluations, and purchase intentions of automobiles from Japan, the United States, and Europe. The results indicate that Chinese-American consumers hold quite favorable attitudes toward Japanese and European brands of cars, and they hold unfavorable attitudes toward US brands. This purchase pattern fully supports the particular phenomenon—Asian Americans prefer to drive and buy Japanese or European brands of cars instead of those of other countries.

This study analyzes Chinese-American consumers' purchase patterns from two aspects including the influence of Asian-American subculture and the effect of country of origin. The results indicate that membership in the subculture does affect consumers purchase preferences for automobiles, despite the fact that they have resided in this country for a long time. Chinese-American consumers do not seriously take into account the country of origin when they purchase automobiles. Instead, they rely on four country image dimensions of innovativeness, design, prestige, and workmanship.

DEDICATION

To My Father and Mother, Shiyu Ge, and Yuzhen Song

The Endless Support and Inspiration in My Life

ACKNOWLEDGEMENTS

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Chapter One

Introduction

This research is based on an interesting phenomenon. If an observer looks at the automobiles in the parking lots of shopping centers, restaurants, businesses, and churches in Asian-American communities, he or she may find that most of the cars are Japanese-made or European-made. Toyotas, Hondas, Nissans, Mazdas, Lexuses, Infinitis, Mercedes-Benzes, and BMWs occupy most of the parking spaces. It is difficult to find an American-made car, such as Ford, Chrysler, or Buick.

Why do Asian Americans prefer to buy Japanese or European automobiles instead of American automobiles? This study will explore the internal and external influences that govern Chinese-Americans' automobile purchase patterns.

The Chinese-American community is a lucrative one for automobile manufacturers. A 1996 study reported in *Business Social Premier* indicated that 63% of Asian Americans bought their cars new versus 43% of the general market. Asian Americans are also 31% more likely than the general market to own a car within the \$20,000-30,000 price range. Based on Asian-American consumers' profiles, quality and fashion are two crucial features that attract the Asian-American community, and Japanese and European cars seem to fill this requirement.

In addition, Asian Americans exhibit loyalty to an automotive brand, and will readily pay more for a chosen automotive brand despite any minor shortcomings that may exist. For them, a car not only fulfills their functional needs, but it also is an important

status symbol. Automotive companies and marketers need to understand this ethnic group's purchase patterns, so that they can adjust their marketing strategies to target this lucrative market.

Statement of Problem

Most previous studies of consumer behavior have emphasized the influence of culture and a product's country of origin on consumer's perceptions of the quality and desirability of a product. These two factors play crucial roles in consumers' decision-making processes.

As a significant influence, culture "provides people with a sense of identity and an understanding of acceptable attitudes and behavior within society" (Engel, Blackwell, & Miniard, 1989, p. 63). However, this view is not universally accepted. In this research, culture will be defined as a set of shared values, attitudes, beliefs, and behavior, that are deeply embedded in the conscious and unconscious states of individuals and passed on from generation to generation (Hayton et al., 2002).

Many studies on consumer behavior have assumed that national markets are composed of homogenous consumers, and have ignored the subculture differences that affect the subculture's perceptions of a country and its products. The American society is a multiethnic and multicultural society. Asian Americans, as one of the four largest minority groups, cherish their unique tradition and culture. Ignoring subcultural diversity may lead marketers to overlook opportunities arising from subculture-based purchasing preferences. Thus, in this research, the perceptions, evaluations, and buying preferences of the Asian-American subculture will be assumed as a crucial factor that should be

considered by marketers as having a significant effect of their ability to sell automobiles. Previous studies on consumer behavior have emphasized the effects of country of origin (COO) on product evaluation and purchase patterns. Country of origin can be defined as “the overall perception consumers form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses” (Roth & Romeo, 1992, p. 477). Consumers have significantly different perceptions about products made in various countries, and these perceptions have important effects on consumers’ evaluations of the products manufactured in the particular countries, such as made in Japan, and made in the United States.

Therefore, in this research, country of origin will be used as another significant factor that affects Chinese-American consumers’ perceptions, evaluations, and decision making when purchasing cars. The researcher will investigate whether a positive and superior image of Japan and European countries stimulates Chinese Americans to buy Japanese and European cars. The relevant literature of the influence of subculture and country of origin will be provided in the literature review section.

Purpose of the Study

The purpose of the study is to examine what factors determine Chinese-American consumers’ perceptions and evaluations that result in the purchase of Japanese or European cars rather than U.S. brands.

The research provides a brief overview of the various factors that may affect Asian-American consumers’ behavior. The influence of subculture and the effects of country of origin as two major aspects will be discussed and tested. Does it matter where a car was

manufactured? Are Japanese or European cars better than cars from the United States? Through a series of investigations, the researcher attempts to explore the significant factors that may affect and determine Chinese-American consumers' automobile purchase patterns. Specifically, the main objectives of this study are as follows: (1) to examine the effect of Chinese-Americans' subculture on consumers' attitudes toward different brands of cars from different countries; (2) to examine the effect of country of origin on consumers' intentions to purchase cars from a country, and (3) to examine the main information sources that Asian-American consumers use in the purchase decision making process.

Significance and Value of the Study

Despite the large number of earlier studies on Western consumer behavior, the research in the field of cross-national marketing has not kept pace with the development in the Asian-American consumer market. Few research efforts have explored Asian-American consumers' attitudes toward products. The previous studies on Asian-American consumer behavior and purchase pattern are very limited. One major reason may be the small size of the population as compared with other ethnic groups.

The existing research mostly focuses on the analysis of Asian-American consumers' evaluations of electronic appliance, clothes, cosmetics, and other goods. Few researchers focus on automobiles. The reasons may be that car preferences are too widespread a phenomenon to draw much attention from researchers, or perhaps the analysis of automobile sales is not easily measured because there are many more factors to consider when purchasing an automobile than when purchasing other types of produces.

The purpose of this research is to provide some insights into the Chinese-American consumer market. The researcher will provide some useful data for marketers and businesses, including automotive manufacturers, dealers, and agencies, and encourage them to use effective strategies when marketing to the Chinese-American community. Marketers should be aware of the influence of subculture and country of origin in consumer behavior because the two aspects affect consumers' purchase patterns and decision-making.

The literature review briefly discusses the internal and external factors that may affect Asian-American consumers' perceptions, evaluations, and purchase preferences of cars. To test these aspects, a survey and in-depth interviews are employed. The mall-intercept interview as a data collection method is used by the researcher. A literature review of Asian-American subculture and country of origin is also offered, and three research questions are raised at the end of the section. The research method adopted by this study is explained. The results of the study will be analyzed and discussed in relation to each of the research questions. Finally, some conclusions are drawn from the study findings as well as implications, limitations, and future research directions.

Chapter Two

Literature Review

The literature review will provide an overview of the prior studies of the influence of subculture on consumer behavior, and the effects country of origin has on consumers' perceptions, evaluation, and purchase patterns. The discussion of Asian-American subculture is composed of two parts: Asian-American population trends, and distinct values of culture.

Moreover, a theoretical framework is developed, which is relevant to the literature reviewed previously. It includes two parts: theory of segmented assimilation, and multiple-cues models. The theory of segmented assimilation by Alejandro Portes and Min Zhou emphasizes the immigrant culture and social solidarity in the assimilation process. It can shape an ethnic group's behavior, values, and norms. The multiple cues models show various products' attributes, such as price, quality, brand, as well as service support, all of which more or less influence consumers' perceptions, evaluations, and willingness to purchase a product. The earlier studies on the effect of country of origin on consumers' product evaluations and purchase preferences are also discussed.

Profile of Asian Americans

Multicultural is a word that generates many issues in marketing circles these days. However, most of the attention directed to minority marketing is focused on the two largest groups—African Americans and Hispanics; Asian Americans are largely ignored because of their smaller population here. Advertisers and practitioners have begun to

realize Asian Americans' potentially strong spending power. Although they account for only 4% of U.S. population and 12 million people (U.S. Census, 2002), Asian Americans have become the fastest growing, ethnic group among minority groups. With average household incomes of \$52, 562 as compared with \$45, 034 for white Americans (U.S. Census, 2000), Asian Americans have become the most attractive market in the national marketplace. The premium demographic profile—the affluence, high education, and professional occupations make them a “model minority” (Cohen, 1992).

It is a fact that Asian Americans actually are comprised of many ethnic groups, and are not a simple community. According to the U.S. Census report, six groups account for 90% of the population: Chinese, Filipino, South Asian (Indian and Pakistani), Vietnamese, Korean, and Japanese (in the order of size). Moreover, Asian Americans are more likely to reside in major metropolitan areas, such as New York City, San Francisco, Washington, Chicago, Boston, Seattle, Honolulu, and Philadelphia. The four states with the highest concentration of Asian Americans are California, Hawaii, New Jersey, and Texas (Konig, 2000). Compared with white Americans, Asian Americans are more likely to live in urban areas. They prefer convenient transportation, large stores, and living close to familiar neighbors. These population trends may derive from the original life habits and customs in their mother country.

Each Asian ethnic group speaks its own language, celebrates its own culture, and adheres to certain values. Immigrants are more likely to identify with their ethnicities than with an Asian-American identity. That factor brings about many difficulties and challenges to marketers. The complexity and diversity of Asian immigration demonstrate

that traditional theories on race and ethnicity no longer adequately address the Asian American's situation. As scholar Chui Li (1992) stated, “. . . the theory of ethnic solidarity asserts that a shared history of oppression and discrimination is more important than class identity to members of an ethnic or minority group; however, obviously this theory does not fit today's situation of Asian Americans any more” (p. 333).

Thus, faced with this complex structure, marketers need to search for new strategies instead of using a one-size-fits-all strategy. As Santoro (1996, p. 37) wrote, “Since the Asian-American market is subdivided by nationality, it is best to use this ethnicity to target the population.” It is wise for marketers to employ various strategies according to the diverse ethnicity. Treating Asian Americans as a homogeneous group may cause them to feel neglected and marketers risk losing this potential market.

Asian-American Subculture and Its Influence

Marketing research has dealt extensively with the influence of culture on consumer behavior. Subcultural differences within a country make it necessary to employ different marketing strategies aimed at the various subcultures. Peter and Olson (1987) pointed out that, within a culture, subculture also serves to shape people's attitudes and behavior. Subculture can be defined as segments of society that share distinguishing values and behavior patterns, which differ from those of the overall culture.

The importance of subculture in marketing increases as a result of growing global integration. Export markets, foreign investment, and other elements of economic development have created a greater awareness of subcultural differences. Lenartowicz and Roth (2001) define subculture as a subdivision of a national culture, composed of a

combination of social situations, such as class status, regional, rural or urban residence, religious affiliation, and ethnic background. They stated that the distinct, shared history and values of a subcultural group may influence consumer's buying habits and behavior.

Since Asian Americans are composed of diverse ethnic groups, the subculture in each particular group is unique, but they share some beliefs and culture to a certain extent. Asian Americans have strong ties to their native culture and continue to keep their identities within the host culture of the United States. Confucian beliefs, as a cultural norm and the foundation for Chinese cultural values, have a large effect on each group (Larson & Kleiner, 1992). Most Asian-American ethnic groups are proud of their long cultural histories. For them, traditional cultural values are rare treasures that are observed throughout the generations. Despite modernization, major cultural values have remained largely intact. For instance, Asian-American marriages are less likely to end in divorce than other Americans (Braun, 1991), because, based on cultural values, a lifelong, harmonious marriage is considered desirable. In addition, although Asian Americans have been in the United States for many years, most of them still speak native languages, eat traditional food, and cherish their heritage.

Americans emphasize individual traits and attributes, view personal independence as an important value, and believe that individuals are defined primarily by their achievements (Hsu, 1983). In contrast, Asian Americans emphasize collectivism instead of individualism. They value group work and assume that individuals exist in the community, and personal achievements always have a close relationship to the goals of the community. The Asian point of view is that individuals are not separate from the

group, which in turn, influences personal development and conduct. Two classic Asian proverbs are: “The power of a group is much greater than that of the individual,” and “Three dull men are smarter than one wise man.” The Asian-American subculture emphasizes moderation and harmony in a conflict; whereas, the American cultural heritage holds that, in resolving a conflict, one viewpoint should be sacrificed in favor of the other (Briley, Morris, & Simonson, 2000). In Asian-American culture, when conflicts exist between individuals and groups, individuals sacrifice personal interest to reconcile with other group members. “To be in harmony with the universe” and “be steadfast in an ever changing environment” are the two most important values of the doctrines of Confucianism. The avoidance of extremes and the preference for conformity are major tenets of Asian-American culture.

Moreover, similar discussion can be found in some previous studies. Hofstede (1980) reported that the essential differences between Western culture and East Asian culture are an individualistic orientation versus collectivistic orientation. He pointed out that individualistic culture emphasizes independence, freedom, high levels of competition, and pleasure; whereas, collectivistic culture tends to embrace interdependence, family security, social hierarchies, cooperation, as well as lower levels of competition. The East Asian culture, such as Chinese, Japanese, and Korean, shares the same collectivistic values and beliefs, which are distinct from the individualistic culture that is typical in the United States.

Hsu (1981) developed a comparative examination of Chinese and American culture. He described the United States as “individual-centeredness,” with an emphasis on “self-

reliance.” He defined the Chinese way as “Confucian doctrine,” centering on the group force and personal duties to family, clan, as well as the state.

Furthermore, some scholars discussed the relationship between cultural values and advertising. Han and Shavitt (1994) found that advertising that focuses on personal benefits has more influence on the consumers in the United States than in Korea; whereas, advertisements emphasizing family or group benefits have more influence in Korea.

The distinct advertising strategies between Japan and the United States, based on different cultural background, were also explored in prior studies. Because indirectness, subtlety, and symbolism have always been important in Japanese culture, Japanese advertisements tend to use the soft-sell approach; whereas, U.S. advertisements emphasize the hard-sell appeal (Mueller, 1987). Japanese prefer subtle methods of selling while Americans often choose more direct methods.

Similarly, Lin (2001) investigated cultural values reflected in Chinese and American television advertising. Using the example of car purchases, she stated that Chinese buying behavior reflects conformity to family preferences rather than individual choice. That is, Chinese people are more likely to purchase cars based on family perspectives rather than from personal choices. Lin’s study also showed that Chinese commercials employed group consensus more often than U.S. commercials do.

With the high regard for group-orientation, Asian Americans also hold their families in high regard. They assume that the family is the source of individual achievements, and family opinions often dominate individuals’ intentions and decision-making. These particular cultural characteristics have a direct influence on Asian-American consumer

behavior. The opinions of group members, friends, families, peers, and people within the community are a major influence when Asian Americans evaluate products. “Word-of-mouth,” as an informal method of spreading product information, usually has a larger influence than advertisements. If a particular product gets a negative image among a number of Asian-American consumers, eventually most of the community members will know about that information, and it will be very difficult for the product to overcome the poor image.

In addition to placing a high value on family, Asian Americans also regard kinship systems as important. For instance, in the United States, a husband and wife regard their relationship as a primary one; whereas, in Asian culture, the relationship is more complex. Parents and parents-in-law also are included in the kinship system. Extended relatives on both sides are included in the group (Hsu, 1982). This social structure is also reflected in consumer behavior. Asian Americans usually take into account the views of other members of the extended family. As Yau (1994) pointed out, “it is expected that satisfaction with a product may be derived not solely from one’s expectations towards or disconfirmation with the product, but from most members of the family” (p. 77). This fact explicitly confirms Asian American’s group-orientation, namely, that they tend to adopt the opinions of families, friends, peers, and people in their communities.

In a study of Malaysian consumers’ perceptions of products, the researchers reported that opinions from friends and “word of mouth” communication by consumers rank as the top two sources of information over other sources, such as experiential knowledge, product information through newspaper and magazines, and information from sales

representatives (Sohail & Anwar, 2003). The study not only indicated that the subculture influences consumers' perceptions and purchase decisions, but also confirmed the multiple cues models that will be discussed later.

In addition to the emphasis on collectivism and family-orientation, Asian-American's subculture also includes brand loyalty and cost-consciousness (Cohen, 1992). They usually buy high quality products and strongly believe in established brands and companies. They tend to have higher brand loyalty than their counterparts in the United States (Yau, 1994), and tend to purchase the brand or product recommended by members of their group. Once they are satisfied with a particular product, they will become quite loyal to that product.

Moreover, they are willing to pay more for good products. This characteristic can be reflected in Asian American consumers' purchases on cars. They are more likely to pay in the \$20,000–30,000 price range than the general population. Japanese or European cars are usually their primary choices because cars made in Japan or European countries represent high quality.

To do business with an Asian American is to establish a long-term relationship. Unlike American consumers, Asian Americans do business with people, not companies. As Fost (1990) said, "this is a very complex market to reach, capturing the market requires a long-term effort, but once you get them, you get them for life" (p. 38). This aspect of Asian-American loyalty can be used to advantage by marketers. Once marketers attract this group, they will gain benefits for quite a long period of time.

Furthermore, Asian Americans regard their native languages as a crucial heritage for their ethnic identities. Although English is widely used, they often use their mother tongues in a variety of situations (Kaufman-Scarborough, 2000). They may speak English in public places, but at home, many prefer to speak in their native languages. Although the second or third generations may not speak their native languages very fluently, they usually make the effort to learn these languages based on parents' suggestions or personal preferences. Thus, for Asian Americans, advertisements in native languages often gain more positive responses than English ones. In observing this characteristic, marketers and practitioners should properly employ these native languages in advertisements to target this ethnic group for their market goals.

In addition to these cultural characteristics, Asian Americans also cherish other traditions, such as education, high respect for elder people, hard work, and technology-orientation. These cultural values also have an effect on their behavior as consumers. The subcultural influence should not be ignored by marketers; sensitivity to consumers' subculture can help them succeed in an intensely competitive market.

However, some researchers have raised opposing viewpoints about the influence of culture. Kahneman et al. (1982) pointed out that the consumer decision-making biases are not influenced by culture, and the biases in preferences and in the weighing of particular information reflect psychological mechanisms shaped by biological evolution (Cosmides & Tooby, 1996; Gigerenzer, 1998).

Obviously, these arguments do not take culture into account as a dynamic and active element in the process of consumer's purchase decision making; whereas, they may

overemphasize internal psychological influences. Along with the development of consumer behavior research, this view has been supported by some researchers; however, newer investigations demonstrate the importance of cultural influence on consumers' perceptions and evaluation of products.

Country of Origin Effects on Consumer Behavior

In addition to an Asian-American subcultural influence on consumer behavior, country of origin may be another important factor that affects Asian-American consumers' perceptions, evaluation, and purchase preferences toward automobiles.

A large number of studies on country of origin (COO) or product country image (PCI) have been developed by market researchers, and this topic has rapidly grown to become one of the most important fields in international marketing and business theory. The earliest research in this area can be traced as far back as the 1960s. Country of origin (COO) refers to information pertaining to where a product is made, and the image of a country can bring a positive or a negative impact on its products. There is overwhelming support for the existence of COO effects on consumer evaluation of products, and most previous research suggests that the COO plays a significant role in product evaluation (Leonidou, Hadjimarcou, Kaleka, & Stamenova, 1999).

Country stereotype. Nagashima (1970) states that a country's image can be influenced by such variables as representative products, national characteristics, economic and political background, history, and traditions. Therefore, researchers pointed out that the image of the COO can be used to judge a product when product information is inadequate or unavailable to consumers (Samiee, 1994; Peterson & Jolibert,

1995). They stated that consumers' perception of products from developing countries is quite different from that of developed countries. Consumers might have a more favorable attitude toward the products from developed nations than those of developing nations.

The investigation of stereotypical perceptions between North American, Western Europe, and East Asian countries were examined in many previous studies. Leonidou et al. (1999) examined Bulgarian consumers' perceptions of products made in Asian-Pacific countries. They chose five Asian-Pacific countries, including Japan, Hong Kong, Singapore, Indonesia, and India, and focused on household products, personal care items, electrical appliances, and electronics. The study showed that Bulgarian consumers most positively responded to Japanese products; Hong Kong was ranked second, followed by India, Indonesia, and Singapore.

These researchers explained that the main reason for this result is the economic development of the countries. Japan received the highest score, indicating that products made there have an excellent image among Bulgarian consumers; although products made in Hong Kong are ranked lower than that of Japan, they still have a higher ranking than the other three countries. The investigation showed Bulgarian consumers had the least amount of confidence in Singapore's products. Therefore, Leonidou et al. suggested that consumers evaluate products from developed countries more favorably than that of developing countries.

In a similar discussion, Zhang (1996) examined the effect of COO on Chinese consumers' perceptions of foreign products. He found the products from Japan and the United States were preferred over those from South Korea, which indicated that the COO

stereotype was a factor in the product evaluation process of Chinese consumers. Zhang also suggested that consumers in a less developed country are likely to rely on the COO information in their product evaluations and purchase decision-making because they have a limited access to product information.

This research shows that a country's economic development and overall image strongly influence consumers' perceptions and evaluation of products from that country. Does this tendency exist in Asian-American consumers' perceptions and purchase decisions? Do Asian Americans take into account the economic level of the country or its overall image as important determinants when they choose the brands of cars? Since Japanese or European cars have a better reputation for superior quality than those of other countries, Asian Americans may regard this aspect as a key factor in their purchase decision. Although U.S. cars also represent good quality and reputation, and the country's economy is the strongest in the world, the image of U.S. cars is not as strong as the U.S. economy would indicate. Although Ford and Buick are established brands, Asian Americans do not consider them primary choices. The long-term product country image stereotype appears to have a permanent effect on Asian Americans that makes them largely ignore U.S. cars. The effects of country stereotype on Asian-American consumer behavior will be examined and analyzed in a later section.

Halo effect. Previous studies on country of origin effects also raise the concept of the "halo effect," in which consumers' opinions of products from a given country can be influenced by a particular product made in that country (Erickson et al., 1984; Han, 1989). These researchers reported that when consumers do not have adequate product

information, they may infer the quality of the product category from the perceived quality of other products produced by that country.

Han (2001) tested the role of country image in consumer choice behavior. He focused on television sets and compact automobiles, and used the United States, Japan, and South Korea as countries where the products originated. The results are mixed. The findings from that study suggested that brands from a familiar country may be preferable to those from an unfamiliar country. This result seems contrary to the prior research, which reveals that consumers rely largely on the country image when they are unfamiliar with the products from that country. Han concluded that, “consumers may have greater confidence in the quality of products from a familiar country because of more experience with their brands” (p. 34). However, Han also pointed out that the country image not only may behave as a “halo,” but it also may build a good reputation as consumers become familiar with the country’s products.

The country image’s “halo effect” and the country stereotype are both important factors that affect consumers’ purchase behavior. In the consumers’ views, products from Japan are of high quality and are reliable, especially its electronic goods, which enjoy a superior reputation throughout the world. Some consumers may not be familiar with Japanese cars, but from the reputation of its electronics, they may also be of the opinions that cars from Japan are of the same high quality. In this case, the “halo effect” does apply to consumers who do not have knowledge of some products. There may be a close association between particular products and other product categories.

Information cue. Another aspect of country of origin that is widely discussed in previous studies, is that the COO may act as one of many attributes employed to form a product evaluation (Johansson et al., 1985; Hong & Wyer, 1989). As will be discussed later, multiple-cues models (including a product's price, quality, brand name, warranty, etc.) largely influence consumers' perceptions of products. However, some research appears to indicate that, although country of origin has an important effect on consumer behavior, it is a simple cue rather than a significant factor. They assumed that product evaluation is composed of intrinsic cues (such as color, design, style, etc.), and extrinsic cues (such as price); whereas, country of origin may serve as an extrinsic cue influencing consumers (Zhang, 1996).

According to multiple-cues models, the COO effect is related to the single cue condition. When the COO is the only information available, consumers may form their perceptions of the product based on the country image. Other scholars also argued that the COO is often used as a surrogate information cue when people process product information and engage in decision-making and stereotyping (Bodenhausen & Wyer, 1985). In addition, Zhang suggested that intrinsic cues, such as the style of fashionable goods or technical features of products, may play important roles in influencing the extrinsic COO cue effect. In other words, product design, style, quality, or technique may help them form the country image. It seems that the intrinsic and extrinsic cues interact with each other.

The country of origin effect is either a significant factor or an information cue that is analyzed in a number of prior studies. Some studies indicated whether the COO effect

varies with different product categories. Kaynak and Cavusgil (1983) studied whether a country may be ranked high in one product category and low in another, and used Japan and France as two countries to explore this point. Japan is ranked very high in electronic items, but low in food products; whereas, France is ranked high in fashionable clothing, but low in other product categories. This variation on the country of origin effect firmly demonstrates that the “halo effect” of COO is not exclusive, and that consumers judge various products based on different cues. Therefore, the COO effect may act as one of a number of information cues instead of a determinant.

Prion’s study (2000) strengthened the understanding of the importance of the COO effect by investigating consumers’ purchase intentions of luxury products versus necessities. Results from that study inferred that the COO has a stronger effect when considering luxury products (such as cars, fashionable clothing) than on necessities (such as food). Prion’s research confirmed that the COO, as an extrinsic cue, is less important than intrinsic cues, such as quality and reliability. However, this is not to say that a product’s COO is not crucial; it indicates that the COO is just one of many factors that influence the consumer’s decision to purchase a particular brand.

In a similar fashion, d’Astous and Ahmed (1999) examined Canadian consumers’ perceptions of COO effects. The findings confirm Prion’s results that people give the greatest importance to price, followed by brand reputation and warranty, ranking the COO as the least important attribute. These prior studies reinforce the conclusion that the effect of COO is not always the most important factor influencing consumers’ perceptions.

Countries as brands. The COO effect varies with different product categories.

Further research showed that marketers are aware that properly employing the country image can prompt consumers to choose certain products, and often use the country of origin effect to estimate and meet their market goals. However, viewing countries as brands can also create problems. Some well-known brand names and their COO effect can result in a country's image being associated with a particular product. For example, Japan's Toyota, Germany's Mercedes-Benz, France's Louis Vuitton (bag), the U.S.'s DKNY (clothing), Switzerland's Rolex (watch), and Italy's Versace (fashion clothing) represent countries as brands in consumers' minds. A large reason for this is the products' high quality and superior reputation worldwide, leading consumers to form immediate opinions of products when they see the names of the countries.

Papadopoulos and Heslop (2000) reported that by simply treating a country as a brand one may neglect other valuable product categories from that country, which leads to a country stereotype. This can be harmful for the development of international marketing. Especially, with the rapid growth of global trade and marketing activities, the sharing of resources across national boundaries has become more prevalent. A "hybrid product" (Chao, 1993, 2001) can be designed, manufactured, assembled, and sold in different countries around the world. For example, the well-known Japanese car brand "Toyota" may not be manufactured only in Japan; its design may come from Japan, but its component parts may be manufactured in China, and its assembly may be completed in the United States. A laptop computer may be labeled "Made in U.S.A.," with the main

operating unit shown as “Made in Mexico,” or a Sony television set may be “Made in China,” but “Designed in Japan.”

Products involving multiple country affiliations are increasingly common in a global market. Chao’s study (1993) suggested that consumers’ evaluation of product design and qualities are influenced by price, country of design, and country of assembly.

Specifically, country of design significantly impacts the price, which influences product quality ratings. This study showed that the product’s country association is no longer just a single country phenomenon. Contrary to the traditional country of origin research paradigm, which assumes that a product can be tied to a specific country, today’s complex reality results in consumers to think about factors other than COO in their decision making process.

Hybrid products. Based on this study, Chao also researched consumer evaluation of “hybrid products.” He researched the opinions of college students in the United States regarding television sets and compact stereo systems. The study inferred that consumer attitudes are more positive when the product is assembled in the United States than in Mexico. Generally consumers are more likely to purchase a product that is assembled in the United States than in Mexico.

This result coincides with the point from a previous discussion, namely, that consumers usually evaluate products from developed countries more favorably than those from developing countries. To a certain extent, the degree of economic development of a country affects consumers’ attitudes and evaluations of products from that country, no matter which type of manufacturing (design, assembly) is done by the country.

Moreover, some researchers here noted that, regardless of where the product is designed, assembled, and manufactured, the brand itself has already formed a strong image. For example, brands such as Sony, GE, and Samsung (Japan, U.S., and South Korea) may automatically activate origin cues among segments of consumers, even though the name of the country does not appear explicitly in the brand name (Harris et al., 1994; Johansson, 1993). In this case, the product's original information does not have a large effect on consumers, and it is only an abstract symbol of the country; consumers evaluate these products and make purchase decisions based on other information cues.

Thus far, the discussion has centered on the effects of country of origin on electronic goods and other items. As this thesis focuses on Chinese-American consumers' purchase patterns for cars, some relevant research in this area needs to be considered.

Country-of-origin on automobiles. The studies of country of origin effects on consumers' choices on cars are quite limited. The results from prior studies suggested that country stereotype also applies to the automobile product category. Strutton et al. (2001) examined U.S. consumers' beliefs toward automobiles made in the United States and Japan. The researchers pointed out that the automobile represents a product category that is deeply associated with American culture and national psyche. There are five components included in the investigation: construction, investment value, quality, style, and cost.

The findings from that study infer that American consumers evaluate Japanese automobiles more favorably than domestic counterparts, and consumers give high evaluation on style, investment properties, and the quality of Japanese cars. This study

shows that the stereotype of country of origin exists in automobile category, as Japanese cars usually represent reliability, quality, and superiority.

In addition, Lee et al. (2001) confirmed Strutton et al.'s finding about the country of origin's stereotype on cars. They report that consumers are more likely to buy cars from developed countries such as Germany, and Japan than from developing countries such as South Korea, and Malaysia. A country's economic development, living standard, and market system can be determinant factors that consumers take into account. Similar studies were also developed by other researchers (Chao & Gupta, 1995; Haubl, 1996).

Based on the above studies, one can conclude that country of origin stereotypes have an important effect on consumers' evaluations of automobiles, although for other product categories (such as electronic appliances, and household goods), COO effects appear to be an extrinsic information cue to determine consumers' decision making. Therefore, this study aims to examine Asian-American consumers' attitudes and purchase preferences for cars and to explore the degree to which country of origin as well as other determinant factors affects their perceptions.

Many previous researchers discussed the relationship between the consumers' subculture and the product's country of origin. Although the evidence is not conclusive, most prior investigations suggest that consumers' subculture can affect their attitudes and evaluations of a country and its products, either negatively or positively. Subcultural differences may influence consumers' judgment and choices when deciding whether to purchase a product from a foreign country.

Previous research has suggested that geographic proximity and familiarity may create an effect on consumers' perceptions and evaluations of products (Samiee, 1994; Wall & Heslop, 1986; Amine & Shin, 2002). Consumers tend to maintain a more favorable perception of products from a source country with which they have a cultural tie. For instance, people in China may have more favorable perceptions toward Japanese goods than Indian products because of the countries' geographical proximity with Japan. Additionally, Japan and China has historical cultural ties as well.

Cultural ties. It is possible that members of a subculture tend to evaluate more favorably products from foreign countries with which they have cultural ties. These preferences may be due to the similar traditions, lifestyles, customs, and languages, etc. (Laroche et al., 2003). For example, Japan and China, and Canada and the United States, respectively, share similar cultural ties. In a study of English-speaking Canadians' and French-speaking Canadians' evaluations of products, the researchers explored whether subcultural differences existed in the perception of linked countries and their products. It was found that English Canadians give higher ratings to the United States and its products than French Canadians do because of cultural similarity. This investigation highlights the subcultural differences between English and French Canadians in their perceptions and evaluations of culturally linked countries and their products, and explains the dominance of American culture in Canada.

Heslop et al.'s study (1998) partly confirmed Laroche et al.'s findings (2003) through a similar examination. They reported that English Canadians are more favorable toward British goods because of cultural affiliation; but French Canadians also favored

British products over French goods. The researchers concluded that culture is learned and evolves over time, and French Canadians' affiliation with their motherland may have faded over time. Emphasizing the notion of subculture in the context of country of origin, this study re-confirms the effects of subcultural affinity in consumers' evaluations of products from ethnically linked countries.

However, Zhang's (1996) research does not provide support for prior studies regarding cultural similarity. He stated that cultural similarity does not influence Chinese consumers' decision-making when they evaluate products made in the United States, Japan, and South Korea. He suggested that the COO information significantly influences Chinese evaluations of the products from these countries, namely, that products from Japan and the United States are preferred to those from South Korea, indicating that cultural similarity and geographic proximity with South Korea do not influence Chinese consumers' perceptions of products from that country. Geographic and cultural dissimilarity with the United States also does not hinder Chinese consumers' purchase preferences and positive evaluations of U.S. products.

Do cultural ties and geographic proximity influence consumer's perceptions and evaluation of products? Is a consumer's decision-making independent of or dependent on cultural influences? This study will attempt to answer these questions by examining Chinese-American consumers' attitudes toward automobiles. The theoretical framework including the theory of segmented assimilation and multiple-cues models will be discussed next, which will be employed to support the Asian-American subculture and country of origin effects.

Theoretical Framework

Theory of segmented assimilation. The studies targeting ethnic groups in the marketplace have emphasized the theory of segmented assimilation. A number of researchers have applied this theory to the analysis of marketing strategies that are used by companies and advertisers to target ethnic groups. Segmented assimilation theory emphasizes that the immigrant culture and social solidarity are critical factors in the assimilation process, and it suggests several different types of adaptation by immigrant youth and Asian Americans. The origin of the theory can be traced back to the classic one-path theory raised by Gordon (1964). He pointed out that acculturation and acceptance by the host society is a prerequisite for social and economic mobility. He assumed that the values, beliefs, and norms of the host culture dictate “homogeneous” integration into mainstream society. The model implies a linear progression of adaptation to the host culture, that is, the longer the contact of a group with the host culture, the more acculturated the group becomes to the norms, values, and behavior of the host (Alba & Logan, 1992; Zhou & Kamo, 1994; Logan, Alba, & Leung, 1996).

In contrast to this view, Portes and Zhou (1993) suggested that the process of assimilation has become segmented into several distinct forms of adaptation, and the assimilation process is not uniform for all groups. They maintained that “assimilation depends on a number of socially and physically situated factors, including physical proximity, ethnic solidarity, human education and skills, etc.” (p. 82).

In a study of second-generation immigrants, Portes and Zhou (1993) found that they no longer adopt the outlook and cultural ways of the native-born toward social and

economic progress. Yet the retention of the traditional culture and values of the immigrant community still play an important role in shaping the young generation's behavior and norms.

Although the theory of segmented assimilation was developed by Portes and Zhou to explain different types of assimilation across ethnic groups, there are considerable variations within each subgroup. Zhou and Bankston (1998) found that Vietnamese youth tend to adhere closely to the values and aspirations that their parents have while, for some Asian Americans, "both individual characteristics and cross-subgroup differences are significant factors that determine the degree of assimilating the host culture" (p. 140).

In addition, segmented assimilation theory points to the importance of preserving the immigrant's ethnic identity, based on social relations with other members of the immigrant subgroup (Zhou & Bankson, 1998), that is, the identity of an immigrant community also affects the ethnic group assimilation to the host society. In short, the segmented assimilation theory can serve as a model to explain why ethnic groups still cherish their original values and traditions even though they have resided in the host country and have embraced the host culture for a period of time. For them, traditional culture, beliefs, languages, and lifestyles still have roots in their minds to a certain extent.

Many Asian Americans have lived in the United States for numerous years with their own particular traditions emerging within the host culture. Acculturation, as a process of learning and adopting cultural traits, is different among various people. Consumer acculturation (Penaloza, 1989) can be defined by the following statement:

“People acquire skills, knowledge, and attitudes relevant to their functioning as consumers in the marketplace.” New ways of shopping are tried, and new products are encountered. Several possibilities are thought to occur in shaping consumer behavior. Consumers not only learn and adopt new consumer behaviors, but also they maintain practices from their homeland or heritage, or they can form completely new patterns of behavior that are hybrids of both homeland and the new culture (Wallendorf & Reilly, 1983).

The segmented assimilation theory is widely used to explain why ethnic groups still hold their original cultural values even when they have resided in the host country for a period of time. Since this research aims at examining whether the subculture affects Chinese-American consumers’ purchase patterns on cars, the theory is a proper foundation for this discussion. If subcultural influence plays a major role in determining Chinese- American consumers’ behavior in purchasing cars, it indicates that the degree to which Chinese Americans assimilate with the American culture is weak and superficial. On the other hand, if the subculture does not apparently affect Chinese-American consumers’ behavior in purchasing cars, it means that the degree to which Chinese Americans assimilate into the host culture is deep and continuous. Thus, the segmented assimilation theory fails to support the premise in this research.

In addition to discussion of the segmented assimilation theory, another theory, multiple-cues models, will be provided next.

Multiple-cues models. Some previous studies utilized multiple cues (including product price, quality, branding, service support, etc.) as critical models that influence

consumer behavior and product evaluations. They usually are related to country of origin. Erickson, Johansson, and Chao (1984) noted that product attribute beliefs can influence as well as be influenced by attitudes toward the product, and the role of country of origin is to affect attitudes indirectly through beliefs. However, they also explored a significant and direct impact of COO on product attribute beliefs, which include products' quality perceptions.

Schooler, Wildt, and Jones (1987) reported that products' post-purchase service may be critical in helping to overcome the poorly perceived image of products, and that, even in the presence of the effect of COO, product warranty may be more important in influencing the consumer's judgment of quality. According to Chao's study (1989), although the COO plays a significant role in influencing consumers' perceptions of quality as well as credibility, the extent of such effect is predicated upon price and retail distribution.

These scholars and researchers all attempted to demonstrate that multiple cues of products can influence consumers' perceptions and evaluations. Simultaneously, country of origin and product attribute beliefs interact with one another—that is, product country image has an effect on consumers' product attribute beliefs, which in turn, help to overcome the poor image of a particular country.

In addition, Chao (1995) suggested various other viewpoints of multiple-cues' effects on cars. He listed a number of external factors and car attributes, and then examined them in the process of pre-purchase information search and post-purchase efficiency of choice. Results show that some cues, such as age, level of education,

knowledge level of cars, price, and number of models, have a greater effect on consumer purchase behavior of cars; whereas, country of origin does not affect consumers to the degree expected. It has almost no impact on the pre-purchase search, which has a significant effect on consumer choices.

Chao also pointed out that consumer perception is a common factor in most multiple cues studies. The implicit assumption is that product perceptions are formed just prior to or during the consumers' evaluation of different products or brands. In his point of view, the consumer decision-making process of a car purchase is likely to be more elaborate than products that are less costly and less complicated. Since a car is a complex product with many significant attributes, consumers may use these attributes as factors when judging a product, and in the formation of purchase patterns.

Therefore, multiple-cues models as crucial factors influence consumers' perceptions and evaluations of products. Each single cue may play a major or minor role in the process of consumers' decision-making and buying behavior. In this study, according to multiple-cues models, car attributes, including price, quality, reliability, design, brand name, service, warranty, etc., obviously become significant measures for Asian-American consumers to consider when making a decision on purchasing a car. Through a series of investigations, the researcher aims at finding which car attribute is the most important cue to determine Chinese-American consumers' choices.

Research Questions

A large number of previous studies discuss consumers' attitudes and choice behavior on various products. The internal and external factors always influence their

perceptions and evaluations of products. This present study is expected to investigate the significant factors that affect Chinese-American consumers' intentions and decision-making when purchasing automobiles. Generally, according to the segmented assimilation theory, researchers assume that one ethnic group's subculture can influence its purchasing behavior to a certain extent. Thus, the researcher investigated whether the Asian-American subculture affected car purchase behavior. As a result, one research question is:

- 1) Does the Chinese-American's subculture affect their purchase behavior of automobiles?

In addition, previous research overwhelmingly demonstrates that country of origin influences consumers' evaluations and purchase preferences of particular products from that country. The theoretical framework multiple-cue models states that country of origin may be an important information cue or a simple information cue in the purchase process. The researcher examined to what extent the country of origin influenced Chinese-American consumers' perceptions and purchase patterns of cars. Therefore, based on these factors, the researcher posed the second research question:

- 2) Does country of origin influence Chinese-American consumers' perceptions, evaluations, and purchase preferences of automobiles?

Moreover, the source of information obtained by Chinese-American consumers in the pre-purchase process is also a crucial aspect that was measured. Since previous studies indicated that Chinese Americans have their special communication forms as compared with Westerners, and interpersonal communication as well as word-of-mouth

as dominant forms existed in this ethnic group, it was quite necessary to investigate how Chinese-American consumers searched information for their automobile purchases. It is upon these factors that the researcher based the third question:

- 3) What are the sources of information used by Chinese Americans in evaluating different brands of cars from Japan, the United States, and Europe?

Through a series of investigations, the researcher explained the reasons—Chinese-American consumers' preferred Japanese or European automobiles to American automobiles.

Chapter Three

Method

Study Design

The study used both qualitative and quantitative research methods. The researcher conducted in-depth interviews, which were designed to determine Chinese-American consumers' perceptions, evaluations, and purchase preferences of cars made in different countries. Then, a structured, self-administrated questionnaire was designed based on the results of the interviews. The questionnaire was composed of four main sections, which will be explained in detail later.

Using the questionnaire, a survey was conducted using a “mall-intercept” method to collect data. For in-depth interviews and the survey, the researcher focused on Chinese Americans. Chinese Americans were selected because the population of Chinese Americans is the largest in the Asian-American ethnic group, and Chinese traditional culture is represented in the features of the Asian-American subculture. Focusing on one ethnic group allows the researcher to examine these consumers' perceptions and attitudes toward products, but it also can avoid mixed languages and multi-standards, as well as unclear responses in both testing and analyzing processes.

According to the U.S. Census, there are at least three broad groups of Chinese Americans: 1) first, second, and third generation, whose ancestors came to America in the 1800s and early 1900s, 2) recent immigrants from Mainland China, and 3) recent immigrants from Taiwan and Hong Kong. Although these groups of Chinese Americans

are somewhat different from one another, each group still shares the same culture, tradition, and customs.

In-depth interviews. To design the questionnaire fully and properly, in-depth interviews were conducted with 15 Chinese Americans—6 women and 9 men aged 20 to 59. A wide range of occupations was represented, including college students, software engineers, professionals, technicians, and restaurant workers, etc. Choosing such diverse career fields ensured that the researcher would determine Chinese-American consumers' different attitudes toward cars at large.

There were three prerequisites in selecting the participants. First, the individual had to be the owner of a car or temporarily own a car at that moment. Second, he or she had to be familiar with the cars' attributes. Third, he or she had to be Chinese American, whether born in Mainland China, Hong Kong, Taiwan, or another country. The interviews were conducted between February 23 and March 12, 2004. During the three weeks, the researcher did the interviews both on weekdays and weekends.

The location of the interviews was selected based on convenience for the interviewees and the researcher, and locations on the campus and in restaurants, individual apartments or houses, lobbies of companies, and outside of markets or stores. In addition, the interviews were tape recorded, so that the researcher could organize the contents in the post-interview stage. Interviews lasted no more than 30 minutes, and respondents answered the questions voluntarily.

Before starting the formal questions, the interviewees were asked some demographic information, such as age, gender, education, occupation, income, and years in this

country. The interviewees also answered some basic questions about the ownership of their cars, including the history of cars, number of cars, when each was bought, when each was produced, which brands, and where they were bought.

After the pre-interview questions, the formal interviews started, and the participants were asked 10 questions about their perceptions, evaluations, and purchase preferences of cars. These questions elicited information about the pre-purchase stage, the evaluation of attributes of cars made in different countries, the rank order cars' attributes according to their importance, and cultural values related to the decision-making process. The design of these questions was based on the theoretical system of consumer behavior toward particular products in the marketplace, including the following four stages: information search, evaluation, purchase, and post-purchase.

The answers given in the in-depth interviews were insightful and thoughtful. Some results exactly coincide with a few points that were discussed in the literature review section, specifically on the Asian-American subculture. Some results confirm a couple of points argued before, specifically on the effect of country of origin. Therefore, based on this information, the researcher designed a questionnaire that was used in the next research step—a survey using the “mall-intercept” procedure.

Questionnaire. The questionnaire was composed of four main sections. The first part was the survey introduction. The researcher explained the purpose of this study, and stated that “we randomly selected you to answer these questions about your attitudes toward cars. Your opinions are important to the accuracy of our survey and we would

appreciate your help. Your answers, of course, will be confidential.” The interviewees participated in the survey voluntarily.

The second part of the questionnaire was six formal questions. The design of these questions was based on the purpose of measuring different research constructs, including country of origin, Chinese-American subculture, evaluations, perceptions, purchase preferences of cars, etc. To test Chinese-American consumers’ information sources when they buy a car, several main items, including “friends’ opinions, family’s suggestion, colleagues’ advice, media advertisements, prior knowledge, Website, and *Consumer Reports*” were listed, which were derived from the articles in *Journal of Consumer Research* volume 14 and 7 (Beatty & Smith, 1987; Moore & Lehmann, 1980). The respondents were asked to select their sources, based on their own experience, and then, they listed their choices in the order of importance in their pre-purchase information search process. Questions 1 and 2 were designed to lead to research question 3.

A 7-point scale of “strongly disagree, moderately disagree, slightly disagree, neutral, slightly agree, moderately agree, and strongly agree,” was used in Question Three. Numbers ranged from 1 for 1 “strongly disagree” to 7 for “strongly agree.” The interviewees were asked to mark the numbers based on their choices.

To test the degree to which the Chinese-American consumers have been assimilated by the host culture, the researcher provided, in Question 3, the classical values systems of collectivism versus individualism from Lee and Brislin’s (1998) dimension scales. Eight main items on each side, such as “I will stick with my family if they need me, even though when I am not happy with them,” and “I believe in a manner consistent with the

way my family group expects me to, even though I may not personally agree with their expectations,” were tested by the 7-point scale. Through the choices of the respondents, the researcher analyzed whether these Chinese Americans have already been acculturated or whether they still hold to their original cultural values regardless of the influence of the host culture. This question corresponded to the first research question.

In addition, to measure Chinese-American consumers’ perceptions, evaluations, and purchase preferences of cars, a list of cars’ attributes was provided, including price, brand name, reliability, country of origin, service after sale, safety, and styling. The respondents were asked to select their choices based on a 7-point scale (1 = extremely unimportant, and 7 = extremely important) from these items in terms of their importance when they buy cars. The *Consumer Reports on New Car Buying Guide 2000 & 2001* were main references for these car attributes.

Moreover, the other major aspect—the effect of country of origin— was also tested by the questionnaire to respond to the research question 2, that is, does country of origin influence Chinese-American consumers’ perceptions, evaluations, and purchase preferences of automobiles? Automobiles from Japan, the United States, and Europe were valued based on 4 items from Roth and Romeo’s (1992) country image dimensions by a 7-point scale. They included innovativeness (use of new technology and engineering advances), design (appearance, style, colors, variety), prestige (exclusivity, status, brand name reputation), and workmanship (reliability, durability, craftsmanship, manufacturing quality). The reason for using these dimensions is based on the following criteria: (1) They were consistently found in previous research; (2) they related to

perceptions of a country's production and marketing strengths and weaknesses; and (3) either intuitively and /or based on previous research are applicable to a broad range of product categories (Roth & Romeo, 1992, p. 480). These two researchers pointed out that country image appeared to be a multidimensional construct rather than single dimensional. In other words, they claimed that, a single measure of overall quality to be deemed equivalent to country image in previous studies, appeared to be imperfect and unilateral. This 4-item scale fully examined which dimensions were most frequently associated with a country's image and to what extent these characteristics affected Chinese-American consumers' automobile purchase patterns.

For the last question, to investigate the brand loyalty of these respondents, the interviewees were asked to choose which car they would prefer to buy next from a list of car's brand names, such as Toyota, Honda, Mercedes-Benz, BMW, Ford, Chevrolet, Chrysler, Lexus, Acura, and so on. If the respondents chose the same brands as their current ones, which would indicate that these consumers demonstrate brand loyalty to a certain extent, otherwise, they would not have this tendency. These car brands were derived from *Consumer Reports on New Car Buying Guide 2000 & 2001*.

The third section of the questionnaire was demographic information of the interviewees in terms of age, gender, education, occupation, income, and years in this country. In fact, this demographic information will be taken into account in the analysis by the researcher, especially about the age, income, as well as years in this country may be considered as references to the choices of interviewees. To obtain accurate results, this information is indispensable and necessary.

The last section of the questionnaire was the information on the car the interviewees presently own. This information not only helped the researcher to understand and to relate the responses of the interviewees to their own experience with cars, but it also helped the researcher control the survey effectively and efficiently.

Data Collection

There were total 150 respondents participating in this survey. The data collection method was a mall-intercept interview. Shoppers were randomly intercepted to answer survey questions while they were shopping at malls. The advantages of this method are as follows: (1) it is an efficient way of collecting information from a large number of respondents, and statistical techniques can be used to determine validity, reliability, and statistical significance; (2) it is flexible regarding time and easy to administer; and (3) it costs less in the whole process.

Mall-intercept interviews are used when feedback from a large population of a focus group is desired, and it can provide more statistically reliable data than a focus group. Choosing this method, the researcher aimed at discovering Chinese-American consumers' purchase patterns to a wider extent in an economical way.

The mall-intercept interview was conducted between June and July. The location of the interview was chosen at a few local Asian hopping malls and shopping areas in Cupertino, Milpitas, Fremont, and San Jose. The reason for choosing these areas was to reach a wide range of Chinese-American consumers to obtain valuable first-hand sources. The survey was carried out during both weekdays and weekends to gain a representative sample of shoppers. This format ensured that there was adequate time for the interviews.

The questionnaire was developed in two language versions, Chinese and English, to meet different demands of Chinese-American consumers. A special effort was made to keep the questionnaire as simple as possible in terms of structure, wording, and scaling. It was translated from English to Chinese, and then re-translated into English to convey the exact meaning as originally designed. The drop-off / pick-up technique was applied for the data collection. The subjects were chosen either by appearance or by asking their original nationality, such as “Excuse me, are you a Chinese American?” or “Is your original nationality Chinese?” If the respondent answered “yes,” the researcher asked whether he or she would like to attend the survey. Once a subject was selected, he or she was asked to fill out a questionnaire. Each interview lasted no more than five minutes. After filling out a questionnaire, an incentive was offered to respondents to encourage their participation in the interview. Some small gifts, such as Chinese traditional handmade artifacts, were handed out to the participants. No cash or checks were offered for doing the survey.

Chapter Four

Results

It is commonly accepted that consumers' attitudes influence their perceptions and buying decisions. Better understanding of these attitudes would be helpful in developing more effective marketing strategies for car manufacturers, marketers, and practitioners.

The purpose of this study was to examine what factors determine Chinese-American consumers' perceptions, evaluations, and purchase intentions of cars from Japan, the United States, and Europe. The results indicated that Chinese-American consumers held very favorable attitudes toward cars from Japan and Europe, and less favorable attitudes toward cars from the United States.

Of the 150 respondents, 106 were male and 44 were female. In terms of age, the average age of the respondents was 33, and more than four-fifths were between 18 and 45. The education of the respondents was divided into four levels: high school graduate, and bachelor's, master's, and Ph.D. degrees. According to the results, 86 (57%) respondents have bachelor's degrees, 41 (27%) respondents have master's degrees, 13 (9%) persons have Ph.D. degrees, and 10 (7%) persons have high school diplomas. These numbers fully demonstrated one point noted in the literature review—namely, that Asian Americans put an emphasis on higher education.

In terms of occupation, 36% of the respondents were computer engineers, and other professionals (such as accounting, banking, and medical care) composed an additional 20% of the respondents. Only 17% of the respondents were blue-collar workers.

The reason why there were so many respondents working as engineers or other professionals may be because of the location of the study. Because Silicon Valley is home to the high-tech industry, and a large number of companies locate here, engineers and professionals have been attracted to this area. The average income of the respondents was \$79,376, according to the result of the survey.

Thus, the premium demographic profile—the affluence, higher education, and professional occupations confirmed the ethnic characteristics of Chinese Americans. The average number of years that Chinese Americans have lived in this country was 12 years. This factor will be discussed in the next section.

In examining the information sources that Chinese-American consumers search in the process of purchasing cars, it was revealed that a friend's opinion (63%) was the most preferred source of information, followed by prior knowledge (62%), *Consumer Reports* (55%), and Websites (53%). The least preferred source was information from salespeople (8%).

A 7-point scale was used to assess the attitudes of consumers toward each of the sources. A score of 1 represented the most important rating, and a score of 8 represented the most unimportant rating. To identify differences among ratings on these items, multiple comparisons of means on each of the sources were run, and standard deviations were provided as well. Overall, the mean scores revealed the following ranking from the highest to the lowest: prior knowledge ($M = 2.39$, $SD = 1.78$), *Consumer Reports* ($M = 2.53$, $SD = 2.23$), friend's opinion ($M = 2.81$, $SD = 1.80$), family's suggestion ($M = 2.92$, $SD = 2.40$), etc. Salespeople ($M = 4.30$, $SD = 3.51$) ranked the lowest among these.

According to the data, in terms of the importance, the majority of respondents (79%) perceived their own prior knowledge as the most important information source for purchasing a car (percentage being accumulated from extremely important to important), and 71% of the respondents regarded *Consumer Reports* as the second most important information source. Interestingly, the friend's opinion was the most preferred source of information chosen by respondents in survey Question 1, but in terms of the importance, it was ranked third (65%), followed by the family's suggestion (64%). Still, the information from salespeople (41%) was ranked the lowest. The rank order and percentage for the information sources are presented in Table 1.

Table 1.

The rank order of information sources

Rank order	Sources	Percentage(<i>n</i> =150)
1	Prior knowledge	79%
2	Consumer Reports	71%
3	Friend's opinion	65%
4	Family's suggestion	64%
5	Website	59%
6	Colleague's advice	52%
7	Media advertisement	49%
8	Salespeople	41%

To investigate whether the Chinese-American subculture affects its members' purchase behavior of automobiles, the study found that the overall mean score of the subculture issue was 4.59, and standard deviation was 0.67 (1 = strongly disagree, and 7 = strongly agree).

The mean score $M = 4.59$ clearly indicated that Chinese-American consumers tend to agree with Chinese cultural values, and held favorable attitudes toward their traditional values, although they have resided in this country for a period of time. In other words, Chinese traditional culture was still important to Chinese-Americans, and they were influenced by these values either strongly or slightly.

There were 16 Chinese cultural value items included in the survey. For the first cultural statement of “I will stick with my family if they need me, even when I am not happy with them,” the mean score was 5.41, which meant they tended to moderately agree with this value. The second cultural statement expressed an opposing point compared with the first, “when I am not happy with my family, I stay away from them.” The mean score was 3.46, which indicated that Chinese-Americans consumers tended to slightly disagree with this value. As the literature reviewed earlier demonstrated, the mean score of these two cultural items provided evidence that Chinese Americans emphasized families and held families in primary regard. The third and fourth items were similar in meaning to the first two items and yielded similar results.

For the fifth statement of “I believe in a manner consistent with the way my family group expects me to, even though I may not personally agree with their expectations;” the mean score was 4.37, which revealed that these respondents tended to slightly agree with this value. Similarly, the sixth statement of “I believe consistently with my own personal attitudes, even though my family group may not agree with me,” expressed the opposing point as compared to the fifth statement. The mean score was 4.19, which demonstrated that these respondents tended to slightly agree with this value. Here, although the mean

scores of the fifth and sixth statement were very close, there was no significant difference between them, although the two items were opposite and the mean scores were supposed to be opposing. In fact, these are not surprising results. One could not expect that each pair of mean scores for a positive statement and a negative statement would show opposite results. Sometimes, the respondents might select a certain scale category without carefully thinking or, for some reason, they may agree or disagree with a specific cultural value.

The rest of the eight Chinese cultural values emphasized various aspects such as behavior, beliefs, and concerns from individual and family perspectives. The mean scores of each pair of items also followed the previous pattern without exceptions. Specifically, the mean score of the thirteenth and fourteenth statements were 4.69 and 4.03 respectively, which indicated the respondents tended to slightly agree with the two values; however, the latter $M = 4.03$ showed that the respondents' attitudes toward this cultural value tended to be more neutral (4 = neutral, and 5 = slightly agree). This attitude toward the fourteenth statement of "I pursue goals that are important to my own personal achievement, independent of the goals that my family may have," may demonstrate that to a certain extent, Chinese-American consumers are more likely to seek personal goals instead of family ones, even if they place a high value on families.

Moreover, in terms of importance of attributes considered in the purchase process, the survey also tested the perceptions of respondents on eight attributes of automobiles, including: price, brand name, reliability, country of origin, safety, service after sale, fuel economy, and styling. Because this study examined Chinese-American consumers'

attitudes and purchase behavior toward automobiles, it was necessary for the researcher to test their perceptions of different car attributes. Simultaneously, car attributes are indispensable parts of the car purchase process; the perception of each car attribute by these consumers may inevitably influence their purchase intentions and decision-making.

Similarly, a 7-point scale was used with a score of 1 representing extremely unimportant, and a score of 7 representing extremely important. The respondents were asked to mark a score (from 1 to 7) for each attribute, based on their own viewpoints. Of the eight car attributes, reliability indicated the highest mean score ($M = 6.69$, $SD = 0.55$). According to the analysis of frequency, 73% of respondents said reliability was extremely important. These respondents viewed reliability as more important than other car attributes. Following this response, safety gained the second highest mean score ($M = 6.57$, $SD = 0.80$), and 70% of respondents chose it as extremely important. Service after sale was perceived as third in terms of the importance ($M = 5.97$, $SD = 1.22$), and 42% of respondents selected it as extremely important.

The assessment of the other car attributes can be found in the following order: styling ($M = 5.91$, $SD = 1.16$), brand name ($M = 5.81$, $SD = 1.27$), price ($M = 5.72$, $SD = 1.31$), fuel ($M = 5.43$, $SD = 1.42$), and country of origin ($M = 4.95$, $SD = 1.69$). The ratings showed that country of origin was perceived as the least important car attribute as compared with others.

As discussed in the literature review, many previous studies assumed that country of origin, either as a major information cue, played a significant role in influencing consumers' perceptions of products, or as a single information cue, played a minor role in

affecting consumers' beliefs about products. The mean score of manufacturing country in this survey question explicitly indicated that country of origin had the least effect on Chinese-Americans consumers' purchase intentions of cars and was only a single information cue based on the multiple-cue theory. The issue of the effects of country of origin will be developed in the next section. The mean scores of eight car attributes assessed by respondents are presented in Figure 1.

Figure 1. Mean scores of car attributes in terms of importance

Note: 1 = Extremely unimportant, 2 = Moderately unimportant, 3 = Slightly unimportant, 4 = Neutral, 5 = Slightly important, 6 = Moderately important, 7 = Extremely important

Moreover, the survey also investigated another important aspect—how Chinese-American consumers evaluate various dimensions of country image combined with different brands of cars from three regions, Japan, the United States, and Europe. Four

dimensions of country image were employed based on Roth and Romeo's (1992) country image scale: innovativeness, design, prestige, and workmanship. This scale has been frequently applied in previous research. Similarly, a 7-point scale was used to measure the four dimensions (1 = poor and 7 = excellent).

The results found that Chinese-American consumers held favorable attitudes toward Japanese and European cars, and that they held unfavorable attitudes toward U.S. brands. For the first dimension, innovativeness, or the use of new technology and engineering advances, the mean score of Japanese cars was 6.24 ($SD = 0.82$); U.S. cars had a mean score of 4.40 ($SD = 1.44$), as compared with European cars with a mean score of 5.97 ($SD = 0.99$). Additionally, from the analysis of frequency, 45% of respondents perceived Japanese cars as excellent on innovativeness, 34% viewed European cars as excellent, and only 5% assessed U.S. cars as excellent on the innovativeness dimension.

For the second dimension, design, appearance, style, colors, and variety, it revealed the same trend as the first dimension. The mean score of Japanese cars was 5.89 ($SD = 1.0$). The mean score of European cars was 5.88 ($SD = 1.03$) and, for U.S. brands, it was 4.30 ($SD = 1.51$). Forty-four percent of respondents perceived Japanese cars as moderately excellent on design, followed by 39% for European brands and 17% for U.S. brands.

For the third dimension, prestige, exclusivity, status, and brand name reputation, the mean score of Japanese cars was 6.04 ($SD = 1.02$). The mean score of European cars was 6.25 ($SD = 1.05$), and U.S. cars was 4.35 ($SD = 1.50$). Here, the mean score of European cars was a little higher than Japanese cars; U.S. cars were assessed the lowest,

as compared with those of the other two countries. In terms of prestige, 38% of respondents perceived Japanese cars as excellent, 51% of respondents viewed European ones as excellent, and 4% viewed U.S. brands as excellent.

It was a fact that although Japanese cars were perceived as better than European and U.S. cars on the two dimensions of innovativeness and design, respondents viewed European cars as higher on prestige than Japanese and U.S. brands. It may be related to the high social status and superior reputation of European cars (such as Mercedes-Benz and BMW).

For the fourth dimension—workmanship, that is, reliability, durability, craftsmanship, and manufacturing quality, Japanese cars received a mean score of 6.35 ($SD = 0.87$), U.S. brands a mean score of 4.16 ($SD = 1.44$), and European cars a mean score of 5.92 ($SD = 1.06$). In a similar fashion, 53% of respondents viewed Japanese cars as excellent, and 33% for European brands as well as 1% for U.S. brands.

Overall, through the mean scores of each dimension of each region, it was revealed that Chinese-American consumers gave high evaluations to Japanese and European cars, while they provided low evaluation to U.S. cars. The relationship of the dimension between product category and country evaluation will be discussed later. The mean score of four dimensions of three regions' brands of cars are presented in Table 2.

*Table 2.**Mean scores of four dimensions for three regions' cars*

	Japan	U.S.A.	Europe
Innovativeness	6.24	4.4	5.97
Design	5.89	4.3	5.88
Prestige	6.04	4.35	6.25
Workmanship	6.35	4.16	5.92

Note: 1 = Poor, and 7 = Excellent

The survey questionnaire also tested the respondents' purchase intentions for their next cars. Different brands of cars from Japan, the United States, and Europe were listed. Based on the choices from respondents, the researcher grouped the selections into seven categories, that is, 1 represented a selection of Japanese brands, 2 represented a selection of European brands, 3 represented U.S. brands, and then, followed by 4 = Japanese and European, 5 = Japanese and U.S., 6 = European and U. S., and 7 = Japanese and European and the U.S.

Study results showed that there were 65 respondents (43%) who selected Japanese cars, 54 respondents (36%) who selected European cars, and 3 respondents (2%) who chose U.S. cars; 23 respondents selected Japanese and European brands simultaneously; 1 respondent chose both Japanese and U.S. brands; and 3 respondents selected cars from these three regions at the same time. Interestingly, nobody selected European and U.S. brands simultaneously.

These findings clearly demonstrated that Chinese-American consumers preferred to buy Japanese or European cars instead of U.S. brands, which exactly matched the

particular phenomenon, that is, Asian Americans tended to drive and purchase Japanese and European cars rather than those of other countries. The purchase intentions of Chinese-American consumers for the next cars are presented in Figure 2.

Figure 2. Purchase intentions for the next cars

Note: 1 = Japan, 2 = Europe, 3 = U.S., 4 = Japan & Europe, 5 = Japan & U.S., 6 = Europe & U.S., 7 = Japan & Europe & U.S.

In addition, the last part of the survey asked respondents to provide data on their current cars. The information about cars' brands, number of cars, when it was produced, when it was bought, and where it was bought (private or dealer), was given by respondents. The results revealed that 150 respondents owned 182 cars since some of respondents owned more than one car. Of the 182 cars, there were 138 (76%) Japanese

cars, 31 (17%) cars were European cars, and 13 (7%) U.S. cars. The overwhelming numbers of Japanese cars explicitly showed Chinese-American consumers' purchase preferences and willingness to buy Japanese cars.

The study found that these respondents preferred to buy new instead of used cars. There were 104 (69%) respondents who bought their cars new, and 46 (31%) respondents who purchased used cars. The makes of cars currently owned by respondents are presented in Table 3.

Table 3.

Makes of cars currently owned (n=182)

Japan	Numbers	Percentage	Europe	Numbers	Percentage
Toyota	51	28.02%	BMW	11	6.04%
Honda	38	20.88%	Mercedes	9	4.95%
Nissan	15	8.24%	Volkswagen	6	3.30%
Acura	13	7.14%	Porsche	2	1.10%
Lexus	7	3.85%	Volvo	2	1.10%
Mazda	6	3.30%			
Mitsubishi	4	2.20%			
Infiniti	2	1.10%			
Suzuki	1	0.55%			
Subaru	1	0.55%			
U. S.	Numbers	Percentage			
Ford	6	3.30%			
Dodge	3	1.65%			
Jaguar	2	1.10%			
Mercury	1	0.55%			
Chevrolet	1	0.55%			
Buick	1	0.55%			

Chapter Five

Discussion

The overall findings of this study indicated that Chinese-American consumers held quite favorable attitudes toward Japanese and European cars, and they held unfavorable attitudes toward U.S. cars. Their purchase preferences and willingness to buy Japanese and European cars fully supported the particular phenomenon that Asian Americans preferred to drive and buy Japanese or European cars instead of those of other countries.

To respond to the research question concerning the information sources searched by Chinese Americans during the pre-purchase process, the results showed that Chinese-American consumers tended to rely more on multiple information sources in evaluating cars from different countries. In terms of the importance of information sources, Chinese-American consumers assessed the three leading information sources in the following order: their own prior knowledge, *Consumer Reports*, and friends' opinions. The information from salespeople was ranked the lowest among the eight sources.

As the literature reviewed previously showed, in addition to their own prior knowledge about products, Chinese Americans tended to rely on feedback from friends, families, as well as peers rather than advertisements or salespersons. This indicated that "word-of-mouth," as an informal channel to spread product information, usually had a large impact on the consumer behavior of Chinese Americans. In other words, although prior knowledge was very important for these consumers, it was not exclusive. In addition to drawing information from their own experiences, Chinese-American consumers obtained important information from *Consumer Reports*, friends' opinions,

and family suggestions. Ranking *Consumer Reports* at the secondary position reflected the fact that Chinese Americans held a high regard for objective materials and facts. Interpersonal communications within the Chinese American community also played a crucial role in influencing these consumers' purchase patterns on automobiles.

To respond to the research question concerning the effect of the Chinese American subculture on consumers' perceptions, evaluations, and purchase intentions of automobiles, the overall assessment showed that Chinese-American consumers tended to agree with Confucian values of their subculture, although they have resided in this country an average of more than 12 years. Most held favorable attitudes toward family preferences rather than individual choices, and they liked to make contributions to families no matter how large or small. When conflicts existed between individuals and families, individuals sacrificed their personal interests to reconcile with other family members.

The study clearly showed that "Confucian beliefs" as a cultural and moral principle still influenced Chinese-American behavior, although they have embraced the host culture for a period of time. For them, the traditional culture and beliefs were still rooted in their minds to a certain extent, and it was also consistent with the segmented assimilation theory reviewed in the literature.

In short, the Chinese-American subculture did affect Chinese-American consumers' attitudes, perceptions, and evaluations of cars in the purchase process. For these consumers, the concern about families and kinship systems influenced their purchase preferences and decision-making on automobiles.

To respond to research question two concerning the effect of country of origin on Chinese-American consumers' purchase patterns on automobiles, combined with the results of survey Question 4 with Question 5 based on the questionnaire, it revealed that the country of origin did not strongly affect Chinese-American consumers' perceptions, evaluations, and purchase intentions of automobiles. Of eight car attributes, reliability, safety, and service after sale were viewed as more important attributes than others, and country of origin was perceived as the least important car attribute.

These findings were inconsistent with previous studies that country of origin had a significant impact on consumers' evaluations, and perceptions of products. Part of the reason for these differences may be because people in previous studies were unfamiliar with a particular product, and COO was the only information available. People may use this surrogate information cue as a basis for evaluation and judgment without much consideration of specific product attribute information. Thus, the single-cue condition was related to a stronger COO effect.

However, in the present study, the overall assessment indicated that Chinese-American consumers may be familiar with various car attributes from different countries, or other car attributes information was easily available, so country of origin as a car attribute was only a minor information cue compared with others, such as reliability, safety, and service after sale. As a result, it had an insignificant impact on Chinese-American consumers' perceptions and evaluations of automobiles.

Furthermore, Chinese-American consumers favored Japanese cars and considered Japanese brands to be significantly better in terms of innovativeness, design, prestige, and

workmanship. They also gave a high mark to European cars, especially on prestige, as cars from European countries usually represented high social status and superior reputation, such as Mercedes-Benz and BMW. However, because these European cars were so expensive, most consumers chose Japanese brands, as Japanese cars were more economical than European brands. Simultaneously, Chinese-American consumers showed an unfavorable attitude toward U.S. cars on the four country-image dimensions of innovativeness, design, prestige, and workmanship.

These findings indicated the factuality of perceptions and evaluations of Chinese-American consumers of cars from Japan, the United States, and Europe. The respondents assessed these four country-image dimensions based on their own experiences, facts, and beliefs. However, such perceptions may also reflect the general country stereotype that was rooted in these consumers' minds. Because for decades, Japanese or European cars have had a reputation for superior quality as compared with their counterparts of other countries, Chinese-American consumers may evaluate cars produced from different countries based on this factor. Compared with Japanese and European cars, U.S. brands may have a lower quality and reputation, especially in prestige and workmanship, according to the prior literature.

It is a fact that, in recent years, the overall product image of U.S. cars has largely improved, especially in innovativeness and design. However, it may be that, because of prior unsatisfactory experiences or the stereotype of U.S. cars that exists in the consumers' minds, Chinese-American consumers have not changed their attitudes or

beliefs toward U.S. automobiles. Therefore, it appears that the long-term product country image stereotype has a consistent effect on Chinese Americans.

According to country-of-origin literature, consumers held stereotyped images of different countries and products made in these countries, and these images affected their product choices and evaluation. A large number of previous studies emphasized that country of origin was used as a country stereotype when product information was inadequate or unavailable to consumers. However, in this study, it was uncertain whether the product information held by Chinese-American consumers about cars from three regions was adequate.

Moreover, previous studies argued that the country stereotype might be related to the economic development of the country. Consumers usually hold more favorable attitudes toward products from developed nations than those from developing nations. However, this point is obviously inconsistent with the current study, since Japan, the United States, and European countries all are developed countries, rather than developing countries.

Based on the country-of-origin literature, the “halo effect theory” posited that consumers hold stereotypes about various countries, and they rely on these stereotypes when evaluating and selecting products from different countries. In other words, general country image or images of other product categories may serve as a “halo” from which consumers infer the quality of a particular product.

In this study, it is possible that Chinese-American consumers use images of other Japanese product categories such as electronics to infer the quality of automobiles, particularly some Japanese electronic products that have a superior worldwide reputation.

However, for European countries, such as Germany, there appears to be fewer opportunities for Chinese-American consumers to employ the images of other product categories to estimate the quality of its automobiles. Because Germany is the most famous for its automobile industry, other product categories cannot serve as a “halo” from which consumers can infer the quality of automobiles.

Furthermore, the halo effect did not work on Chinese Americans for U.S. cars, since images of other U.S. product categories cannot affect domestic consumers’ evaluations of domestic automobiles. The objects should be foreign consumers rather than domestic consumers.

The issue of country stereotype is controversial and challenging, and the reason for its existence is diverse and complex. The fact that Chinese-American consumers prefer automobiles from Japan and Europe rather than that of other countries may or may not reflect country stereotype. Additionally, examining country image across four dimensions, including innovativeness, design, prestige, and workmanship confirmed that country of origin was a multidimensional construct rather than a single measure of overall product quality.

Moreover, this study investigated the respondents’ purchase intentions for their next cars. It revealed that a large number of respondents would select Japanese and European cars instead of U.S. cars, which was consistent with their existing purchasing behavior. Simultaneously, this result confirmed that Chinese Americans have brand loyalty. They usually buy high quality products and have a strong brand consciousness.

The study showed that Toyota, Honda, Nissan, Acura, and BMW were the most preferred brands. Obviously, these brands have a long history and have already won superior reputations worldwide. It is these factors that attract Chinese-American consumers. Furthermore, according to the respondents' car ownership, another point can be drawn from the survey questionnaire: Chinese-American consumers prefer to buy new cars rather than used cars. Preferring to purchase new cars exactly matches the characteristic of Asian Americans, which was reviewed in the literature, namely, that they were willing to pay more for good products and they were more likely than the general market to own a car in the price range of \$20,000—30,000, (*Business Social Premier*, 1996).

This phenomenon may be related to the location and subjects' occupation in the survey. Because Silicon Valley has a concentration of high technology companies, employees can earn higher salaries here than in other areas of the nation. Additionally, many respondents are engineers or other professionals, so they are part of the middle-class in terms of income. Thus, it comes as no surprise that these respondents prefer to purchase new cars.

The Asian-American automotive market is lucrative. Marketers and automotive manufacturers should well understand this ethnic group's purchase pattern and employ proper strategies to target this fast-growing market.

Conclusion and Implications

This study has examined and analyzed the purchase patterns of Chinese-American consumers when buying automobiles. The results revealed that Chinese-American

consumers tended to rely more on their own prior knowledge, friends' opinions, and family suggestions. The heavy reliance on the opinion of friends as product information sources implied that sales managers should employ suitable communication strategies, stressing the positive aspects of automobiles rather than relying on television or other media.

The study also showed that Chinese-American subculture did affect these consumers' perceptions, evaluations, and purchase preferences of automobiles, although they have resided in this country for a period of time. It implied that marketers and automotive manufacturers would benefit by paying more attention to subcultural differences, and that they should form a more complete understanding of the influence of cultural and ethnic identity on buyer behavior. Employing appropriate language advertisements and developing proper communications within the community will attract larger numbers of customers. Treating domestic consumers as one group and ignoring the difference in ethnic groups will lead to the loss of potential consumers in the marketplace.

Furthermore, this study also revealed some information about how to market to other countries. The automotive manufacturers should be aware that consumers' ethnicity can affect their lifestyles, behavior, and consumption patterns. Showing cultural sensitivity may lead to greater product success.

Unlike previous research, this study investigated the COO phenomenon for different car attributes and country image dimensions. This study demonstrated that Chinese-American consumers did not seriously take into account the country of origin of

automobiles, and they ranked Japanese and European cars higher than U.S. cars on the four dimensions of innovativeness, design, prestige, and workmanship. The researcher suggested that these results might not only reflect the real perceptions and evaluations of Chinese-American consumers, but they also might reflect general stereotypical images of cars from the three regions.

Stereotypical evaluation of a product category did affect consumers' perceptions and purchase preferences. For example, the existing high quality of the Jaguar is still not acknowledged by Asian-American consumers, although its price, reliability, design, and workmanship almost reach the level of Japanese cars. If the stereotype exists, it will be necessary to determine whether these biases are strongly held or just superficial. Therefore, marketers should take these stereotypical images into consideration when designing a competitive strategy.

For example, U.S. cars were viewed unfavorably in terms of prestige and workmanship. Automotive manufacturers should work to reinforce these two qualities for the consumer. One solution would be to expand information and promotion activities. Another solution would be to provide good, reasonably priced maintenance services. Awareness of the specific stereotype would allow marketers to adjust their marketing mix to their advantage.

In addition, the wide range of car brands owned by the respondents in this study highlights the diversity in the U.S. marketplace. Car buyers in the United States have the opportunity to buy products from many manufacturers located in a number of countries. Thus, the controversial issue of "hybrid product" comes up, in which a product category

may be designed, manufactured, assembled, and sold in different countries around the world. These types of complex products involving multiple country affiliations have been much more common in the global market, and the trend is continuing.

It is possible to buy a Japanese car brand, “Toyota,” manufactured in Japan, and assembled in the United States. However, no matter where the product is designed, assembled, and manufactured, the brand itself has already earned a strong image as have Toyota, BMW, and Ford. These cars represent Japan, Germany, and the U.S. such that the brand name represents the country of origin, an impression that is rooted in the consumers’ minds. The individual manufacturer will find it advantageous to stay with the perceived images of countries being considered for plant locations or parts manufacturers.

This study highlights the differences in Chinese-American consumers’ perceptions of cars from three regions. This information can become the basis for the automotive industry to help define a competitive strategy in the marketplace.

Limitations of Study

There were certain limitations associated with this research. First, the sample size of 150 was limited. Therefore, findings of this study are tentative and need further verification. Second, the regional context of this research was a limitation. The data were collected in Silicon Valley; therefore, no generalization of the results to the rest of the country can be implied. Since the location of the research was in Northern California, and the proportion of Californians owning foreign cars is higher than the national average, more research needs to be conducted on a national sample of respondents.

Third, the demographic information of respondents, such as age, gender, and education was not used in the analysis. Thus, future research should include this information in the analysis.

Directions for Future Research

Future research should expand the scope of this study from a regional to a national study with a larger random sample of Asian-American consumers. The future study should also broaden the sample from Chinese-Americans to Asian-Americans, namely, the researcher should involve more sub-ethnic groups, such as Japanese Americans, Korean Americans, and Vietnamese Americans, because based on the previous literature, Asian-Americans embrace many sub-ethnic groups rather than one homogenous group.

The Asian-American automotive market is potent and prosperous. Regarding their strong buying power, marketers and practitioners should be aware of and understand the characteristics of this ethnic group and design more effective marketing strategies to target this fast-growing market.

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Appendix A

Procedure of In-depth Interviews

Purpose of in-depth interviews:

- The purpose of the study is to examine what factors determine Chinese-American consumers' perceptions, evaluations, and purchase intentions of automobiles, according to the particular phenomena observed by the researcher, that is, most Asian Americans prefer to buy Japan-made and/or Europe-made cars rather than U.S.-made cars.
- This research will focus on Chinese Americans as representatives of Asian Americans in order to meet the homogeneous language and culture background.

The number of participants:

- There are 15 interviewees involved in the process.
- Nine males and six females.
- The age range is between 20—59.
- Professions: college students, customers of markets and stores, restaurant workers, workers/owners of grocery stores, high-tech company professionals, other working professionals in different career fields.

The requirement of selecting participants:

- The individual must be the owner of a car or temporarily own a car at this moment.
- He/she is at least familiar with the car's attributes.
- He/she must be Chinese American, either from Mainland China, Hong Kong, Taiwan, or other countries.

Time of the interviews:

- Feb. 23, 2004—March 12, 2004.
 Weekdays: Mondays –Fridays (daytime & night-time)
 Weekends: Saturdays & Sundays (daytime)

Location of the interviews:

- College campus, restaurants, individual apartments or houses, lobbies of companies, outside of markets or stores, etc.
- Anyplace the interviewees and the researcher find to be convenient.

Materials and devices:

- Tape recording is employed in the interviews.

Confidentiality:

- The researcher will absolutely maintain confidentiality of any participants' information. Although the results of this study may be published, no information that could identify participants will be included.
- Only the researcher can access the tapes and interviewee's information.
Each interview will last no more than 30 minutes. The respondents will answer the following questions voluntarily.

Questions of the interviews:♣ Pre-interview demographic information:

- The participants will be asked age, gender, education, income, occupation, years in this country, etc.

♣ Pre-interview cars information:

- The participants will be asked the history of car ownership (years), number of cars owned, when each car was bought, when each was produced, which brands, where it was bought, from whom (dealer/ individual).

Formal questions:

1. What are the primary sources of information that you get before you buy your car?

(The researcher can give some hints to interviewees, such as friend's opinions, family's suggestions)

2. Can you rank the order according to the importance of the sources of information based on your experience? Explain the reason.
3. Regarding your car, in the information search process, how important was the family's suggestions, friends and colleagues' opinions play in your decision-making?
4. How do you evaluate Japanese-made cars? How about U.S.-made cars? And Europe-made ones? Give out the most succinct summary of these cars made in different countries.
5. If you want to buy a car, what kind of cars you will choose from a given list: Toyota, Honda, (Japan) Ford, Buick, (US) Mercedes-Benz, BMW, (Germany). Can you give the reason for choosing the specific car?
6. Which attributes are considered in the process of selecting a car? The interviewees will list their own items, and the researcher can provide more choices as supplementary, such as price, design, quality, brand name, technical support, service after sale, country of origin, or anything else. The researcher also asks interviewees to rank the order of items based on their preferences?
7. Is there any relationship between the country of origin or product country image and your decision to purchase a particular car? (such as the developed country's cars are better than developing country's counterparts? For instance, cars made in Mexico, versus cars made in Germany)
8. Is the effect of country of origin an important factor or a simple information cue that influences your perceptions, evaluation, and purchase pattern of cars?
9. Do you think some traditional culture (such as family's suggestions, friends, and colleagues' opinions) affects your decision-making and buying behavior for cars?
10. Are you satisfied with your car? If not, why? If you have another chance to purchase a car, which car do you like to buy? Give the reason.

Appendix B

Questionnaire for Chinese-Americans' Purchase Patterns of Cars

Date: _____ Time: _____ Location: _____

I. Introduction

This research aims at examining Chinese-American consumers' perceptions, evaluations, and purchase preferences of cars made in different countries. We randomly select you to answer these questions about your attitudes toward cars. Your opinions are important to the accuracy of our survey and we would appreciate your help. Your answers, of course, will be confidential.

II. 1. In the stage of information search for purchasing a car, what are your primary sources of information? (check all that applies)

- ☐ Friend's Opinion ☐ Family's Suggestion ☐ Colleague's Advice
☐ Media Advertisement ☐ Prior Knowledge ☐ Website
☐ Consumer Reports ☐ Salespeople

Others, please specify _____

2. Please rank the order of these sources in terms of the importance to your purchase decision-making. (For instance, 1 = extremely important, 2= moderately important,8= extremely unimportant)

Friend's Opinion ()	Family's Suggestion ()	Colleague's Advice ()
Media Advertisement ()	Prior Knowledge ()	Website ()
Consumer Reports ()	Salespeople ()	

3. The following is classical Chinese cultural value system, please evaluate yourself with each item?

1 = Strongly disagree	2 = Moderately disagree	3 = Slightly disagree
4 = Neutral	5 = Slightly agree	6 = Moderately agree
7 = Strongly agree		

I will stick with my family if they need me, even when I am not happy with them	1	2	3	4	5	6	7
When I am not happy with my family, I stay away from them	1	2	3	4	5	6	7
Members of a family should stick together, even when they are not happy with each other	1	2	3	4	5	6	7
When members of a family are not happy with one another, they should stay away from each other	1	2	3	4	5	6	7
I believe in a manner consistent with the way my family group expects me to, even though I may not personally agree with their expectations	1	2	3	4	5	6	7
I believe consistently with my own personal attitudes, even though my family group may not agree with me	1	2	3	4	5	6	7
Members of a family should behave in a manner consistent with the way others in the family expect them to, even though they may not personally agree	1	2	3	4	5	6	7
Members of a family should behave in a manner consistent with their own personal attitudes, even though others in the family may not agree with them	1	2	3	4	5	6	7
I strive to make an important contribution to my family	1	2	3	4	5	6	7
I do not strive to make an important contribution to my family	1	2	3	4	5	6	7
Members of a family should try to make an important contribution to the family	1	2	3	4	5	6	7
Members of a family should not rely on others in the family	1	2	3	4	5	6	7
I pursue goals that are important to my family group, even though these goals may not be consistent with my own personal desire for achievement	1	2	3	4	5	6	7
I pursue goals that are important to my own personal achievement independent of the goals that my family may have	1	2	3	4	5	6	7
Members of a family should pursue goals that are important to the whole family, even though these goals may not be consistent with their own personal desire for achievement	1	2	3	4	5	6	7
Members of a family should pursue goals that are important to their own personal achievement, regardless of family goals	1	2	3	4	5	6	7

4. Regarding your car, please choose the appropriate choices from the following items in term of the importance to your perception and evaluation of purchasing cars.

1 = Extremely unimportant 2 = Moderately unimportant 3 = Slightly unimportant
 4 = Neutral 5 = Slightly important 6 = Moderately important
 7 = Extremely important

Price	1	2	3	4	5	6	7
Brand name	1	2	3	4	5	6	7

Reliability	1	2	3	4	5	6	7
Country origin	1	2	3	4	5	6	7
Safety	1	2	3	4	5	6	7
Service after sale	1	2	3	4	5	6	7
Fuel	1	2	3	4	5	6	7
Styling	1	2	3	4	5	6	7

5. Please mark the proper choices to indicate how these dimensions of the country image affect your attitudes and purchase intentions for automobiles?

5(a) **Innovativeness** (use of new technology and engineering advances)

	Poor						Excellent
Japanese cars	1	2	3	4	5	6	7
U. S. cars	1	2	3	4	5	6	7
European cars	1	2	3	4	5	6	7

5(b) **Design** (appearance, style, colors, variety)

	Poor						Excellent
Japanese cars	1	2	3	4	5	6	7
U. S. cars	1	2	3	4	5	6	7
European f cars	1	2	3	4	5	6	7

5 (c) **Prestige** (exclusivity, status, brand name reputation)

	Poor						Excellent
Japanese cars	1	2	3	4	5	6	7
U. S. cars	1	2	3	4	5	6	7
European cars	1	2	3	4	5	6	7

5 (d) **Workmanship** (reliability, durability, craftsmanship, manufacturing quality)

	Poor						Excellent
Japanese f cars	1	2	3	4	5	6	7
U. S. cars	1	2	3	4	5	6	7
European cars	1	2	3	4	5	6	7

6. Which one of the following brands would you choose if you buy your next car?

☐ Toyota	☐ Honda	☐ Mercedes-Benz
☐ BMW	☐ Ford	☐ Chevrolet
☐ Chrysler	☐ Dodge	☐ Lexus
☐ Infiniti	☐ Nissan	☐ Acura ☐ Volkswagen

Others, please specify: _____

III. Demographic Information

Age:

Gender:

Education:

Occupation:

Income:

Years in this country:

IV. Information of your car's ownership:

Which brand:

Number of cars:

When each was produced:

When each was bought:

Where it was bought: