A study of Chinese consumers’ attitudes toward Volvo cars

Shuyuan Xiao
Wei He

Supervisor: Akbar Khodabandehloo
Examiner: Stefan Lagrosen

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ABSTRACT

Zhejiang Geely holding Co. succeeded in purchasing Ford Motor Co’s Volvo unit, which was the hottest news in the world in 2010. Volvo needs the Chinese potential car market; Geely needs Volvo cars’ advanced technology. Such purchase arouses our interesting to conduct a research study on Chinese consumers’ attitude and intentions toward Volvo cars.

Our aim with this study was to identify the most important attributes of Volvo for Chinese consumers; to analyse how Chinese consumers were influenced by other people’s opinions and to explore how Chinese culture factors such as face concern and group conformity influence consumers’ attitudes towards Volvo.

In order to find the result, we used online self-completion questionnaires and choose customers from a life insurance company in Shanghai as our sample group. From the survey result we found that Volvo is the second most favourable brand that Chinese consumers want to own in the near future. The top three car attributes for the Chinese consumers when they were going to choose a car were quality, safety and fuel economy. But they had less knowledge or beliefs that Volvo car has an advantage with those attributes. Besides that, we find that Chinese consumers’ behavioural intention of buying Volvo is influenced by family, friends, perceived behaviour control and group conformity, but there is no relationship between face concern and buying behaviour.

Key words: Attitude   Volvo car   Chinese consumer   Behavioural intention
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A study of Chinese consumers’ attitudes toward Volvo cars

1. Introduction
Zhejiang Geely holding Co. succeeded in purchasing Ford Motor Co’s Volvo unit, which was the hottest news in the world last year. It arouses our interesting to conduct a research study on Chinese consumers’ attitude and intentions toward Volvo cars. In this chapter, we will start with a brief background to the thesis topic and is followed by a problem discussion which leads to the overall purpose and the research questions of study.

1.1 Background:
Volvo, one of the car industry’s strongest brands, with a long and proud history of its safety and innovations, is preferred by many middle-class families all over the world. Although Geely is one of the biggest Chinese automobile manufacturers, it was barely known outside of China before the purchase. Geely used to be a refrigerator manufacturer using money borrowed from the founder Li Shufus family. Li Shufu started manufacturing motorcycles in 1994 after the purchase of a failing, state-run firm(Geely official site). The fact that Geely could sign a $1.5 billion deal for Volvo cars unit really astonished people around the world (Reed,J 2010). People described such a purchase as a young guy from the poor countryside of China marrying an old beautiful woman from rich Sweden. Without doubt, there will be a big culture conflict between both sides and it will take time for them to adapt to each other. We are very interested in finding solutions to promote their sustainable “marriage” and help Volvo understand Chinese culture and consumer behaviours.

Emerging Chinese Market
China has a very strong economic growth. According to Chris Anstey China has already surpassed Japan as the world’s second-largest economy last quarter in 2010
and its manufacturing accounts for about 40% of China’s economy (Chris Anstey, 2010). As manufacturing increases, the country needs more imports of raw textile materials, steel and heavy machinery, paper products and motor vehicles. Such booming industrializing economies typically form a new rich class and a small but growing middle class. Both of them demand new types of items and want to spend on those items such as fashion mobile phones, cars, CD players and instant coffee with their disposable income (Philip Kotler. et al 2005). According to An Hodgson, China’s middle class has grown from 65.5 million in 2005 to 80 million in 2007 and is expected to rise to 700 million by 2020 (An Hodgson. 2007). From the substantial and rising number of middle class with its growing incomes we can see that China is a potential market for international car brands.

Volvo car’s goal in China
At the beginning of 2011, the chairman of Volvo Cars China, Freeman Shen told Reuters that they were looking at a strategy of making China a second home market. Just a few days ago, Volvo Cars announced to build an entirely new plant in Chengdu and further investigate the opportunities for establishing an additional factory in Daqing. The new Chengdu plant will produce Volvo cars, about 100,000 units each year. Production is estimated to start in 2013 (Ben kednall 2011). At the same time, Volvo CEO Stefan Jacoby told the media that Volvo Cars aims to increase annual sales in China to 200,000 cars by 2015. The number of dealer stores in China will also increase from 106 to 220. Stefan Jacoby said:“We regard the Chinese market as the second home market for Volvo Car Corporation and a very important part of the plan to build a successful future for the company” (Bertel Schmitt 2011). If Volvo wants to achieve its “making China second home market”, it should start with understanding Chinese consumers. It goes without saying that consumers’ attitudes are the most important concept in the study of consumers’ behaviour. J.Paul Peter and Jerry C. Olson state that each year marketing managers spend millions of dollars researching consumers’ attitudes toward products and brands, and then spend many more millions
trying to influence those attitudes through advertisements, sales promotions, and other types of persuasion (J.Paul Peter and Jerry C. Olson 2005).

1.2 Problem discussion
The consumer’s attitude is the consumer’s liking, endorsement or preference for product attributes, which summarizes the criteria that consumers use to make decisions regarding what products to buy (Kinnear, T.C and J.R Taylor 1996). If we want to examine consumers’ attitudes, we need a model that identifies the attitudinal factors that influence specific behaviours (J.Paul Peter and Jerry C. Olson 2005).

There are several basic models about consumers’ behavioural intention. The first one is the ABC model (Affect, Behaviour, and cognition). It describes three basic components of attitude, and it is widely used in psychology (Sharon Jayson 2004). Cognitive component based on consumer’s personal knowledge, actual experience; Affective component refers to consumer’s feelings, such as like, dislike or neutral about a brand, outlet, product, service and so on. Intention component (behaviour or behavioural intention) refers to consumer’s intention to act towards the brand, outlet, product service and so on.

The second model is the Multi-attribute attitude model (Fishbein 1980), it is useful for investigating attitude formation and predicting attitudes. The key point in this model is that the evaluations of salient beliefs cause overall attitude. It means that consumer choose products which have good attributes they like. Salient beliefs are those activated beliefs, which can make you associate them with the products. Belief evaluation is what you think about each product attribute.

The third one is the Theory of Reasoned Action model. The TRA provides the explanation for relationship between consumers’ attitudes and their behavioural intentions (Fishbein, 1975). Fishbein modified his multi-attribute model to the theory of reasoned action model. According to this theory, people tend to perform behaviours that are evaluated favorably and are popular with other people.
Icek Ajzen extended the TRA model to The Theory of Plan Behaviour model (Icek Ajzen 1992), by adding “perceived behavioural control”. It can explain the relationship between behavioural intention and actual behaviour. Perceived behavioural control is determined by two factors. One is the internal factors, such as consumers’ confidence to execute the buying behaviour, the other is the external factors such as money and time constrain. Based on the Chinese culture, Lee’s modified TRA by adding face saving and group conformity, which is more suitable for Asian countries such as China and Indian (Lee’s 1990).

Chinese culture
As we mentioned before, consumers’ attitudes are strongly influenced by the culture in which they live. In order to understand Chinese consumers, who are totally different from Swedish people, Volvo must first understand the details or stereotype of Chinese culture. As Hofstede mentioned Confucian culture’s major characteristic is collectivism, which includes a strong bias towards obedience, the importance of rank and hierarchies and the need for smooth social relations (Hofstede 2003). Based on these parts of Confucian culture, Lee proposed a modified Fishbein behavioural intention model in which face saving and group conformity replaced the subjective norms in Fishbein’s model. The modified Fishbein model was found to better predict consumer purchase behaviours in Confucian cultures (Lee, 1990).

1.3 Research purposes:
Based on problem discussion, we are interested in investigating Chinese consumers’ attitudes toward Volvo cars; to indentify the most important attributes of Volvo for the Chinese consumer; to analyse how Chinese consumers are influenced by other people’s opinions and to explore how Chinese culture factors such as face concern and group conformity influence consumers’ attitudes towards Volvo.

1.4 Research questions:
1) What are the Chinese consumers’ attitudes toward Volvo cars?
2) How some specific aspect of Chinese culture as subjective norm, perceived behavioural control and face concern influence Chinese consumers’ purchases of Volvo cars?

1.5 Delimitations:

“Attitude” means a learned predisposition to respond to an object in a consistently favourable or unfavourable way (Jen-Hung Huang et al. 2004). In our case, the object refers to Volvo car, which includes the product, the price, the promotion and the distribution. We have delimitated our thesis to only focus on studying the consumers’ attitudes toward Volvo car’s product and price. We will propose a new model based on mixing several attitude models to investigate Chinese consumer’s attitudes towards the product and price of Volvo car and how SN, PBC, GC and FC influence their behavioural intention.

1.6 Outlines

There are six chapters that compose the thesis (see figure 1). After this introductory chapter we provide the reader in chapter two with a review of literature in the thesis subject area. In chapter three, we introduce the methodological approaches. In chapter four, it shows the reader about the feedback of the survey. In chapter five, we analyse the collected data. In chapter six, we present our findings and conclusions of this study.
Figure 1.6 Thesis outline
2. Literature review

There are five parts in this chapter. We start with introducing what attitude is and what consumer’s attitude is; secondly we explain several consumer’s attitude models; thirdly, we describe Chinese culture and Chinese consumers; fourthly, we interpret the marketing stimulates towards an object; finally, we propose a new model which is a combination of all consumer’s attitude models we mentioned to explore Chinese consumer’s attitude towards Volvo cars. Based on our research questions, we chose attitude models such as ABC model, TRA, TPC in order to find the relationship between Chinese consumers’ behavioural intention and Chinese culture as subjective norm, perceived behavioural control and face concern influence. We chosen Lee’s model as well because it is suitable for Chinese culture.

2.1 Attitude and consumer’s attitude

Attitude is widely used in many fields, it has been called “the most distinctive and indispensable concept in contemporary American social psychology”. Meanwhile, the consumers’ attitudes are widely used in the marketing field.

2.1.1 What is attitude?

“Attitude” means a learned predisposition to respond to an object in a consistently favourable or unfavourable way (Jen-Hung Huang et al 2004). According to Kobella, the term attitude encompasses a wide range of affective behaviours (e.g. prefer, accept, appreciate, and commit) (Kobella 1989). Hayes described, "Attitude affects the way in which we perceive the world around us" (Hayes 1995). Fishbein and Ajzen featured work based on hypothesized relationship among beliefs, attitudes, behaviour intentions, and behaviour (Fishbein and Ajzen 1980). Mohsin described that the attitude has several characteristics (Mohsin 1990):

- Attitudes are not inborn; they are learned through experience
- Attitudes can be inferred form the observed antecedent stimulus and the consequent behaviour pattern. They are thus, of the nature of an intervening variable and a hypothetical construct
• Attitudes have objective reference; one holds an attitude regarding some object person, or issue. In this respect, they differ from motives or personality traits that have subjective reference
• Once formed, attitudes are enduring dispositions and are unlikely to change under ordinary conditions.
• From operational point of view, attitudes are manifested in the consistency of responses made to a specific object situation.

Because of those characteristics, many researchers have tried a variety of approaches to studying attitudes in an attempt to find the relationship between people’s attitude and behaviour in different fields such as politics, economics, religion and marketing.

2.1.2 What is consumer’s attitude?

As we said before, attitude has been called the most distinctive and indispensable concept in many fields. In the marketing area, attitude is one of the most important concepts for marketers use to understand consumers. An attitude in marketing terms is defined as a general evaluation of a product or service formed over time (Solomon, 2008). Consumer’s attitude is the consumer’s liking, endorsement or preference for product attributes, which summarizes the criteria that consumers use to make decisions regarding what products to buy (Kinnear, T.C and J.R Taylor 1996). In other words, consumer’s attitude explains how people’s beliefs and knowledge lead to attitudes, and how their information integration process form attitudes toward actions and influence people’s intentions to perform behaviours. Dr. Lars Perner defines consumer attitude simply as a composite of a consumer’s beliefs, feelings, and behavioural intentions toward some object within the context of marketing(Lars Perner 2010). An attitude satisfies a personal motive—and at the same time, affects the shopping and buying habits of consumers. A marketer is challenged to understand the reason a particular attitude might exist. Consumers’ attitudes cannot be observed directly, marketers must try to do research to measure them. Each year marketing managers spend millions of dollars researching consumers’ attitudes toward products and brands, and then spend many more millions trying to influence those attitudes
through advertisements, sales promotions, and other types of persuasion (J.Paul Peter and Jerry C. Olson 2005).

2.2 Consumer’s attitude models

Following what we have said above, in order to study consumer’s attitude, marketers need a model that identifies the attitudinal factors that influence specific behaviours (J.Paul Peter and Jerry C. Olson 2005). There are several basic models about consumers’ attitudes and behavioural intention. The ABC model—Affective, Behavioural intention, and Cognitive (Sharon Jayson 2004). It describes three basic components of attitude. The Multi-attribute attitude model (Fishbein 1980), it is useful for investigating attitude formation and predicting attitudes. The TRA (Fishbein, 1975) provides the explanation for relationship between consumers’ attitudes and their behavioural intentions. The TPB (Icek Ajzen 1985), the extension of the TRA, by adding “perceived behavioural control”, it can explain the relationship between behavioural intention and actual behaviour. Based on the Chinese culture, Lee’s modified TRA by adding face saving and group conformity, which is more suitable for Asian countries such as China and Indian (Lee’s 1990).

2.2.1 ABC model of consumer’s attitude

Marketers use the three components—ABC model to describe consumer’s attitude (Sharon Jayson 2004):

- **Cognitive component**: it refers to consumer’s beliefs towards a brand, outlet, product, action and so on. It is based on consumer personal knowledge, actual experience.

- **Affective component**: it refers to consumer’s feelings, such as liking, disliking or feeling neutral about a brand, outlet, product, service and so on. It comes from his or her belief.

- **Intention component (behaviour or behavioural intention)**: it refers to consumer’s intention to act positively, negatively or neutrally towards the brand, outlet, product service and so on. It comes from his or her affective component stance.
2.2.2 The Multi-attribute Attitude Model

Martin Fishbein multi-attribute attitude model has been most influential in marketing (Martin Fishbein 1980). It is a useful tool for investigating attitude formation and predicting attitudes. There are two major elements of Fishbein’s multi-attribute model: one is the strengths, the other is evaluations of the salient beliefs. Formally, the model proposes that:

\[ Ao = \sum_{i=1}^{n} b_i e_i \]

Where \( Ao \)=attitude toward the object
\( b_i \)=strength of the belief that the object has attribute \( i \)
\( e_i \)=evaluation of attribute \( i \)
\( n \)=number of salient beliefs about the object

As the foregoing chapter says belief strength and evaluations of the salient beliefs determine consumers’ attitudes towards a product. Belief strength is the perceived probability of association between an object and its relevant attributes (J.Paul Peter and Jerry C. Olson 2005). In other words, it reflects how many attributes the consumer knows about the product and how much they believe it to be so. Belief strength is measured by having consumers rate this probability of association for each of their salient beliefs (Martin Fishbein 1980).

Belief evaluation reflects how favorably the consumer perceives that attribute. Marketers measure the \( e_i \) component by having consumers indicate their evaluation of favorability toward each salient belief (J.Paul Peter and Jerry C. Olson 2005).

The multi-attribute model is useful for identifying which attributes are the most important to consumers. It gives us the idea to design our questionnaire in order to find out the most important attributes of Volvo for Chinese consumers.

2.2.3 The Theory of Reasoned Action

Fishbein modified and extended his multi-attribute attitude model to relate consumers’ beliefs and attitudes to their behavioural intentions. The model is called a theory of reasoned action (Fishbein 1980). It proposes that any reasonably complex, voluntary behaviour is determined by the person’s intention to perform that behaviour (J.Paul
Peter and Jerry C. Olson (2005). The TRA can be presented as follows:

$$B - BI = A_{act}(w_1) + \text{SN}(w_2)$$

Where $B = \text{a specific behaviour}$, $BI = \text{consumer’s intention to engage in that behaviour}$, $A_{act} = \text{consumer’s attitude toward engaging in that behaviour}$, $\text{SN} = \text{subjective norm regarding whether other people want the consumer to engage in that behaviour}$; $w_1$, $w_2 = \text{weights}$

From aforementioned formula we can see, a person’s specific behaviour or his intention to perform that behaviour is determined by his attitude towards the behaviour and what other people want him to do so. $A_{act}$ reflects consumer’s overall evaluation of performing the behaviour. It is quite different with Ao. Let’s take an example of Volvo: “A Volvo car is a safe car,” is a positive attitude of the consumer towards “Volvo” (Ao); “Buying a new Volvo this year will put me in financial difficulty”, is a negative attitude of the consumer towards a behaviour ($A_{act}$). In our research, we are not only to find out Chinese consumers’ attitudes towards Volvo car but also to identify Chinese consumers’ attitude towards buying a new Volvo car.

The subjective or social norm (SN) reflects consumers’ perception of what other people want them to do (J.Paul Peter and Jerry C. Olson 2005). An individual’s subjective norm is determined by a multiplicative function of his or her normative beliefs ($NB_j$) and motivation to comply with perceived expectations ($MC_j$) (Lu et al., 2007). It can be presented as $\text{SN} = \sum_{j=1}^{m} NB_j MC_j$.

In a summary, the TRA explains that consumers’ behaviour or their intention to that behaviour is determined by their $A_{act}$ (their salient beliefs towards behaviour) and $\text{SN}$ (you think others want you to). This model is pictured as below.

**Figure 2.2.3 TRA model**
2.2.4 Theory of Planned Behaviour

The Theory of planned behaviour (TPB) is proposed by Icek Ajzen (1992). It has been applied to studies of the relations among beliefs, attitudes and behavioural intentions. Compare with the TRA, it adds the concept of perceived behavioural control. "Attitude toward the behaviour," "subjective norm," and "perceived behavioural control" lead to the formation of a "behavioural intention" (Ajzen, 2002b). It can be presented as below: 

\[ BI = A_{act}(W_1) + SN(W_2) + PBC(W_3) \]

BI, A_{act}, SN represent the same as aforementioned Theory of Reasoned Action, where PBC = Perceived Behavioural Control. "Perceived behavioural control" is presumed to not only affect actual behaviour directly, but also affect it indirectly through behavioural intention (Zimmerman et al., 2005). Perceived behavioural control reflects an individual's perceived ease or difficulty of performing the particular behaviour (Ajzen, 1998). It includes control beliefs, or the belief that the required resources and opportunities are available to carry out the behaviour, and perceived facilitation, or the assessment of the importance of those resources to successfully complete the behaviour (Wiethoff, 2004). In short, perceived behavioural control is determined by two factors. One is self-efficacy (Bandura, 1977), which means consumers’ confidence to execute the buying behaviour, the other is the resources and opportunities constrains, such as money, time. The TPB is illustrated as below:

![Figure 2.2.4 TPB model](image)
2.2.5 Lee’s Modification of the Fishbein’s Behavioural Intention Model

Base on Confucian culture, Lee modified the Fishbein Behavioural intention model to be more suitable for Asian countries (Lee.1990). The salient culture difference between Americans and orientals is collectivism (Hofstede, 1980; Chinese Culture connection, 1987), which results in two significant normative differences from individualistic cultures: one is that the primacy of the goals and welfare of the laterally extended group, typically the family (Triandis et al.1988); the other is that the impact of the behaviour on a person’s moral integrity, e.g. face saving (Tse et al.1988a). Thus, Lee devised the group conformity (GC) construct and face concern (FC) construct. The Lee model can be presented by the formula:

\[ B \sim B = A_{act}(w_1) + GC(w_2) + FS(w_3) \]

Where GC= group conformity, FS= face saving

Group conformity emphasizes relationships among family and peers and within pressure group members in the collectivist nature of Confucian culture (Lee, 1990). Face saving describes that under the Confucian culture, people pay more attention about their status and reputation and they live in the eyes of the others. From Lees’ model, we can see that Chinese consumers’ behavioural intention is determined by attitude towards behaviour, group pressure and face pressure. It is depicted as below:

![Figure 2.2.5 Lee’s model](image)

2.3 Chinese consumers

As we mentioned before, according to An Hodgson, China’s middle class has grown
from 65.5 million in 2005 to 80 million in 2007 and is expected to rise to 700 million by 2020 (An Hodgson 2007). From the rising number of middle class with their growing incomes we can see that China is a potential market for international car brands. However in order to understand Chinese customers, we should understand Chinese culture first.

2.3.1 Chinese culture

Chinese culture is predominantly influenced by Confucian philosophy. As Hofstede mentioned that Confucian culture’s major characteristics include a strong bias towards obedience, the importance of rank and hierarchies and the need for smooth social relations. Within Confucian ethics, four relations were basic, between ruler and those ruled, father and son, husband and wife, and friend and friend (Hofstede 2003). We can thus see that Chinese consumers’ purchasing intentions maybe influenced more by subjective norms. Guy Olivier stated: “The Chinese live in the eyes of the others and have a quasi-pathological preoccupation with reputation. Social judgment as a personal asset and as a family asset is considered as vital.” Face concerns describe that Chinese people pay more attention about their faces and they live in the eyes of the others. It is most prominent basic value in Chinese society. Therefore that Chinese care more about how they can be seen in the eyes of others when they consumer new products. So since having a modern, luxurious car is considered as a symbol of wealth in the eyes of others, it can encourage people to struggle for it. From this point, we can conclude that Chinese consumers’ behavioural intention could be majorly influenced by FC.

2.3.2 Important car attributes for Chinese consumers

According to car consumer reports, the most important considerations for today’s American new-car buyers are fuel economy, quality, safety, price, and value, less important for most buyers are brand, environmental friendliness, or a manufacturer’s stability as a company. There was a car consumption survey online between February and March 2008 in China (MSN car consumer reports 2009)). White collar net
citizens are chosen as the respondents, who followed the requirements stated below:

- Age between 23 and 40
- At least 3 years college education
- Average monthly salary about 3000 ¥
- Belong to central and tier-1 Chinese cities, such as Shanghai, Beijing and Guangzhou

MSN automobile channel collected 13121 effective samples through iUserSurvey and MSN online questionnaire. After analysing the survey results, they found out that Chinese white collars have high demands for cars, 75% of them have plans to buy cars in two years and around 62.5% of them have already bought cars. The primary consideration for them to buy cars is the whole design of cars in light of face concerns. Next considerations are fuel economy, price, safety, engine power, inside space, operation and after-sale services.

2.4 Marketing stimuli for an object:
Marketers use marketing stimuli, which consist of the four Ps: product, price, place and promotion try to sell their products to consumers. They try to find the relationship between marketing stimuli and consumer response. So in order to know the customers’ attitude of an object, it is better to know customers’ attitude towards the marketing stimuli of the object.

2.4.1 Product:
We define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Philip Kotler and Gary Armstrong, 2009). Products include variety, quality, design, features, brand name, packaging and services. Broadly defined, a product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Philip Kotler and Gary Armstrong, 2009). Products include physical objects but also services, events, persons, places, organizations, ideas, or mixes of these entities (Philip Kotler and Gary Armstrong, 2009). Product characteristics are
the inherent features of the product offering, whether actual or perceived (Michael R. Czinkota and Ilkka A. Ronkainen, 2010). The inherent characteristics of products and the benefits they provide to consumers in the various markets make certain products good candidates for standardization, others not (Michael R. Czinkota and Ilkka A. Ronkainen, 2010). Industrial products tend to be more shielded from cultural influences (Michael R. Czinkota and Ilkka A. Ronkainen, 2010). In many business sectors product and service strategies are being affected by the increased globalization of consumer tastes, communications, technological advances and the concentration of business activity (Isobel Doole and Robin Lowe, 2009). Individual product decisions involve product attributes, branding, packaging, labeling, and product support services (Philip Kotler and Gary Armstrong, 2009). Product decisions involve product quality, features, and style and design (Philip Kotler and Gary Armstrong, 2009). As more products are reaching the mature phase of the life cycle they are becoming commodities, and there is a need to use additional services to differentiate them from competitor offerings (Isobel Doole and Robin Lowe, 2009).

2.4.2 Pricing

Many organizations believe that pricing is the most flexible, independent and controllable element of the marketing mix and that it plays a major role in international marketing management (Isobel Doole and Robin Lowe, 2009). This is largely based on the fact that pricing changes appear to prompt an immediate response in the market (Isobel Doole and Robin Lowe, 2009). Price can be defined narrowly as the amount of money charged for a product or service (Philip Kotler and Gary Armstrong, 2009). It can also be defined more broadly as the sum of the values that consumers exchange for the benefits of having and using the product or service (Philip Kotler and Gary Armstrong, 2009). Price includes list price, discounts, allowances, payment period, and credit terms. The pricing challenge is to find the price that will let the company make a fair profit by getting paid for the customer value it creates (Philip Kotler and Gary Armstrong, 2009).

International markets pricing decisions are much more complex, because they are
affected by a number of additional external factors, such as fluctuations in exchange rates, accelerating inflation in certain countries and the use of alternative payment methods such as leasing, barter and countertrade (Isobel Doole and Robin Lowe, 2009).

2.4.3 Promotion

As global marketers manage the various elements of the promotions mix in differing environmental conditions, decisions must be made about channels to be used in communication, the message, who is execute or help execute or help execute the program, and how the success of the endeavor is to be measured. Products are promoted to create new customers (Philip Kotler and Gary Armstrong, 2009). Sales promotions can be used in a variety of ways to add value to the sale and are particularly effective if they are part of an integrated communications strategy (Isobel Doole and Robin Lowe, 2009). Promotion includes advertising, personal selling sales promotion, and public relations. Consumer goods sales promotions might include coupons or money-off vouchers, special offer price reductions and competitions (Isobel Doole and Robin Lowe, 2009). Sales promotions are usually used close to the purchase decision and have the objective of offering better value to the customer at the most influential moment in the purchase process (Isobel Doole and Robin Lowe, 2009).

2.4.4 Place (channel)

Place marketing involves activities undertaken to create, maintain, or change attitudes or behaviour toward particular places (Philip Kotler and Gary Armstrong, 2009). Cities, states, regions, and even entire nations compete to attract tourists, new residents, conventions, and company offices and factories (Philip Kotler and Gary Armstrong, 2009). Place consists with channels, coverage, assortments, locations, inventory, transportation and logistics. Place also includes company activities that make the product available to target consumers (Philip Kotler and Gary Armstrong, 2009).
Most firms operating in international markets will endeavor to maintain a cost-effective balance between direct and indirect channels of distribution. Firms will use direct channels, perhaps their own sales force, in foreign country markets where their company’s objective is to deliver high-value solutions to buying problems in order to maximize customer satisfaction.

2.5 Proposed attitude model for Chinese consumers

Based on the literature review, we mixed all attitude models above and proposed a new model to analyse Chinese consumers’ attitudes towards Volvo cars. The framework is based on multi-attribute attitude model, the TRA model, the TPB model and the Lee’s modification of TRA. It proposes as below:

\[ A_0 = \sum_{i=1}^{n} b_i e_i \]

\( A_0 \) is to study consumer’s attitude towards an object. \( A_0 = \sum_{i=1}^{n} b_i e_i \), which is from Fishbein’s multi-attribute attitude model (Fishbein.1980); it contains two parts: one is consumer’s belief and knowledge about attributes of the object, the other is whether or not the consumer like those attributes. We are going to explore Chinese consumer’s attitudes towards Volvo cars.

\( A_{act} \) is to study the consumer’s attitude towards engaging in buying behaviour of that object. SN means subject norm regarding whether other people want the consumer to engage in that buying behaviour. Based on the theory of reasoned action model,
\[ B = -BI = A_{ac}(w_1) + SN(w_2); \quad SN = \sum_{j=1}^{m} NB_jMC_j. \]

We are going to explore Chinese consumer’s attitudes towards buying Volvo cars and how other people influence their buying behaviours or behavioural intentions (BI).

PBC (perceived behavioural control), was provided by Ajzen (Ajzen 1991). It is determined by two factors. One is the internal factors, such as consumers’ confidence to execute the buying behaviour, the other is the external factors such as money and time constrain. Based on this model, we are going to see how Chinese consumers’ confidence of buying Volvo and how money and time effect influence their purchases.

GC (group conformity) and FC (face concern) are from the Lee’s model. Based on his model, we will explore how Chinese consumers’ attitudes and behavioural intention can be influenced by group conformity pressure and face pressure.
3. Methods

In this chapter, we will introduce our research methods in six parts: research approach, research strategy, method for data collection, data analysis, data validity and reliability and source criticism.

3.1 Research Approach

Deductive and inductive methods are two useful analysis methods which researchers will use in a thesis. Deductive methods work from the more general idea to the more specific idea, while inductive methods work from the more specific to the more general idea (Bryman & Bell, 2003). In our study, we use a deductive approach based on four attitude-intention models, in which we develop a new model and design a research strategy to test the model. In light of Robson’s five sequential stages’ progress (Robson’s 2002), we designed our deductive approach process as below:

1. expressing theory models in operational terms, which propose a relationship between two specific concepts, such as Face concern and Chinese consumers’ behavioural intentions towards Volvo cars; GC and BI; PBC and BI; NB and BI.
2. testing our proposed model;
3. examining the specific outcome of the inquiry;
4. If necessary, modifying the theory in the light of findings.

3.2 Research strategy

The research strategy is the general plan of how the researcher will go about answering the question(s). Different research strategies can be used to be able to answer the purpose of a research. Each strategy can be used for exploratory, descriptive and explanatory research (Yin, 2003). The importance for the strategy you choose is whether it will enable you to answer your particular research question(s) and meet your objectives. As we know that there are two common research methods. Quantitative is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that
generates or uses numerical data (Mark Saunders, Philip Lewis and Adrian Thornhill, 2009). In contrast, qualitative is used predominantly as a synonym for any data collection technique (such as an interview) or data analysis procedure (such as categorizing data) that generates or uses non-numerical data (Mark Saunders, Philip Lewis and Adrian Thornhill, 2009). Qualitative therefore can refer to data other than words, such as pictures and video clips (Mark Saunders, Philip Lewis and Adrian Thornhill, 2009). The quantitative research approach can be described as to generalize the collected information (Holme and Solvang, 1997). The context of quantitative research includes analytical statistics (description and relationships) and analytical mathematics (models and algebra). In our study, our strategy is to use the quantitative method to collect data and use analytical statistics in order to find the relationships between different concepts in order to gain a deeper understanding of the factors influencing Chinese consumers’ attitudes and behavioural intentions.

Besides qualitative and quantitative methods, there are numerous strategies from which we can choose, the most popular research strategies including experiment, case study and survey. Experiment is a form of research that owes much to the natural sciences, particularly psychology (Mark Saunders, Philip Lewis and Adrian Thornhill, 2009). Robson defines a case study as ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence’ (Mark Saunders, Philip Lewis and Adrian Thornhill, 2009). The survey strategy is usually associated with the deductive approach. It is a popular and common strategy in business and management research and is most frequently used to answer who, what, where, how much and how many questions. Comparing them all, we found that conducting a survey is suitable for our research. It tends to be used for exploratory and descriptive research. Survey is popular as it allows the collection of a large amount of data from a sizeable population in a highly economical way.

All in all, our research strategy is to conduct a survey of Chinese consumers and use
the quantitative method to collect data and use analytical statistics in order to find the relationships between different concepts in order to gain a deeper understanding of the factors influencing Chinese consumers’ attitudes and behavioural intentions.

3.3 Data collection

In this part we will explain our data source, sample chosen, data collection method and the development of survey instrument in this section.

3.3.1 Data source

In our research, we used both primary and secondary data in marketing research. Primary data is the information that researchers gather first hand while secondary data is the information that researchers get from secondary sources such as data indirectly compiled by the analyst, studies based on the primary sources, etc. (Shaila Bootwala, M.D. Lawrence and Sanjay R.2009). Primary data of our study is from the attitude theory models we have learnt and from our questionnaire survey. We designed a webpage with our questionnaire with a logical numerical descriptor to all response categories. We asked a web technician to help design the web page in order to avoid data-entry errors. For secondary data, we used some earlier related surveys. In 2009, MSN automobile channel conducted a car consumption survey on Chinese white collars. This secondary data research provided historical background for our current primary research. It added value to our research but since its data was collected for investigating Chinese consumers’ car consumption habits, only a part of the data—the most important car attributes for Chinese consumers is consistent with our current research study. Besides that, we referred to Auto Motor & Sport magazine in Stockholm. There was an article about "what is Volvo and what could Volvo do in China?" and a survey result was published about how the perception of the Volvo brand differs between Sweden and China. Although secondary data has its shortcoming for its accuracy, it is an economic way to solve the problem in the shortest amount of time.
3.3.2 Sampling

From a general perspective, sampling involves selecting a relatively small number of elements from a larger defined group of elements and expecting that the information gathered from the small group will enable accurate judgments about the larger group (Eric Shiu, Joseph Hair, 2009). There are two broad sampling designs: probability and non-probability. Probability sampling is a technique of drawing a sample in which each sampling unit has a known probability of being included in the sample. The non-probability sampling is a sampling process where the probability of selecting each sampling unit is unknown. Therefore, sampling error is not known. Thus, the degree to which the sample may or may not be representative of the defined target population depends on the sampling approach and how well the researcher executes and controls the selection activities (Eric Shiu, Joseph Hair, 2009). We develop a sampling plan after understanding the key components of sampling theory.

Firstly, we define the target population. Our research is to explore Chinese consumer’s attitude towards Volvo cars, the target population should be car consumers or potential car consumers. We know the larger those customers’ sample size the greater the precision, but it is impossible that we choose all of the Chinese car consumers and use probability sampling because we only have ten weeks to finish our research study and we are located in Sweden. Instead, we choose customers from a life insurance company in Shanghai as our sample by virtue of time and cost considerations. We chose Manulife insurance customers as the sample because Manulife insurance company is a Canadian insurance company, which aims at a middle-high end market. Its target customers are Chinese middle class, from 25 to 55 years old, well educated, which have a relatively high salary. Those target customers are homogeneous as car consumers in China. According to the result from car consumption survey online between February and March 2008 in China (A survey on Chinese white collar’s car consumption 2009), it showed that 75% of the middle class have plans to buy cars in two years and around 62.5% of them already had cars. Therefore we believe customers from Manulife insurance can represent the target
population. Besides that, one of our researchers used to work for Manulife insurance company in Shanghai more than three years. It is easy for us to access. From the manager of Manulife insurance company, we are only allowed to get 400 insurance customers. We designed a web page for our questionnaire and send the link to the 400 insurance customers by email.

3.3.3 Data collection method

There are several fundamental approaches for gathering raw data. One is to have interviewers or devices ask questions about variables and market phenomena or to use self-completion questionnaires (Dric Shiu, Joseph Hair, 2009). In order to collect a wider array of data, we use self-completion questionnaires, which provide low cost, no interviewer-respondent bias, easy to control the respondents and respondents are more comfortable in providing honest responses. We used an email survey. We created a standardized email message and appended the online survey link for three weeks. The email message and survey were electronically transmitted to the respondents. Different from a regular email survey, respondents do not need to return their responses via email. Once they finish their surveys online, we can get the result from the web page to our computers.

3.3.4 Survey instrument

Since our study is to identify Chinese consumers’ attitudes towards Volvo cars, we have used scales to measure attitudes. There are three attitude scale formats: Likert scales, semantic differential scales and behaviour intention scales. Likert scale asks respondents to indicate the extent to which they either agree or disagree with a series of belief statements about object. Usually the scale format is balanced between agreement and disagreement scale point descriptors. In our questionnaire, we use Rensis Likert, which typically has five scale point descriptors: “strongly disagree”, “disagree”, “undecided”, “agree”, “strongly agree”. There are six parts with 38 questions in our questionnaire. Started with a brief and clear presentation about how to finish the questionnaire, it consists of “your attitudes towards Volvo cars”, “your
attitudes towards buying Volvo cars”, “how SN—other people influence your purchase of Volvo cars”, “how Perceived behavioural control influence your purchase of Volvo cars”, “how group conformity influence your purchase of Volvo cars”, “how face concern influence your purchase of Volvo cars” and “your background”. All parts except the background are composed with several statements measured on a five-point Likert scale (strongly disagree =1, disagree =2, undecided=3, agree=4, strongly agree=5). The respondents are being asked to indicate their level of agreement by placing a tick in the appropriate boxes.

In the first part, respondents are asked to indicate their attitudes towards Volvo cars. We designed 18 questions about Volvo’s attributes based on the multi-attitude model and the marketing mix theory (Philip Kotler and Gary Armstrong 2009), which mentioned that developing a product involves defining the benefits that the product will offer. These benefits are communicated and delivered by tangible product attributes, such as quality, features, style and design, and branding. Based on the product attributes, we ask the respondents to indicate their agreement about statement of Volvo’s quality, design, features such as safety and green technology and brand. Isobel Doole and Robin Lowe stated that pricing is the most flexible, independent and controllable element of the marketing mix and that it plays a major role in international marketing management (Isobel Doole and Robin Lowe 2009), so we also ask the respondents to indicate their attitudes towards Volvo’s price. As Fishbein presents, there are two major elements in his multi-attribute model: one is the strengths, the other is evaluations of the salient beliefs. In the other words, it reflects how many attributes the consumer knows about the product and how much they like those attributes. According to this, for example, we can design one pair of our research questions as shown below to investigate Chinese consumers’ belief strength towards Volvo:
1. **Volvo produces safer cars than other car brands with similar prices.**
   - Strongly disagree
   - Disagree
   - Undecided
   - Agree
   - Strongly disagree

2. **Safety is important to me when I purchase a car.**
   - Strongly disagree
   - Disagree
   - Undecided
   - Agree
   - Strongly disagree

There are two sections in the second part. Firstly, the respondents are asked to indicate how their attitudes are towards buying Volvo cars. Secondly, they are asked to indicate how other people influence their purchase of Volvo cars. We designed two questions about customers’ attitudes towards buying behaviours and four questions about SN based on the Theory of Reasoned Action and Hofstede’s culture dimension theory (Hofstede’s 2003). Hofstede mentioned that countries within Confucian ethics such as China, four relations were basic, between ruler and those ruled, father and son, husband and wife, and friend and friend. Thus Chinese consumers might be easily influenced by family and friend. We design questions about how friends/colleague and how family influences the consumers purchases of Volvo cars. Besides that, in light of TRA model, consumers behavioural intentions are is determined by their $A_{act}$ (their salient beliefs towards behaviour) and SN (you think others want you to). An individual’s subjective norm is determined by a multiplicative function of his or her normative beliefs ($NB_j$) and motivation to comply with perceived expectations ($MC_j$).

It can be presented as $SN=\sum_{i=1}^{m} NB_jMC_j$. By using this formula, we design one pair of our questions as follows to investigate how Chinese consumers’ intentions towards Volvo are influenced by other people.

1. **Members of my family are in favor of me buying a Volvo car.**
2. **I want to do what me family wants me to.**
Part one and part two are also based on three components—ABC model. As we mentioned before, attitudes can be thought of as having three components: cognitive, affective and behavioural. The cognitive component represents consumer’s beliefs, perceptions and knowledge about an object and its attributes. The affective component represents the person’s emotional feelings held towards the given object and its attributes. The behavioural component represents consumer’s intended or actual behavioural response to the object. The three components can be seen in our questionnaire below:

Table 3.3.4-1 The three components of the questionnaire

<table>
<thead>
<tr>
<th>Cognitive component</th>
<th>1. Volvo produces safer cars than other car brands with similar prices.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Volvo produces environmentally friendly cars.</td>
</tr>
<tr>
<td></td>
<td>3. Volvo produces fuel economical cars.</td>
</tr>
<tr>
<td></td>
<td>4. Volvo cars seem expensive to me.</td>
</tr>
<tr>
<td></td>
<td>5. Volvo cars have high quality.</td>
</tr>
<tr>
<td></td>
<td>6. Volvo cars have good design.</td>
</tr>
<tr>
<td></td>
<td>7. Volvo cars have strong engine power.</td>
</tr>
<tr>
<td></td>
<td>8. Volvo produces big size cars.</td>
</tr>
<tr>
<td></td>
<td>9. Driving a Volvo car can provide me driving pleasure.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affective component (From Part 1)</th>
<th>2. Safety is important to me when I purchase a car.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3. Environmental friendliness is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>4. Fuel economy is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>5. Price is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>6. High quality is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>7. Good design is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>8. Strong engine power is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>9. Big size is important to me when I purchase a car.</td>
</tr>
<tr>
<td></td>
<td>10. Driving pleasure is important to me when I purchase a car.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Behavioural component (from Part 2)</th>
<th>1. I will buy a Volvo car in the near future.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. When I buy a car, it is very likely that I will buy a Volvo car.</td>
</tr>
</tbody>
</table>

In part three, respondents are asked to indicate how perceived behavioural control influence their purchase of Volvo cars. We designed two questions based on the theory of Planned Action. Perceived behavioural control reflects an individual’s perceived ease or difficulty of performing the particular behaviour (Ajzen, 1998). PBC is determined by two factors. One is self-efficacy (Bandura, 1977), which means consumers’ confidence to execute the buying behaviour, the other is the resources and
opportunities constraints, such as money and time. Thus, we designed one question about the internal confidence of consumers and the other question about an external factor—money of consumers.

In part four, respondents are asked to indicate how group conformity and face concern influences their purchase of Volvo cars. We designed each subpart with two questions based on Lee’s modified Fishbein Behavioural Intention Model, which shows us Chinese consumers’ behavioural intention is mostly influenced by group pressure and face pressure.

The last part of our questionnaire is about the respondent’s background such as gender, age, marital status, income, education, occupation and so on. We summarized our survey instrument and reference as below:

After we had designed our questionnaire, we translated our questionnaire into Chinese, since Chinese people’s English skills are poor. It is better to use Chinese in order to save respondents’ time and help them to have precise understanding.
### Table 3.3.4-2 Summary of survey instruments

<table>
<thead>
<tr>
<th>Part</th>
<th>Measurement</th>
<th>Questions</th>
<th>Theory reference</th>
</tr>
</thead>
</table>
| 1    | Your attitudes towards Volvo attributes | 1. Volvo produces safer cars than other car brands with similar prices.  
2. Safety is important to me when I purchase a car.  
4. Environmental friendliness is important to me when I purchase a car.  
5. Volvo produces fuel economical cars.  
6. Fuel economy is important to me when I purchase a car.  
7. Volvo cars seem expensive to me  
8. Price is important to me when I purchase a car  
9. Volvo cars have high quality.  
10. High quality is important to me when I purchase a car.  
11. Volvo cars have good design  
12. Good design is important to me when I purchase a car.  
13. Volvo cars have strong engine power.  
14. Strong engine power is important to me when I purchase a car.  
15. Volvo produces big size cars.  
16. Big size is important to me when I purchase a car.  
17. Driving a Volvo car can provide me driving pleasure.  
18. Driving pleasure is important to me when I purchase a car. | Multi-attribute model |
| 2    | Your attitudes towards purchasing Volvo | 1. I will buy a Volvo car in the near future.  
2. When I buy a car, it is very likely that I will buy a Volvo car. | TRA model |
|      | How SN- other people influence your purchase Volvo | 1. Members of my family are in favor of me buying a Volvo car.  
2. I want to do what my family wants me to.  
3. My colleagues/friends are in favor of me buying a Volvo car.  
4. I want to do what my colleagues/friends want me to. | Hofstede’s Culture dimension theory |
| 3    | How PBC influence your purchase of Volvo | 1. It is very easy for me to choose Volvo cars among other brands.  
2. I have enough money to buy a Volvo car. | TPA model |
| 4    | How group conformity influence your purchase of Volvo | 1. I would like to buy a Volvo car if most people around me own Volvo cars.  
2. I would like to buy a Volvo car if people around me expect me to do so. | Lee’s model |
|      | How face concern influence your purchase of Volvo | 1. If I own a Volvo car it can represent my social status.  
2. It is important to me that my car can represent my social status. | |
| 5    | Your background | gender, age, marital status, yearly income, education, occupation  
Do you have a car? If you have, please write down your car brand  
How much will you spend next time you buy a car? Write down your brand. | Reference from Nile |
3.4 Data analysis
In our study, we are going to find relationships between several variables. By using SPSS, we will apply metric dependence techniques including describing demographic characteristics, multiple regression and discriminant analysis. We apply the multiple regression in order to examine the relationship between the single dependent variable—Behavioural Intention, and more independent variables—SN, PBC, GC, FC. We will use discriminant analysis, which is used primarily to classify individuals or other types of objects into two or more uniquely defined populations. We separate our sample in several groups based on different background such as yearly salary, age and occupation in order to determine the statistical significance of the difference between more means.

3.5 Data Reliability & validity:
Reliability refers to consistency of measure of concept. It relies on three main characteristics: stability, internal reliability and inter-observer. Stability refers to whether or not a measure is stable over time. Internal reliability means the respondents’ scores on any one indicator tend to be related to their scores on the other indicators. Inter-observer refers to observations or the translation of data (Bryman, Alan & Bell, Emma 2007). We designed our questionnaire based on theories and our questions are asked properly in the planned sequence. For example, in the first part and second part of our questionnaire, we use the multi-attribute model and marketing mix stimuli theory to design the questions, but those questions also fit ABC three components attitude model.

Data validation is the process of determining, as far as possible, whether a questionnaire survey was conducted in the right manner (Dric Shiu, Joseph Hair, 2009). It goes without saying that sampling error always exists because it is extremely unlikely that one will end up with a truly representative sample, but we can avoid some non-sampling errors such as data collection errors or data processing errors by providing precise wording or good manage of data. In our case, we use a
self-completion questionnaire. In order to avoid some non-sampling errors, we are carefully of each stage of data preparation such as data editing and coding, data entry, data tabulation and data analysis. We start our questionnaire with a clear presentation and design the closed question with a horizontal format, which is less ambiguity about where a tick is to be placed and the task of coding is easy. In the background part of our questionnaire, we provide a possible response category of “others” and allow respondents to indicate what they mean by this category in case of they are not able to find a category that they feel applies to them. Our questionnaire also has its construct validity. We deduce our research questions from theories of various attitude-intention models and it measures the concept of consumer’s attitude.

Furthermore, there is another way to validate data, called face validity. It is established by asking other people whether or not the measure seems to be getting at the concept. Those people who are experienced or have their expertise in a field, who might be asked to act as judges to determine the validity of the measure. We contacted one the editors of Auto Motor & Sport magazine in Stockholm. He wrote an article about "what is Volvo and what could Volvo do in China?" and designed a few questions together with his partner magazine in China in order to see how the perception on the Volvo brand differs between Sweden and China. Because he is an expertise in this field, we sent our questionnaire to him and got his advice and confirmation that we made a right choice on customers’ attitude and behavioural intention.

**3.6 Source criticism**

Our survey is based on a group of consumers of the insurance company. Of course, more responses are better, but we only can only get 400 customers from the company’s database. The number of the respondents is limited, which can reduce the system error and be close to the real value. The quality of our survey depends on them being fair and objective. Our quality of the survey is depended on their fair and objective. Our error is from their answers and effect the result and conclusion.
Another criticism of source is from the secondary data we got from the online car consumption survey of 2008 in China, which is more affected by values and purposes from the originator than the first-hand data. We have no control over what have been collected and most likely no direct contact respondents to clarify data issues.
4 Data analysis

This chapter we will analysis our collected data from three different aspects. Firstly, we describe our respondents’ background, then we use regression to find the relationships between different variables, finally we use discriminate analysis to find the differences between different groups. In each section, we show the statistic figures and graphs first, then we use theories to analyse the results and give some our own comments in the end.

4.1 Chinese consumers’ background analysis

The data for this study were collected via a questionnaire survey on the internet. Each survey took approximately 5-10 minutes. We obtained 365 replies, which started from April 16th to May 9th. The respondents include specialists (doctors, lawyers), government institution workers (civil servants, teachers), private company bosses, white collar workers, middle or high level managers and others.

The questionnaire was divided into three components, and all of the items were measured on a five-point scale; from strongly disagree to strongly agree (1=strongly disagree, 2= disagree, 3=Undecided, 4= agree, 5=strongly agree). In the background, we gave detail questions for respondents to answer such as age, education and occupations. This part will help us to know and analyse the background of the consumers. To analyse the respondents’ demographic information, Excel 2007 and SPSS 17.0 were used. Descriptive statistics were employed to describe respondents’ demographic characteristics such as gender, age, marital status, yearly income, education, occupation, whether they have a car (if so, the brand), how much they intend to pay for the next car (and the brand of that car). Table 4.1.1 presents the demographic characteristics of the respondents. 32% of the respondents were female and male take up 68%. The age group from 20 to 39 takes up 90% of the respondents. The annual income of the respondents was evenly distributed from below 100,000RMB to 400,000 RMB (i.e., from approximately US$15,400 to US$61,600). Married and married with children take up 56%. Most of the respondents have been
through higher education, about 96%. About 50% of the respondents have owned a car. Most (82%) were planning to pay from 100,000RMB to 400,000RMB for their next car.

Table 4.1.1 Background of respondents

<table>
<thead>
<tr>
<th>Items</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>247</td>
<td>68%</td>
</tr>
<tr>
<td>Female</td>
<td>118</td>
<td>32%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-29</td>
<td>154</td>
<td>42%</td>
</tr>
<tr>
<td>30-39</td>
<td>175</td>
<td>48%</td>
</tr>
<tr>
<td>40-49</td>
<td>34</td>
<td>9%</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Annual income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 100,000 RMB (Below US$15,400)</td>
<td>145</td>
<td>40%</td>
</tr>
<tr>
<td>100,000 RMB to 200,000 RMB (US$15,400 to US$ 30,800)</td>
<td>124</td>
<td>34%</td>
</tr>
<tr>
<td>200,000 RMB to 400,000 RMB (US$30,800 to US$ 61,600)</td>
<td>70</td>
<td>19%</td>
</tr>
<tr>
<td>≥ 400,000 RMB (≥ US$61,600)</td>
<td>26</td>
<td>7%</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>151</td>
<td>41%</td>
</tr>
<tr>
<td>Married</td>
<td>84</td>
<td>23%</td>
</tr>
<tr>
<td>Married with children</td>
<td>122</td>
<td>33%</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>2%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>11</td>
<td>3%</td>
</tr>
<tr>
<td>College or bachelor</td>
<td>232</td>
<td>64%</td>
</tr>
<tr>
<td>Master or above</td>
<td>117</td>
<td>32%</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialist (doctor, lawyer)</td>
<td>42</td>
<td>12%</td>
</tr>
<tr>
<td>Government institution</td>
<td>30</td>
<td>8%</td>
</tr>
<tr>
<td>(Civil servant, teacher)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private company boss</td>
<td>26</td>
<td>7%</td>
</tr>
<tr>
<td>White collar</td>
<td>121</td>
<td>33%</td>
</tr>
<tr>
<td>Middle or high level manager</td>
<td>74</td>
<td>20%</td>
</tr>
<tr>
<td>Others</td>
<td>72</td>
<td>20%</td>
</tr>
<tr>
<td>Have a car</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>183</td>
<td>50%</td>
</tr>
<tr>
<td>Yes</td>
<td>182</td>
<td>50%</td>
</tr>
<tr>
<td>how much to pay for the next car</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 100,000 RMB (Below US$15,400)</td>
<td>30</td>
<td>8%</td>
</tr>
<tr>
<td>100,000 RMB to 200,000 RMB (US$15,400 to US$ 30,800)</td>
<td>190</td>
<td>52%</td>
</tr>
<tr>
<td>200,000 RMB to 400,000 RMB (US$30,800 to US$ 61,600)</td>
<td>110</td>
<td>30%</td>
</tr>
<tr>
<td>≥ 400,000 RMB (≥ US$61,600)</td>
<td>35</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Based on currency rates on Thursday, May 15th, 2011, (US $1 = 6.5RMB) Chinese Yuan were converted to US$. 

*N=365*
From figure 4.1.1 to figure 4.1.7, we show the percent of the respondents who own cars by the different groups. Females have a similar percentage as males, 52% of the males have their own cars, and 48% of the females have cars. With age increasing, the percentage that owns cars are sustainably increasing (above age 50 there were just 2 respondents, and both of them own cars). The same thing happened in annual income and the annual income of 200,000RMB is a dividing line. Below 200,000RMB the percentage is below 50%, however for those with more than 200,000RMB the percentage is higher than 50%. If the respondents were married, especially if they also have children, they were more likely to own cars. Higher education is just a little more common than regular education. In the different occupations, there are obvious differences. Of the private company bosses 81% own a car, then middle or high level managers who have 61%, then government institution workers (civil servants, teachers) who has 57%. Among white collar workers, specialists (doctors, lawyers) the number falls below 50%, and among others it is only 35%.

Figure 4.1.1 the percentage that own cars by gender
Figure 4.1.2 The percentage that own cars by age

Figure 4.1.3 The percentage that own cars by annual income

Figure 4.1.4 The percentage that own cars by family structure
Table 4.1.2 presents the number of cars among the respondents, most of the respondents had chosen to buy Volkswagen (23.72%), then Buick (9.62%), Nissan (8.33%), Ford (6.41%), Honda (6.41%), and Toyota (6.41%). We have divided the cars by country and continent of origin. We assigned the origin of the cars as follows: Japan and South Korea as Asian; Germany, France, Italy, Czech Republic, United Kingdom and Sweden as European, United States as American, and China as domestic. Figure 4.7 presents the country of origin of the cars; Japan first with 32%, leading Germany (29%) and the U.S. (21%). Figure 4.8 presents the country of origin by continent. 37% of the respondents used European cars, 35% of the respondents had
Asian cars, 21% American cars, and 7% were using domestic, Chinese cars.

Table 4.1.2 The Number of the cars of the respondents

<table>
<thead>
<tr>
<th>Brand</th>
<th>Country</th>
<th>Numbers</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audi</td>
<td>Germany</td>
<td>3</td>
<td>1.92%</td>
</tr>
<tr>
<td>BMW</td>
<td>Germany</td>
<td>4</td>
<td>2.56%</td>
</tr>
<tr>
<td>Brilliance Auto</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Buick</td>
<td>United States</td>
<td>15</td>
<td>9.62%</td>
</tr>
<tr>
<td>Great Wall</td>
<td>China</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Chery</td>
<td>China</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Chevrolet</td>
<td>United States</td>
<td>7</td>
<td>4.49%</td>
</tr>
<tr>
<td>Citroen</td>
<td>France</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Fiat</td>
<td>Italy</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Ford</td>
<td>United States</td>
<td>10</td>
<td>6.41%</td>
</tr>
<tr>
<td>Honda</td>
<td>Japan</td>
<td>10</td>
<td>6.41%</td>
</tr>
<tr>
<td>Hyundai</td>
<td>South Korea</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>JAC</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Jeep</td>
<td>United States</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Kia</td>
<td>South Korea</td>
<td>4</td>
<td>2.56%</td>
</tr>
<tr>
<td>Land Rover</td>
<td>United Kingdom</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Lexus</td>
<td>Japan</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Lifan</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Mazda</td>
<td>Japan</td>
<td>9</td>
<td>5.77%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>Japan</td>
<td>3</td>
<td>1.92%</td>
</tr>
<tr>
<td>Nissan</td>
<td>Japan</td>
<td>13</td>
<td>8.33%</td>
</tr>
<tr>
<td>Peugeot</td>
<td>France</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Porsche</td>
<td>Germany</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Red flag</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Roewe</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Škoda</td>
<td>Czech Republic</td>
<td>4</td>
<td>2.56%</td>
</tr>
<tr>
<td>Southeast</td>
<td>China</td>
<td>1</td>
<td>0.64%</td>
</tr>
<tr>
<td>Subaru</td>
<td>Japan</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Suzuki</td>
<td>Japan</td>
<td>2</td>
<td>1.28%</td>
</tr>
<tr>
<td>Toyota</td>
<td>Japan</td>
<td>10</td>
<td>6.41%</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Germany</td>
<td>37</td>
<td>23.72%</td>
</tr>
<tr>
<td>Volvo</td>
<td>Sweden</td>
<td>2</td>
<td>1.28%</td>
</tr>
</tbody>
</table>
From Figure 4.1.9, 52% of the respondents want to pay from 100,000RMB to 200,000RMB for their next car (or their first car if they don’t have a car now), 30% want to pay between 200,000 RMB and 400,000 RMB to buy a new car, and 10% want to spend more than 400,000RMB. Only 8% of the respondents want to buy a car that costs less than 100,000RMB. Figure 4.1.10 presents the brands that the respondents want to buy, Volkswagen being the most interesting car (chosen by 122 people), and surprisingly Volvo making it as the second most interesting car that our respondents want to own (72 people chose it). Since only two of the
respondents own Volvo cars now, it seems likely that Volvo cars have a huge potential buying power.

![Figure 4.1.9 How much the respondents are willing to pay for their next car](image)

![Figure 4.1.10 The top 10 brands that the consumers want to buy](image)

### 4.2 Chinese consumer’s attitudes towards Volvo cars

We have already known that attitudes can be thought of as having three components: cognitive, affective and behavioural. The cognitive component represents consumer’ beliefs, perceptions and knowledge about an object and its attributes. Among the eight attributes of Volvo cars’ compared, the most well-known attribute by our respondents is that Volvo cars have high quality, which has a mean value of 4.03 out of 5. The second most well-known attribute is that Volvo seems expensive, which has its mean at 3.95. The third one is that Volvo produces safe cars which has its mean at 3.85. The
affective component represents the person’s emotional feelings held towards the given object and its attributes. Our respondents consider high quality (mean = 4.68), safety (mean = 4.66), and fuel economy (mean = 4.27), as the most important attributes for them when they buy cars. The behavioural component represents consumer’s intended or actual behavioural response to the object. There are two questions about Chinese consumer’s behaviour. One is “I will buy a Volvo car in the near future” with a mean value of 2.74 and the other one is “When I buy a car, it is very likely that I will buy a Volvo car” with a mean of 2.99. From the statistics we can see that our respondents have a high demand for a car’s quality, safety and fuel economy, but they have relatively limited knowledge or less beliefs of that Volvo produces high quality and safe cars.

As Fishbein presents, there are two major elements in his multi-attribute model: one is the strength, the other is evaluations of the salient beliefs. We use $Ao = \sum_{i=1}^{n} b_i e_i$ to calculate our respondents attitudes towards Volvo cars. As it is shown below, our respondents’ top three positive attitudes towards Volvo cars are that Volvo cars have high quality, Volvo cars are safe and that Volvo cars are expensive. The most negative attitude towards Volvo cars is that Volvo produces big cars. Both the cognitive and the affective question get the lowest mean values, which are 2.9 and 2.93. From this result we conclude that our respondents don’t like big cars. It is opposite to what had said in media recently that Chinese people want big cars.
Figure 4.2.1 Chinese consumers’ attitudes towards Volvo mean

Figure 4.2.2 Comparing cognitive and affective components

Table 4.2.1 Our respondents’ attitudes towards Volvo

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>365</td>
<td>0</td>
<td>17.99</td>
<td>4.877</td>
</tr>
<tr>
<td>Environmentally friendly</td>
<td>365</td>
<td>0</td>
<td>12.72</td>
<td>4.675</td>
</tr>
<tr>
<td>Fuel economy</td>
<td>365</td>
<td>0</td>
<td>12.40</td>
<td>4.242</td>
</tr>
<tr>
<td>Price</td>
<td>365</td>
<td>0</td>
<td>16.52</td>
<td>5.195</td>
</tr>
<tr>
<td>Quality</td>
<td>365</td>
<td>0</td>
<td>18.96</td>
<td>4.612</td>
</tr>
<tr>
<td>Design</td>
<td>365</td>
<td>0</td>
<td>12.99</td>
<td>4.816</td>
</tr>
<tr>
<td>Engine power</td>
<td>365</td>
<td>0</td>
<td>14.45</td>
<td>4.661</td>
</tr>
<tr>
<td>Size</td>
<td>365</td>
<td>0</td>
<td>8.38</td>
<td>3.785</td>
</tr>
<tr>
<td>Driving pleasure</td>
<td>365</td>
<td>0</td>
<td>13.25</td>
<td>4.785</td>
</tr>
</tbody>
</table>
Table 4.2.2 Mean and deviation of the variables

<table>
<thead>
<tr>
<th>ABC component</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Volvo produces safer cars than other car brands with similar prices.</td>
<td>3.85</td>
<td>.091</td>
</tr>
<tr>
<td>3. Volvo produces environmentally friendly cars.</td>
<td>3.33</td>
<td>.799</td>
</tr>
<tr>
<td>5. Volvo produces fuel economical cars.</td>
<td>2.89</td>
<td>.764</td>
</tr>
<tr>
<td>7. Volvo cars seem expensive to me</td>
<td>3.95</td>
<td>.803</td>
</tr>
<tr>
<td>9. Volvo cars have high quality.</td>
<td>4.03</td>
<td>.766</td>
</tr>
<tr>
<td>11. Volvo cars have good design</td>
<td>3.24</td>
<td>.873</td>
</tr>
<tr>
<td>13. Volvo cars have strong engine power.</td>
<td>3.57</td>
<td>.766</td>
</tr>
<tr>
<td>15. Volvo produces big size cars.</td>
<td>2.9</td>
<td>.888</td>
</tr>
<tr>
<td>17. Driving a Volvo car can provide me driving pleasure.</td>
<td>3.34</td>
<td>.774</td>
</tr>
<tr>
<td>Affective component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Safety is important to me when I purchase a car.</td>
<td>4.66</td>
<td>.539</td>
</tr>
<tr>
<td>4. Environmental friendliness is important to me when I purchase a car.</td>
<td>3.77</td>
<td>.853</td>
</tr>
<tr>
<td>6. Fuel economy is important to me when I purchase a car.</td>
<td>4.27</td>
<td>.767</td>
</tr>
<tr>
<td>8. Price is important to me when I purchase a car</td>
<td>4.12</td>
<td>.737</td>
</tr>
<tr>
<td>10. High quality is important to me when I purchase a car</td>
<td>4.68</td>
<td>.518</td>
</tr>
<tr>
<td>12. Good design is important to me when I purchase a car.</td>
<td>3.96</td>
<td>.797</td>
</tr>
<tr>
<td>14. Strong engine power is important to me when I purchase a car.</td>
<td>4.01</td>
<td>.759</td>
</tr>
<tr>
<td>16. Big size is important to me when I purchase a car.</td>
<td>2.93</td>
<td>.976</td>
</tr>
<tr>
<td>18. Driving pleasure is important to me when I purchase a car.</td>
<td>3.92</td>
<td>.874</td>
</tr>
<tr>
<td>Behavioural component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. I will buy a Volvo car in the near future.</td>
<td>2.74</td>
<td>.964</td>
</tr>
<tr>
<td>2. When I buy a car, it is very likely that I will buy a Volvo car.</td>
<td>2.99</td>
<td>.882</td>
</tr>
</tbody>
</table>

4.3 Relationships between Variables--Regression analysis

In this chapter, we are going to find the relationship between SN, PBC, GC, FC and behaviour intention. SPSS17.0–multiple regression is used to find the relationship. Multiple regression analysis hypothesizes that the dependent variable of a question is influenced by two or more independent variables, and estimates a separate regression coefficient for each of these independent variables. Regression coefficient is an indicator of the importance of an independent variable in predicting a dependent variable. Large coefficients are good predictors and small coefficients are weak predictors. It can be evaluated by rules of thumb about the correlation coefficients (see table4.3.1). Beta coefficient is an estimated regression coefficient that has been recalculated to have a mean of 0 and a standard deviation of 1. This enables
independent variables with different units of measurement to be directly compared on their relative influence on the dependent variable. Std. Error of the Estimate is a measure of the accuracy of the predictions of the regression equation. The smaller the standard error of the estimate, the better the fit of the regression line and therefore the better the predictive power of the regression.

<table>
<thead>
<tr>
<th>Range of Coefficient</th>
<th>Description of Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.81—1.00</td>
<td>Very strong</td>
</tr>
<tr>
<td>0.61—0.80</td>
<td>Strong</td>
</tr>
<tr>
<td>0.41—0.60</td>
<td>Moderate</td>
</tr>
<tr>
<td>0.21—0.40</td>
<td>Weak</td>
</tr>
<tr>
<td>0.00—0.20</td>
<td>None</td>
</tr>
</tbody>
</table>

Table 4.3.1 Rules of Thumb about the Strength of Correlation Coefficients

We put question 3, “I will buy a Volvo car in the near future”, as Chinese consumers’ behavioural intentions, which is the dependent variable. We put SN, PBC, GC and FC as independent variables. From the table we can see that the coefficients SN (family) =0.110, which is no description of relationship. Coefficients SN (friend) =0.108, which is also no relationship. Coefficients PBC (easy information) =0.485, which is moderate and Coefficients PBC (enough money) =0.346, which is weak. It shows that Chinese consumers would like to buy Volvo when they think it is easy to get information. There is a weak relationship between people who have enough money to buy Volvo and people who have intention to buy Volvo. Coefficients GC (1.buy if other people own) =0.474 and Coefficients GC (2.buy if people expect me to )=0.511 are also in moderate range. It shows that there is a moderate relationship between GC and behavioural intention. Coefficients FC=0.062 which means there is no relationship between FC and behavioural intention. Beta enables independent variables with different unites of measurement to be directly compared on their relative influence on the dependent variable. We can find that GC (2. buy if other people expect me to) has relatively higher relationship with behavioural intention compared with other factors. Face concern has the lowest relative the lowest relative relationship with behavioural intention. Regarding family influence and friend influence, we find that Chinese consumers are more influenced by family members...
In order to validate our data, we put question 3.2 “When I buy a car, it will very likely that I will buy Volvo” as behavioural intention. We put SN, PBC, GC and FC as independent variables. We get the similar result about the relationship: There is no relationship between SN and behavioural intention. There is moderate relationship between PBC (1 easy information) and behavioural intention. There is no relationship between PBC (2 enough money) and BI. There is moderate relationship between GC and BI. There is no relationship between FC and BI.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Beta</th>
<th>relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>SN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family influence</td>
<td>0.11</td>
<td>0.01</td>
<td>0.508</td>
</tr>
<tr>
<td>Friends influence</td>
<td>0.108</td>
<td>0.011</td>
<td>0.472</td>
</tr>
<tr>
<td>PBC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Easy information</td>
<td>0.485</td>
<td>0.046</td>
<td>0.488</td>
</tr>
<tr>
<td>2. enough money</td>
<td>0.346</td>
<td>0.041</td>
<td>0.402</td>
</tr>
<tr>
<td>GC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. buy if most people own it</td>
<td>0.474</td>
<td>0.045</td>
<td>0.486</td>
</tr>
<tr>
<td>2. buy if people expect me</td>
<td>0.511</td>
<td>0.043</td>
<td>0.528</td>
</tr>
<tr>
<td>FC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Face concern</td>
<td>0.062</td>
<td>0.008</td>
<td>0.398</td>
</tr>
</tbody>
</table>

From the TRA model we can see, a person’s specific behaviour or his intention to perform that behaviour is determined by his attitude towards the behaviour and what other people want him to do so. But from this case, we found there is no relationship
between behavioural intention and family influence, friend influence. When Chinese consumers buy Volvo cars, perceive behavioural control is more important than subjective norm.

4.4 Discriminant Analysis

Discriminant analysis is a technique for predicting group membership based on two or more independent variables. In our study we separate groups by gender, age, yearly income, occupation and whether people own a car or not.

- Age 1,2,3,4 separately represents 20-29,30-39,40-49, ≥50;
- Income 1,2,3,4, respectively represents income below 100000 ¥, 100000-20000 ¥, 200000-400000 ¥ and above 4000000 ¥
- Occupation 1,2,3,4,5,6 separately represents specialists (doctors, lawyers), government institution workers (civil servants, teachers), private company bosses, white collar workers, middle or high level managers, and others.
- how much people would like to spend for his first or next car, we coding it as below:
  1. Represents spending below 100000 ¥
  2. Represents spending 100000-200000 ¥
  3. Represents spending 200000-400000 ¥
  4. Represents spending above 4000000 ¥
Table 4.4 Discriminant Group Statistics analysis

<table>
<thead>
<tr>
<th>Man</th>
<th>Woman</th>
<th>Age</th>
<th>income</th>
<th>occupation</th>
<th>Have a car?</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Safety</td>
<td>17.97</td>
<td>18.03</td>
<td>17.36</td>
<td>18.20</td>
<td>19.50</td>
<td>22.50</td>
</tr>
<tr>
<td>Fuel</td>
<td>12.11</td>
<td>13.00</td>
<td>12.52</td>
<td>12.23</td>
<td>12.35</td>
<td>18.50</td>
</tr>
<tr>
<td>Price</td>
<td>16.47</td>
<td>16.64</td>
<td>16.72</td>
<td>16.73</td>
<td>14.82</td>
<td>12.00</td>
</tr>
<tr>
<td>Size</td>
<td>7.93</td>
<td>9.31</td>
<td>7.91</td>
<td>8.68</td>
<td>8.91</td>
<td>8.50</td>
</tr>
<tr>
<td>PBC1</td>
<td>2.97</td>
<td>3.06</td>
<td>2.94</td>
<td>2.99</td>
<td>3.26</td>
<td>4.00</td>
</tr>
<tr>
<td>PBC2</td>
<td>2.87</td>
<td>2.87</td>
<td>2.71</td>
<td>2.91</td>
<td>3.35</td>
<td>4.00</td>
</tr>
<tr>
<td>GC1</td>
<td>2.80</td>
<td>3.05</td>
<td>2.88</td>
<td>2.85</td>
<td>3.03</td>
<td>4.00</td>
</tr>
<tr>
<td>GC2</td>
<td>2.79</td>
<td>2.94</td>
<td>2.75</td>
<td>2.91</td>
<td>4.00</td>
<td>2.81</td>
</tr>
<tr>
<td>Next</td>
<td>2.49</td>
<td>2.25</td>
<td>2.34</td>
<td>2.40</td>
<td>2.79</td>
<td>2.50</td>
</tr>
<tr>
<td>car</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future</td>
<td>2.72</td>
<td>2.78</td>
<td>2.68</td>
<td>2.76</td>
<td>2.85</td>
<td>4.00</td>
</tr>
<tr>
<td>BuyVolkswagen</td>
<td>3.01</td>
<td>2.96</td>
<td>2.99</td>
<td>2.97</td>
<td>3.09</td>
<td>4.00</td>
</tr>
</tbody>
</table>

About the question “Write down your next car brand name”, we coded Volvo as 1, other car brands as 0. The result shows as the “buying” column. More men than women (Buying 0.26>0.15) tend to buy a Volvo as his or her next car; young people (20-29), who has the highest mean of 0.27, are more likely to buy a Volvo than the other ages. People whose income is between 100000-200000¥, tend to buy Volvo, mean 0.25. Doctors and lawyers (mean 0.33) or bosses of private companies (mean 0.31) would like to buy Volvo. People who have no car (mean 0.26) so far tend to buy Volvo than those who have already own cars.
About question how much you would like to spend for your first or next car, we found that men intend to spend more money than women on their next car (2.49>2.25); people who belong to the age group 40-49, would like to spend more money on cars than any other ages. People who earn more money tend to spend more money on cars (people with a yearly income above 400000 have a mean of 3.54); bosses from private companies (3.19) would like to spend more money than any other occupations. People who have already have cars tend to invest more money in cars than those who have no cars.

4.5 Our own comments
To summarize, Chinese consumers have strong affective favour of car attributes such as safety, quality and fuel economy, but they are relatively unaware about Volvo cars’ attributes. From the statistic results we also found that our respondents didn’t like big cars (Mean 2.93 <Median3), which is quite opposite to what has been said in the media recently. We think maybe Chinese consumers want cars with large back seats instead of purely big cars according to the Chinese culture. It is common that government officials, specialists and bosses of private companies have their own drivers and that they would like to sit in the back seat. Do Chinese consumers like big cars or cars with big back seats? It is an interesting subject for further study.

The relationship between subjective norm and behavioural intention of buying Volvo was not supported in our study, even though subjective norm was a significant factor in Fishbein’s behavioural model. But the relationship between perceived behavioural control and behavioural intention of buying Volvo was supported in our study. We think it is like that because cars are luxurious products which people have to think over when they make a buying decision instead of following others opinions. Both the product’s cognitive and affective elements seem to have more impact on the buying decision process. Thus, people would like to buy Volvo when they feel it is easy for them to get information about Volvo. We also got an interesting result that there is no relationship between “I have enough money to buy Volvo” and behavioural intention.
of buying Volvo. From this aspect, we conclude that people who buy Volvo need a strong acknowledgement of the brand. The same goes for those who haven’t got enough money to buy a Volvo now, but will buy it in the future.
5. Conclusion

Respect to ABC three component attitude model, we find that the top three Volvo attributes known by Chinese consumers are that Volvo cars have high quality, expensive price and Volvo produces safe cars. From the affective aspect, high quality safety and fuel economy are the most important attributes for Chinese consumers when they buy cars. From the statistics we can see that Chinese consumers have a high demand for their cars to have high quality, be safe and have good fuel economy, but they have relatively limited knowledge or less belief that Volvo produces high quality and safe cars. Volvo cars have long been marketed and stressed their historic reputation for solidity and reliability. Prior to strong government safety regulation, Volvo had been in the forefront of safety engineering. Thus, Volvo need more market stimuli in China in order to enhance Chinese consumers’ knowledge and beliefs towards Volvo. From the behavioural intention aspect, we find that young people (20-29), whose income is between 100000-200000 ¥ per year tend to buy Volvo. Doctors and lawyers and bosses of private companies would also like to buy Volvo.

Referring to the relationship between SN, PBC, GC, FC and BI, we find that there is no relationship between subject norm and buying Volvo cars. There is a moderate relationship between perceived behavioural control and buying Volvo cars. The inside self-efficacy control is more related with buying behaviour and the outside control such as money and time has a weak relationship with buying behaviour. There is a moderate relationship between group conformity and behavioural intention. Chinese consumers would like to buy a Volvo car if people around him own Volvo cars or if people around him expect him to do so. There is no relationship between face concern and buying Volvo cars. In addition, we also find that Chinese consumers are more influenced by family members, and especially women, young people (20-29) and people with lower yearly income are easily influenced by their family members.

Statistics from our background questions shows that most respondents has owned Volkswagen (23.72%), Buick (9.62%), Nissan (8.33%), Ford (6.41%), Honda (6.41%), and Toyota (6.41%). Referring to the next car they would like to buy, Volkswagen is
still the most popular car for Chinese consumers (122 people choose it), but surprisingly Volvo make it as the second most interesting car that they want to own (72 people choose it). Out of our respondents, only two people owned Volvo cars right now. Thus we can see that Volvo has a huge potential market in China after Geely purchased Volvo, because more and more Chinese people show interest in Volvo cars.
References

● Jen-Hung, Huang; Lee, Bruce C Y; Ho, Shu Hsun. International Marketing Review; 2004; 21, 6; ABI/INFORM Global. pg. 598
● See Fishbein, “An Overview of the Attitude Construct,” pp.1-19; Fishbein and Ajzen, Belief, Attitude, Intention, and Behaviour
Sources: Malhotra, Naresh K; McCort, J Daniel International Marketing Review; 2001; 18, 3; ABI/INFORM Global pg.235

Appendix 1 (English version)

Dear participants,

We are conducting a research study on Chinese consumers’ attitudes and behavioural intentions towards Volvo cars. It is an anonymous survey. We hope you can help us to finish this questionnaire, which consists of six parts with 38 statements. All statements are measured on a five-point scale. You are being asked to indicate your level of agreement or disagreement with each statement by indicating whether you: strongly disagree (-2), disagree (-1), undecided (0), agree (1), strongly agree (2). Please indicate your level of agreement by placing a tick in the appropriate boxes. Your answers are very important to us and we sincerely appreciate your support.

Your attitudes towards Volvo cars

1. Volvo produces safer cars than other car brands with similar prices.
2. Safety is important to me when I purchase a car.
4. Environmental friendliness is important to me when I purchase a car.
5. Volvo produces fuel economical cars.
6. Fuel economy is important to me when I purchase a car.
7. Volvo cars seem expensive to me.
8. Price is important to me when I purchase a car.
9. Volvo cars have high quality.
10. High quality is important to me when I purchase a car.
11. Volvo cars have good design.
12. Good design is important to me when I purchase a car.
13. Volvo cars have strong engine power.
14. Strong engine power is important to me when I purchase a car.
15. Volvo produces big size cars.
16. Big size is important to me when I purchase a car.
17. Driving a Volvo car can provide me driving pleasure.
18. Driving pleasure is important to me when I purchase a car.

How other people influence your purchase of Volvo cars

19. Members of my family are in favor of me buying a Volvo car.
20. I want to do what my family wants me to.
21. My colleagues/friends are in favor of me buying a Volvo car.
22. I want to do what my colleagues/friends want me to.

How perceived behavioural control influence your purchase of Volvo cars

1. It is very easy for me to choose Volvo cars among other brands.
2. I have enough money to buy a Volvo car.
3. I will buy a Volvo car in the near future.
4. When I buy a car, it is very likely that I will buy a Volvo car.
How group conformity influence your purchase of Volvo cars
1. I would like to buy a Volvo car if most people around me own Volvo cars.
2. I would like to buy a Volvo car if people around me expect me to do so.

How face concern influence your purchase of Volvo cars
1. If I own a Volvo car it can represent my social status.
2. It is important to me that my car can represent my social status.

Your background

<table>
<thead>
<tr>
<th>Gender</th>
<th>Marital status</th>
<th>Education</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.Woman</td>
<td>2. Married</td>
<td>2. College or bachelor</td>
<td>2. Government institution (Civil servant, teacher)</td>
</tr>
<tr>
<td></td>
<td>4. Others</td>
<td>4. others</td>
<td>4. White collar</td>
</tr>
<tr>
<td>Age</td>
<td>Yearly income</td>
<td></td>
<td>5. Middle or high level manager</td>
</tr>
<tr>
<td>1. 20-29</td>
<td>Below 100000 ¥</td>
<td></td>
<td>6. Others(Please write down your occupation)</td>
</tr>
<tr>
<td>2. 30-39</td>
<td>100000-200000 ¥</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. 40-49</td>
<td>200000-400000 ¥</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ≥50</td>
<td>4. Above 400000 ¥</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Do you have a car? If you have a car, please write down your car brand. Yes 1 No 0

How much will you spend next time you buy a car? Please write down your next car brand.
Appendix 2 (Chinese version)

问卷调查

亲爱的朋友们，

我们是瑞典西部大学国际商务专业的学生。在做一份关于中国消费者对沃尔沃汽车的态度及购买意向的调查研究，我们占用您宝贵的时间填写该问卷。此问卷不记姓名，请不必顾虑。

该问卷由六大部分组成，共36题，每一道题由一句陈述句组成，之后有五个选项，分别为“完全同意”、“同意”、“既不同意也不反对”、“不同意”、“完全不同意”，请根据您对该陈述句的同意程度，选择最适合您的答案。非常感谢，您的参与对我们来说很重要。

第一部分

1. 沃尔沃汽车比同类价格其他品牌的车更安全。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意

2. 当我买车时，汽车的安全性能对我来说重要。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意

3. 沃尔沃汽车环保。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意

4. 当我买车时，汽车的环保性能对我来说重要。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意

5. 沃尔沃汽车省油。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意
6. 当我买车时，汽车的省油功能对我来说重要。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

7. 沃尔沃汽车对我来说有些贵。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

8. 当我买车时，汽车的价格对我来说重要。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

9. 沃尔沃汽车质量好。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

10. 当我买车时，汽车的质量对我来说重要。
    - 完全同意
    - 同意
    - 既不同意也不反对
    - 不同意
    - 完全不同意

11. 沃尔沃汽车款式新颖。
    - 完全同意
    - 同意
    - 既不同意也不反对
    - 不同意
    - 完全不同意

12. 当我买车时，汽车的款式对我来说重要。
    - 完全同意
    - 同意
    - 既不同意也不反对
    - 不同意
    - 完全不同意
13. 沃尔沃汽车发动机动力强。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意

14. 当我买车时，汽车发动机动力对我来说重要。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意

15. 沃尔沃汽车对我来说车型偏大。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意

16. 当我买车时，大车型对我来说重要。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意

17. 驾驶沃尔沃汽车，可以满足我的驾驶乐趣。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意

18. 当我买车时，驾趣乐趣对我来说很重要。
- 完全同意
- 同意
- 既不同意也不反对
- 不同意
- 完全不同意
第二部分

1. 我的家庭成员希望我买沃尔沃。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

2. 通常情况下，我按照家庭成员的建议做事。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

3. 我的同事、朋友希望我买沃尔沃。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

4. 通常情况下，我会按照同事、朋友的建议做事。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意
第三部分

1. 从众多车品牌中选择沃尔沃对我来说很容易。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

2. 我有足够的钱买沃尔沃。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

3. 我会在近几年买沃尔沃。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意

4. 如果我买车，我会买沃尔沃。
   - 完全同意
   - 同意
   - 既不同意也不反对
   - 不同意
   - 完全不同意
问卷调查

 Volvo中国调查

第四部分

1. 如果我周围的人都拥有沃尔沃，我会买沃尔沃。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意

2. 如果周围的人都希望我买沃尔沃，我会买沃尔沃。
   ◎ 完全同意
   ◎ 同意
   ◎ 既不同意也不反对
   ◎ 不同意
   ◎ 完全不同意
问卷调查

Volvo中国调查

第五部分

1. 如果我拥有一辆沃尔沃，它可以代表我的社会地位和身份。
   ◯ 完全同意
   ◯ 同意
   ◯ 既不同意也不反对
   ◯ 不同意
   ◯ 完全不同意

2. 汽车代表我的社会地位和身份，这一点对我来说重要。
   ◯ 完全同意
   ◯ 同意
   ◯ 既不同意也不反对
   ◯ 不同意
   ◯ 完全不同意
问卷调查

第六部分—背景资料

性别
☑ 男
☑ 女

年龄
☑ 20-29
☑ 30-39
☑ 40-49
☑ ≥50

家庭结构
☑ 单身
☑ 二人世界
☑ 夫妻及子女
☑ 其他
年薪
- ≤10万
- 11万-20万
- 21万-40万
- ≥40万

学历
- 中学
- 大学
- 研究生及以上研究生
- 其他

职业
- 专业人士（医生、律师）
- 政府机构工作人员（公务员、老师）
- 私企企业主
- 自由职业者
- 中高层管理人员
- 其他

您是有车一族吗？如果有，请写出车的品牌。
- 无
- 有

您愿意花多少钱购买新车或者您的下一辆车。
- ≤10万
- 11万-20万
- 21万-40万
- ≥40万

请写出您想购买车的品牌。

提交