

**ASPECTS OF CHINESE CONSUMER BEHAVIOR IN BUYING FOREIGN BRANDED
PRODUCT: A CASE STUDY OF DOVE CHOCOLATE, AT CR VANGUARD HYPERMARKETS
IN XI'AN CITY, SHAANXI PROVINCE, CHINA**

Rui Wu¹

***Abstract:** As Chinese consumers seem to have an increasing demand for foreign-branded products the purpose of this study is to contribute to the existing literature on this issue by examining the purchase intention of Chinese consumers for a specific foreign-branded product; Dove chocolate. It uses a questionnaire to survey 400 respondents who have bought Dove chocolate at ten CR vanguard hypermarkets in Xi'an city, Shaanxi province, China. The data was analyzed using Pearson Correlation Coefficient. The results show some trends of particular interest to China-based marketing managers working for foreign food product companies and, to some extent, to those working for foreign firms selling foreign products as they help them better understand Chinese Consumers' perception and attitudes towards chocolate items and foreign brands in general.*

***Keywords:** Consumer Behavior, Foreign Branded Product, Willingness to buy.*

1. Introduction

In the past decades, the Chinese economy has grown at an extremely rapid pace causing a huge increase in the number of foreign enterprises entering the Chinese market. With a population of 1.3 billion and the world's fastest rate of economic growth, China stands as a gigantic marketplace; one which no multinational corporation (MNC) can ignore, all the more as China is now a member of the World Trade Organization (WTO) (it became a member in 2001). As more opportunities are opening up for foreigners to enter the Chinese market, the number of foreign organizations doing business in China keeps increasing. Because of this foreign influx, people's values and attitudes toward consumption have changed as many tend to have certain traits in common. And with Chinese consumers' income rising, their spending patterns are changing. They tend to buy more discretionary and non-local products, for example, foreign fast-food (Pizza Hut, Haagen-Dazs ice cream) or garment products (Zara or HM to name a few). They are also easily tempted by small luxury items and status symbols; highly recognized brands such as, Hennessy, Louis Vuitton, and Gucci (Wong & Ahuvia, 1998)

For the purpose of this study, foreign-branded products mean products that are foreign-made

and foreign-branded or products domestically made and foreign-branded. This category also includes original equipment manufacturer products sold in China (<http://wiki.mbalib.com/wiki/国外品牌>, retrieved August 06, 2009).

With the population steadily increasing, and consumers' wealth and purchasing power growing, China offers new market opportunities to foreign organizations whose foreign-branded products have, in many cases, reached the maturity stage and are highly competitive in their own market. Numerous such foreign brands have flooded the Chinese market, covering a whole range of products and a large array of sectors.

In an effort to better understand the reasons why Chinese consumers buy foreign-branded products, this study focuses on one foreign-branded product in particular: Dove Chocolate. This study seeks to examine the reasons why a large section of Chinese consumers choose to buy foreign-branded products, as opposed to domestic ones. To do so, it analyzes the relationship among the factors selected to conduct this research. In other words, by analyzing Chinese consumer patterns with respect to one foreign-branded product (Dove chocolate), the researcher seeks to draw some more general conclusions regarding the psychology of Chinese consumers in the city of Xi'an when they make the decision to buy foreign-branded products.

After defining some key concepts, articulating the conceptual framework, and

¹Rui Wu recently graduated from Assumption University, Graduate School Business. This research was completed under the supervision of Dr. Aaron Loh.