

2 State of Research

The identification of a deficit in research in Chapter 1.3 is derived from a comprehensive literature review of the state of research, which is shown in-depth in this chapter. The object of the investigation is primarily the after-sales and Chinese consumer behaviour of the topic groups, for which the automotive marketing serves to begin with as a parent frame. Due to the German perspective, the Chinese buying behaviour is considered in the context of intercultural marketing. As follows, each state of research area is a selection according to relevance, because the intention is to combine these individual areas later on in this work. Thus, there is no claim to completeness.

2.1 Automotive Marketing

The intended research work comes from *automotive marketing*, which is a business administration area of expertise. The industry-specific consideration within the German scientific community has intensified since the mid-90s.⁸⁶ Thereby, with numerous publications, DIEZ⁸⁷ and DUDENHÖFFER⁸⁸ take a very popular position.

The relevant international literature on automotive marketing is mostly sales-oriented and focusses on the *market*, the classic instruments of the *marketing mix*, the 4 Ps (product, place, price and promotion), and *brand management*.

A basic overview of these topics is provided by DIEZ (2009)⁸⁹ in his book on automobile marketing. But a treatise as a holistic marketing concept, considering all relevant service parameters, is not done in this by trend sales oriented work. This is apparent through, for instance, the lack of a systematic elaboration of the marketing mix in-

⁸⁶ Cf. Möhlen (2007), p. 15.

⁸⁷ Director of the Institute for automotive industry (IFA – Institut für Automobilwirtschaft) and professor at the university (HfWU – Hochschule für Wirtschaft und Umwelt) Nürtingen-Geislingen (<http://www.ifa-info.de>).

⁸⁸ Professor for business administration and automotive industry at the university Duisburg-Essen as well as director of the Center for Automotive Research (CAR) (<http://www.uni-due.de/car>) located there.

⁸⁹ Cf. Diez (2009), pp. 1 ff.

strument, 'personnel', which is often deemed necessary.⁹⁰ For the automotive manufacturers DIEZ states that the *downstream management*, to which the service-affected after-sales area belongs, is gaining importance steadily.⁹¹

In addition, within the German marketing publications, there are a few quite well founded omnibus volumes such as EBEL ET AL. (Pub.) (2004). Here we should take note of the publisher's critique, that often the *technological orientation* weighs more than the *customer orientation*.⁹² GOTTSCHALK/KALMBACH (Pub.) (2007) complain about a mostly *non-holistic consideration of the automobile industry*, which is why amongst *industry challenges* and *case studies*, *management recommendations* are shown here.⁹³ The *basic principles*, *structural characteristics* and *design parameters* of the German automotive industry are described by DIEZ ET AL. (Pub.), now in its fifth edition from 2012.⁹⁴ Here the *globalisation challenges* of OEMs as well as important growth markets like China are preliminarily outlined. This is a task area which HÜNERBERG ET AL. have already been dedicated to since 1995, focussing on the international automotive marketing.⁹⁵ With regard to this global context DIEZ (2012) recently examined the *international competitiveness* of the German automobile industry by means of the indicators of production, sales (market share) and profitability.⁹⁶ DIEZ argues, however, that an empirical coverage of the industry's competitiveness cannot be carried out on the basis of a closed, generally accepted model, because there is no existing theory about the international ability of competitiveness.⁹⁷ The publisher ESCH (2013) is focussing on automotive marketing primarily in terms of brand by showing up marketing strategy and technics on the basis of the manufacturers' brand identity and by taking into account the needs of consumers.⁹⁸

Likewise, with regard to the marketing mix, the automotive marketing is researched in an instrument-specific way, which is why each one important research work within

⁹⁰ Cf. Meffert et al. (2012), p. 22; Meffert/Bruhn (2009), pp. 243 f./358.

⁹¹ Cf. Diez (2009), pp. 19/176 f.

⁹² Cf. Ebel et al. (2004), p. 5.

⁹³ Cf. Gottschalk/Kalmbach (2007), p. vi.

⁹⁴ Cf. Diez et al. (2012), pp. 1 ff.

⁹⁵ Cf. Hünérberg et al. (1995), pp. 1 ff.

⁹⁶ Cf. Diez (2012), pp. 1 ff.

⁹⁷ Cf. ibidem p. 18; Lehmann (2006), pp. 296 f.

⁹⁸ Cf. Esch (2013), pp. 1 ff.

the 4 Ps is shown as follows. To the price policy ZERRES (2010) analyses the *effect of price promotions* against the background of the individually *perceived utility* of the respective buyers. Therefore he uses two structural equation models.⁹⁹ MÖHLEN's (2007) empirical means-end-chain study focusses the communication policy (promotion) by investigating the target group of *elderly people 50plus* in itself and *gender specifically*, with the aim of developing a suitable *communication concept* for premium providers.¹⁰⁰ In the area of distribution policy SPLETT-HENNING (2004) develops exploratively, empirically, a *key-account management concept* for German automobile dealers, which is finally evaluated through a three-round running Delphi survey.¹⁰¹ To what extent the brand, as part of the product automobile, contributes to value creation is researched by HEIDER (2001), who considers that especially sales-related volume increases and price premiums are opportunity-rich and enforceable.¹⁰² Furthermore, *value drivers of the brand-strength* are identified and financially assessed, so that their *cash flow impact* could be shown. Finally, the *brand value* can thus be managed as one part of corporate strategy.¹⁰³

VERHOEF ET AL. (2007) examine in the Dutch automobile market the relation and correlation between *dealer- and brand retention* considering especially the moderating variable *kind of brand*. Here they distinguish between 'economy brand', 'volume brand' and 'prestige brand'. Their study proves empirically that through recent repurchases the dealer retention merely exerts a significant impact on brand retention only if the dealer is selling brands of the volume segment. Thus the brand tier works as a moderator.¹⁰⁴ An important limitation is however, that Dutch dealerships are mostly based on a mono-brand sales structure,¹⁰⁵ a major difference from the often seen multi-brand trade, such as exists in the US and Germany.

Finally, the theoretical-conceptual contribution by REICHHUBER (2010) will be emphasised, which aims at a scientific and integrated holistic consideration of strategy

⁹⁹ Cf. Zerres (2010), pp. 1 ff.

¹⁰⁰ Cf. Möhlen (2007), pp. 1 ff.

¹⁰¹ Cf. Splett-Henning (2004), pp. 1 ff.

¹⁰² Cf. Heider (2001), p. 219.

¹⁰³ Cf. ibidem, pp. 8 ff./219 ff.

¹⁰⁴ Cf. Verhoef et al. (2007), pp. 97 ff./110.

¹⁰⁵ Cf. ibidem, p. 98.

and organisation in the automotive industry,¹⁰⁶ the 'new revolutionary break (...)': a transition from a functional, proprietary added-value structure to one that is driven by competencies (...)'¹⁰⁷ as well as providing a future outlook.

2.2 After-Sales

Automobile Specific After-sales Research

In the *automotive industry* after-sales is the subarea within the value chain that describes the performances of the *post purchase phase* ('after sales') and thereby it does not concern the activities before the purchase ('pre sales') as well as during the purchase ('at/in sale').¹⁰⁸ As SASS (2012) summarises, the expression after-sales is, within the established literature, '(...) used primarily temporal for the service performance phase after purchase, and the services that are performed during this period are designated *after-sales services*.'¹⁰⁹ In general and in the specific context of the automotive industry, after-sales services are subsumed under both car-related *performance in kind* such as spare-parts, as well as *services*, such as repairs.¹¹⁰ Such services have the ability to reduce possible problems with the use of the car and to support the utilisation phase, in which the consumer experience could even be improved.¹¹¹

Unlike automotive marketing, which because of its product orientation is to be assigned to *consumer goods marketing* (commodity car),¹¹² after-sales or *after-sales marketing* is to be assigned primarily to *services marketing* (here: consumption-related secondary services of automobile manufacturers).¹¹³ These areas are not completely mutually exclusive, but overlap.¹¹⁴ An independent consideration of automotive after-sales appears relevant and particularly important, because the *maintenance* and *repairs* services, which are necessarily provided after the sale, belong to

¹⁰⁶ Cf. Reichhuber (2010), pp. 1 ff.

¹⁰⁷ Ibidem, p. 213.

¹⁰⁸ Cf. Mann (1995), p. 447.

¹⁰⁹ Sass (2012), p. 14.

¹¹⁰ Cf. Hättich (2009), pp. 34 f.; Sacconi et al. (2007), p. 54; Goffin/New (2001), pp. 275 f.

¹¹¹ Cf. Asugman et al. (1997), p. 12.

¹¹² Cf. Meffert et al. (2012), p. 29.

¹¹³ Cf. Meffert/Bruhn (2009), p. 14.

¹¹⁴ Cf. ibidem, pp. 5/15.

the so-called must-services.¹¹⁵ In order to select relevant literature, this state of affairs is taken into account below. It is started by examining to what extent the topic of after-sales is been considered automotive industry inherent.

Already in 1995 the relevance of a market-oriented, service management covering all purchase phases was emphasised in the omnibus volume of HÜNERBERG ET AL., in what MANN (1995) shows the basic *service policy* principles.¹¹⁶ Afterwards CANVIN/SCHINKEL (1995) addressed the changing *after-sales service industry*, especially from the suppliers' perspective, with regard to the areas: kind of workshop, technological progress, and international market differences.¹¹⁷

According to DIEZ (2009), the car as a physical product still captures a dominating position in the OEM's market performance policy. However, he observes a steadily increasing importance of the *value-added services* and thus also of after-sales services, which he considers to be of extremely high importance.¹¹⁸ Furthermore, he emphasises the relevance as an *independent source of income* of the automobile manufacturers and refers thereby in particular to the parts business. Finally, he addresses basic *optimisation needs* within the after-sales area, especially the dimensions of quality, customer satisfaction, communication and costs.¹¹⁹

Following up on the previously mentioned issues, one of the studies of DIEZ (2010) deals with the *after-sales market in Germany*, for which he predicts a sustainable process of consolidation. Thus, among others, significant trends are the increasing *importance of intermediaries*, the *polarisation of customer worlds*, the *connected car* and *e-mobility*. DIEZ concludes that OEMs and their contract partners are increasingly losing the first buyer contact, which means their market position is endangered, and that this is a development which intermediaries, especially, can benefit from.¹²⁰

¹¹⁵ Cf. Diez (2009), p. 164.

¹¹⁶ Cf. Mann (1995), pp. 443 ff.

¹¹⁷ Cf. Canvin/Schinckel (1995), pp. 475 ff.

¹¹⁸ Cf. Diez (2009), pp. 109/162.

¹¹⁹ Cf. ibidem, pp. 176 ff.

¹²⁰ Cf. Diez (2010), pp. 1 ff.

DUDENHÖFFER ET AL. (2005) argue in a study of the automobile sales that the service and spare-part business is a central field of action for dealership management. The illustrated strategic success factors, *broad service spectrum*, *workshop price differentiation* and a *high corporate customer share*, show, contrary to cost-, structural- and process-related success factors, a relationship with necessary after-sales marketing, which may need to be initiated by the manufacturers.¹²¹

The study called 'fascination service' by DIEZ/REINDL (2005) focusses on the service and after-sales service area within the German car industry. The authors discuss *changing customer needs* as well as the *adaption tools* that the workshops will need as a result of these needs.¹²² Important results are, amongst others, that price awareness continues to rise and that a price marketing aligned with it promises success; the target groups need to be handled in a more differentiated way and the understanding of them has to be more in-depth; the German market volume is likely to shrink until 2020; and despite that, two thirds of dealer profits are earned through after-sales.¹²³

On the basis of 1,083 online interviews, MERTEN (2012) queries the *customer behaviour* of German private and business customers. For the segments of private customer, self-deciding employees with a business car (the 'user chooser'), freelancer and commercial customers with less than 15 vehicles and without a frame-contract (the 'small commercials'), and fleet customers with more than 20 vehicles, the following categories are examined: *workshop loyalty*, *information channels*, *customer requirements and fulfilments* as well as *dialogue-reception*. In this connection it is remarkable that corporate customers, the target group with the highest workshop frequency and the lowest price sensibility, feel worst supported.¹²⁴ The after-sales potential as a result of the *purchase of a used car* are described by MERTEN (2011) in an additional study, for which sellers, service consultants and used car buyers have been interviewed. From a customer perspective it shows that one out of five is willing to change workshop, that brand-workshop customers generally have higher expectations, and that basically the potential of the after-sales business could be lifted, in-

¹²¹ Cf. Dudenhöffer et al. (2005), pp. 13 ff.

¹²² Cf. Diez/Reindl (2005a), pp. 1ff.

¹²³ Cf. ibidem, pp. 8 f.

¹²⁴ Cf. Merten (2012), p. 36.

cluding for the reason that after-sales services such as mobility packages are not offered enough at the point of sale or point of service.¹²⁵

HECKER ET AL. (2012) published a multilayer management handbook about *after-sales in the automotive industry*. This practical manual takes account of consumer-focused aspects, such as the emotionalisation of services from the perspective of brain research.¹²⁶

HÄTTICH's (2009) dissertation develops a *holistic after-sales marketing concept* to the manufacturers' initiated increase in *customer retention* and *brand loyalty* for the German automobile dealership. It is empirically based on a workshop customer survey and a workshop survey, evaluated through a Delphi-survey in order to assess the elaborated concept. Moreover it is summarised and assessed in a comprehensive meta conclusion according to the success impact.¹²⁷ The results of this convincing mixed-methods approach therefore contribute to a deeper understanding of the *success factors of after-sales*. Thus for instance, responsible managers can check if the relevance of *switching barriers* and *relationship marketing* is taken into account, and if the *after-sales marketing objectives* are sufficiently adjusted across the companies' departments.¹²⁸

HÜNECKE (2012) is also dedicated to *automotive loyalty research*. He measures, via a PLS path modelling verified analysis model, in the markets of France, Italy and Spain, the relationship between *customer satisfaction* and *brand loyalty* among 1,500 premium car customers.¹²⁹ As an important result he finds, '(...), that in no market does customer satisfaction with service have a *direct influence* on brand loyalty. It is only through the *mediator of service loyalty* that customer satisfaction with service exerts an indirect influence on brand loyalty.'¹³⁰ What is remarkable is that the determining factors can differ even in very culturally similar, geographically close markets. In France, for instance, the biggest driver in automotive service quality is the friendli-

¹²⁵ Cf. Merten (2011), p. 23 ff.

¹²⁶ Cf. Hecker et al. (2012), p. 1 ff.

¹²⁷ Cf. Hättich (2009), p. 1 ff.

¹²⁸ Cf. ibidem, p. 286.

¹²⁹ Cf. Hünecke (2012), p. 1 ff.

¹³⁰ Ibidem, p. 4.

ness of the staff, whereas in Italy and in Spain, this is insignificant. In the latter countries, however, the level of professionalism is most valued.¹³¹ The data collection in three Latin-European countries with relatively similar cultures has the consequence that a transfer of this knowledge to other countries is not permitted and thus represents a limitation in terms of generalisation.¹³²

Likewise, the international business consultancy BAIN & CO. (2008) has surveyed more than 1,800 car customers to examine after-sales service impact as one aspect of *customer retention* and *brand loyalty* development. To assess brand loyalty the Net Promoter Score (NPS) is used. Here, on a scale from zero to ten, customers rate how likely they are to *recommend* their vehicle. Afterwards the NPS is calculated by subtracting the percentage of customers who give a score of six or less ('detractors') from the percentage of customers who give a nine or ten ('promoters').¹³³ This produces the important insight that, 'high among the factors that create promoters – and help sustain their loyalty – is a strong after-sales service experience.'¹³⁴

BLOEMER/PAUWELS (1998) still have to be mentioned. They explore the relation between various satisfaction and loyalty constructs within the automotive industry.¹³⁵ In their model they represent amongst other things the indirect impact of *after-sales satisfaction* as well as the direct impact of the *dealer after-sales loyalty* on brand loyalty.¹³⁶ This topic is complemented by LILJANDER/ROOS (2002) as they analyse from the customer's perspective, qualitatively, whether *customer relations with the automotive dealers* and respectively to the after-sales service are real or unreal. Thereby they emphasise for instance that the after-sales retention is high when it comes to actual behaviour. Emotional retention, however, is relatively low.¹³⁷

SHUQUIN/GANG (2012) analyse the automotive consumer-based after-sales service industry (n=327), by using a structural equation model. Here they investigate the impact of *service quality* on *relationship quality* with its three dimensions of satisfaction,

¹³¹ Cf. *ibidem*, p. 147.

¹³² Cf. *ibidem*, p. 173.

¹³³ Cf. Flees/Senturia (2008), *After-Sales Service Key to Retaining Car Buyers*.

¹³⁴ *Ibidem*.

¹³⁵ Cf. Bloemer/Pauwels (1998), pp. 78 ff.

¹³⁶ Cf. *ibidem*, p. 81.

¹³⁷ Cf. Liljander/Roos (2002), pp. 603/609.

trust and commitment, and finally the impacts on the construct, *relationship value*, whereas only trust does not have a significant direct influence on relationship value.¹³⁸

ESCH ET AL. (2012) examine the success of automobile brands – due to the triangular relationship between *brand strength*, *customer retention* and *service quality* – by surveying the customers' perception of utility to reflect explicitly the customer's point of view. Utility and service experience are analysed as well with regard to auto brand and dealer. In the context of after-sales it is to be emphasised that the general estimation of brand quality significantly influences the perception of service quality, and that the responsibility of service is seen primarily as that of the dealer. However, the higher the brand strength, the more the service responsibility shifts towards the manufacturer.¹³⁹

How the manufacturer-dealer relation has changed since the EU enacted Regulation (EC) No. 1400/2002, is researched in BODENSTEINER's (2006) dissertation on *customer retention in contract-marketing systems*, which explicitly attracts the spare-part market of the automotive industry as a research object.¹⁴⁰ An overview of the structure of the German automotive industry, including the after-sales areas car maintenance and customer service behaviour, is provided in the DAT-report.¹⁴¹

In a combined consideration of sales and after-sales, BLANCHET/RADE (2007) show the industry challenges, to maximise the *value of the automotive life cycle*.¹⁴² According to their analysis, the European area is characterised by a high complexity and diversity of markets, drivers and customer habits, which leads to a mutual dependency of central actors. As a result, neither OEMs, big dealer chains and finance or insurance groups nor professional buyers have the needed market power to dominate the whole life cycle. But in the *emerging markets*, premium manufacturers have a chance to monetarise the automobile life cycle more strongly, if they force the verti-

¹³⁸ Cf. Shuqin/Gang (2012), p. 175 ff.

¹³⁹ Cf. Esch et al. (2012), p. 1 ff.

¹⁴⁰ Cf. Bodensteiner (2006), p. 1 ff.

¹⁴¹ Report of the DAT (Deutsche Automobil Treuhand GmbH); available online at www.dat.de.

¹⁴² Cf. Blanchet/Rade (2007), pp. 171 ff.

cal integration via their own branches.¹⁴³ The background to this is the vehicles' high degree of complexity and their repairs, which small, independent workshops usually cannot cope with.¹⁴⁴

In a case study for the northern American brand, Saturn, COHEN ET AL. (2000) describe what is in their opinion an exemplary spare-part delivery concept. Here they show how the alignment towards the customer need for *speed*, combined with a *holistic net-structure* of all Saturn dealers, optimises the spare-part logistics for both manufacturers and dealers.¹⁴⁵

The automobile-specific *after-sales supply chain* optimisation is furthermore a fairly widely discussed subject in the scientific literature. Because of its primarily organisational focus, it is not dealt with here. For more on this topic, please refer to the following authors: BRUNNERMEIER/MARTIN (2002);¹⁴⁶ DORAN (2004);¹⁴⁷ GUNASEKARAN (2008);¹⁴⁸ KIM ET AL. (2007);¹⁴⁹ KÜHLWEIN ET AL. (1999);¹⁵⁰ MAKRIKIS/CHRYSSOLOURIS (2013);¹⁵¹ MEYR (2004);¹⁵² SÁNCHEZ/PÉREZ (2005);¹⁵³ TOWILL ET AL. (2002);¹⁵⁴ ZILLING (2006).¹⁵⁵

Regarding the previously mentioned supply-chain issue one work from GAIARDELLI ET AL. (2006) will be emphasised exceptionally. Here the authors propose an integrated framework in order to measure the *after-sales performance of the whole network* (authorised channels). The empirical application is carried out via two case studies, simultaneously the works' biggest limitation, of automotive companies and their official service network.¹⁵⁶ Thereby, within their performance measurements,

¹⁴³ Cf. ibidem, pp. 213 ff.

¹⁴⁴ Cf. ibidem, p. 211; Jönke (2012), p. 6.

¹⁴⁵ Cf. Cohen et al. (2000), pp. 93 ff.

¹⁴⁶ Cf. Brunnermeier/Martin (2002), pp. 71 ff.

¹⁴⁷ Cf. Doran (2004), p. 102.

¹⁴⁸ Cf. Gunasekaran (2008), pp. 549 ff.

¹⁴⁹ Cf. Kim et al. (2007), pp. 1843.

¹⁵⁰ Cf. Kühlwein et al. (1999), pp. 16 ff.

¹⁵¹ Cf. Makris/Chryssolouris (2013), pp. 2077 ff.

¹⁵² Cf. Meyr (2004), pp. 447.

¹⁵³ Cf. Sánchez/Pérez (2005), pp. 681.

¹⁵⁴ Cf. Towill et al. (2002), pp. 79 ff.

¹⁵⁵ Cf. Zilling (2006), pp. 1 ff.

¹⁵⁶ Cf. Gaiardelli et al. (2007), pp. 698 ff.

one of the companies focusses on the customer loyalty of the dealer network,¹⁵⁷ but brand loyalty seems to be ignored. Moreover the research of SACCANI ET AL. (2006) is strongly related to this topic. They investigate empirically the *role of after-sales services in three durable consumer goods industries*, and they also investigate the related *performance measurement systems*.¹⁵⁸ Generally they conclude that, 'the automotive industry appears to be the most advanced in terms of after-sales performance measurement systems, in terms of their structure, reliability and exploitation of the information gathered, due partly to higher information integration between manufacturers and dealers.'¹⁵⁹ Furthermore the research shows that volume oriented manufacturers have a profitability focus on after-sales services. In contrast, premium vendors tend to focus on aspects such as customer retention and company image to differentiate within the competition.¹⁶⁰

DIRLENBACH (2009), using a mixed-methods approach, analyses the success factors of *after-sales service innovations* in automotive management.¹⁶¹ In this context, an article by GOFFIN/NEW (2001) will also be emphasised, where some years before the role and relevance of customer support is considered in the course of new product developments. The authors thereby confirm the assumed, great importance of this aspect and thus refer to the managements' need, to ensure an appropriate resource allocation in this regard.¹⁶²

DOMBROWSKI ET AL. (2011) look ahead to the automotive spare part market towards the year 2030, with their contribution, 'Scenario Management for Sustainable Strategy Development in the Automotive Aftermarket'. Using a five-phase *scenario-management method*, according to GAUSEMEIER they analyse the four fields of *economy, business environment, technology* and *stakeholders*.¹⁶³ In total they portray three extreme scenarios, in order to enable industry representatives to anticipate

¹⁵⁷ Cf. ibidem p. 704.

¹⁵⁸ Cf. Saccani et al. (2006), p. 259.

¹⁵⁹ Ibidem, p. 280.

¹⁶⁰ Cf. ibidem, p. 278.

¹⁶¹ Cf. Dirlenbach (2009), pp. 1 ff.

¹⁶² Cf. Goffin/New (2001), pp. 275 ff.

¹⁶³ Cf. Dombrowski et al. (2011), pp. 285.

the most relevant developments. Likewise required actions can be implemented in the enterprise strategy if there is a need.¹⁶⁴

Directly related to the object of research, seven compact articles – published in the omnibus volume, *BusinessFocus China: Automotive Industry* (2009) – address the Chinese *after-sales market*. They deal with focal points such as the automotive insurance market, which the authors discuss against the background of their corporate activity. Likewise, this publication provides basic data for the Peoples Republic of China, an automobile market overview, the illustration of relevant framework conditions, as well as explanations on the areas of marketing, sales, the suppliers industry, commercial vehicles and environment.¹⁶⁵

The previously mentioned state of research documents that there is *no* comprehensive scientific consideration of after-sales for the automotive industry. Furthermore, the main focus of this research work is only taken into account partly in a few approaches, which is why general after-sales research will be shown below.

Supplements from General After-Sales Research

A historical review shows that after-sales service in the manufacturing industry was initially mainly regarded as a *sales-enhancing accessory*. So for instance, LEVITT wrote in 1972, '(...) customer service is not viewed by manufactures as an integral part of what the customer buys, but as something peripheral to landing the sale.'¹⁶⁶ In 1983 it is again LEVITT who emphasises the relevance of 'customer service', marking the beginning of emerging research into service in general and after-sales services in particular. Beyond that, in his article, 'After the sale is over..', he campaigns strongly for active *relationship management* and for a deeper understanding of the *customer needs* after the sale.¹⁶⁷ 'It is not a matter of just getting and then holding on to customers. It is more a matter of giving the buyers what they want.'¹⁶⁸ Thus the increasing importance of after-sales services becomes very clear in this context. Al-

¹⁶⁴ Cf. *ibidem*, p. 289.

¹⁶⁵ Cf. German Industry & Commerce (n. a.) (2009), pp. 1 ff.

¹⁶⁶ Levitt (1972), p. 47.

¹⁶⁷ Cf. Levitt (1983a), pp. 87 ff.

¹⁶⁸ *Ibidem*, p. 88.

though LEVITT draws his findings from industrial good markets, he forecasts that the change reaches *all* areas, even that of fast-moving consumer goods.¹⁶⁹

Three years later LELE refers to the strong *competitive pressure* within various industries in the USA,¹⁷⁰ which is why after-sales becomes '(...) [a] key area for investments – a sharp contrast to its historical image (...)'.¹⁷¹ Building on this, LELE (1997) provides an *after-sales reference system*, which allows the user to check how high the cost of failure is to the consumer if the product fails.¹⁷²

'This is the golden age of Services, (...)'.¹⁷³ In the 21st century, the great importance of after-sales service is well known in practice and science, however, COHEN ET AL. (2005) see a big *optimisation requirement in the corporate configuration*. Thus they present, with the article 'Winning in the aftermarket', a six phase model called 'Managing Service Networks'. Primarily, it will contribute as a useful *code of practice* to make the after-sales business more profitable, as well as effective on the one hand, and on the other hand to increase the service quality.¹⁷⁴

In an omnibus volume published by BARKAWI ET AL. (2006), the after-sales service business is addressed in a comprehensive and multi-layered way by various authors from science and industry, in seven topic complexes: *market development*, *business strategies*, development and marketing of product supporting services, the so-called *service engineering*, *service supply chain management*, *spare-parts management*, *outsourcing* and *collaboration with suppliers* as well as *technology* and *innovative business models*.¹⁷⁵ Additionally, a management handbook by BROCK (2009) can be consulted on the areas of *cost optimisation*, *customer satisfaction*, and *repurchases*.¹⁷⁶

¹⁶⁹ Cf. ibidem, p. 89.

¹⁷⁰ Cf. Lele (1986), pp. 63 ff.

¹⁷¹ Ibidem, p. 63.

¹⁷² Cf. Lele (1997), pp. 141 ff.

¹⁷³ Cohen et al. (2006), p. 129.

¹⁷⁴ Cf. ibidem, pp. 129 ff.

¹⁷⁵ Cf. Barkawi et al. (2006), pp 1 ff.

¹⁷⁶ Cf. Brock (2009), pp. 1 ff.

BAUMBACH (2004) focusses on the question of how after-sales service can become a *strategic success position*. To do this he develops an integrated after-sales management reference frame on the example of machinery and plant engineering, which is supported by case studies, amongst other things. Moreover he researches in this regard the organisational implementation into the company as a whole.¹⁷⁷ This work is the second revised edition of his dissertation writing, dating back to 1998.

In his cumulative dissertation JÖNKE (2012) picks up the *theory-building of after-sales* by developing a holistic concept regarding 'Strategies and Interfirm Relationships'. This includes a three-phase model to develop spare-part logistic strategies, the empirical identification of archetypes of relationship constellations as well as the emergence of constellations due to firm-internal, net-internal and external determinants.¹⁷⁸

In a paper published in 2007, CAVALIERI ET AL. have aimed to contribute to a better understanding about the general factors that influence the performance of after-sales. Thus in order to allow enterprises to consistently design their *corporate after-sales service strategies* with those performances required at operational levels within a service chain. Therefore three industrial case studies were carried out to examine the provision of durable consumer goods in a B2C scenario.¹⁷⁹

Since the beginning of the 90s, various, often logistically focused papers on the *after-sales service supply chain* have been published, which, as with those on the automobile specific supply chain, will be listed only for instruction.¹⁸⁰

- Spare-part management: AMINI ET AL. (2005);¹⁸¹ COHEN ET AL. (2000, 1997);¹⁸² COHEN/LEE (1990)¹⁸³
- Distribution channels and vertical integration aspects: NORDIN (2005);¹⁸⁴ GOFFIN (1999);¹⁸⁵ LOOMBA (1998, 1996);¹⁸⁶ ARMISTEAD/CLARK (1991)¹⁸⁷

¹⁷⁷ Cf. Baumbach (2004), pp. 1 ff.

¹⁷⁸ Cf. Jönke (2012), pp. 1 ff.

¹⁷⁹ Cf. Cavalieri et al. (2007), pp. 436 ff.

¹⁸⁰ A selection referring to Saccani et al. (2007), p. 55.

¹⁸¹ Cf. Amini et al. (2005), pp. 369 ff.

¹⁸² Cf. Cohen et al. (2000), pp. 93 ff.; Cohen et al. (1997), pp. 535 ff.

¹⁸³ Cf. Cohen/Lee (1990), pp. 55 ff.

¹⁸⁴ Cf. Nordin (2005), pp. 576 ff.

- Organisational structure and information technology: BRAX (2005),¹⁸⁸ ZACKARIASSON/WILSON (2004),¹⁸⁹ HULL/COX (1994)¹⁹⁰

These focal points regarding SACCANI ET AL. (2007) also give a good literature and study overview.¹⁹¹ Moreover they research the building of an *after-sales supply chain* via case studies, by considering the parameters of *degree of vertical integration*, *degree of centralisation* and *decoupling business activities* with regard to the producers of durable consumer goods.¹⁹²

The steadily increasing appreciation of after-sales that occurred in the past as an important contribution to business performance is accompanied by the emerging relevance of services in general. To what extent this process leads the manufacturing industry towards special challenges, and what marks the eventual *transition of product to service providing enterprises*, is researched extensively in particular in investment goods marketing. The following studies encourage a deeper understanding of this dynamic:¹⁹³ BRAX (2005);¹⁹⁴ DAVIES (2004);¹⁹⁵ GAIARDELLI ET AL. (2008);¹⁹⁶ GEBAUER ET AL. (2005);¹⁹⁷ KAERNER ET AL. (2004);¹⁹⁸ MATHIEU (2001);¹⁹⁹ OLIVA/KALLENBERG (2003).²⁰⁰

Beyond that, it can be stated that many authors have made their after-sales investigations in the previously mentioned investment goods sector or have specified them based on that. A well-founded overview of the corresponding state of research is de-

¹⁸⁵ Cf. Goffin (1999), pp. 374 ff.

¹⁸⁶ Cf. Loomba (1998), pp. 143 ff.; Loomba (1996), pp. 4 ff.

¹⁸⁷ Cf. Armistead/Clark (1991), pp. 111 ff.

¹⁸⁸ Cf. Brax (2005), pp. 142 ff.

¹⁸⁹ Cf. Zackariasson/Wilson (2004), pp. 75 ff.

¹⁹⁰ Cf. Hull/Cox (1994), pp. 115 ff.

¹⁹¹ Cf. Saccani et al. (2007), pp. 54 ff.

¹⁹² Cf. ibidem, pp. 52 ff.

¹⁹³ Referring to Gebauer et al. (2012), p. 128.

¹⁹⁴ Cf. Brax (2005), pp. 142 ff.

¹⁹⁵ Cf. Davies (2004), pp. 727 ff.

¹⁹⁶ Cf. Gaiardelli et al. (2008), pp. 261 ff.

¹⁹⁷ Cf. Gebauer et al. (2005), pp. 14 ff.

¹⁹⁸ Cf. Kaerner et al. (2004), pp. 1 ff.

¹⁹⁹ Cf. Mathieu (2001), pp. 451 ff.

²⁰⁰ Cf. Oliva/Kallenberg (2003), pp. 160 ff.

livered by SASS (2012),²⁰¹ who conducted customer-oriented success-factor research in the German offset-printing-machine industry.

One paper out of the industrial after-sales research will be highlighted here, because the implementation of *cultural aspects* is specifically addressed there. GUDERGAN (2010) has developed a model that shows the indirect and moderating influences of HOFSTEDE's (2001) cultural dimensions (individualism/collectivism, uncertainty avoidance, power distance)²⁰² in regard to the adoption of technologies.²⁰³

KURATA/NAM (2010) examine, primarily game-theoretically, the *competition in the after-sales supply chain* of durable goods and the *resulting customer satisfaction*. Thereby two groups are considered, first the manufacturers who offer free, basic after-sales performances (mostly required by law), as for instance repair services in the context of guarantee cases. Second, dealers who offer an additional, fee-based after-sales service, as when manufacturers offer guarantees that supplement basic obligations.²⁰⁴ They assume that after-sales offers influence demand; likewise, that it is possible that an oversaturation through too many services can occur, with the result being that customer satisfaction could diminish or it deters interested consumer from buying. This hypothesis is confirmed insofar as after-sales offers crafted strictly to maximise profits in no case led to optimal customer satisfaction.²⁰⁵

International Aspects

MORSCHETT ET AL. (2008) empirically investigate the choice of *market entry* of German companies in the course of the internalisation of their after-sales services. Conceptually thereby transaction, company- and country-specific variables are tested.²⁰⁶

The article 'The Role of After-Sales Service in International Marketing' by ASUGMAN ET AL. (1997) contributes, in the area of durable consumer goods, to the understand-

²⁰¹ Cf. Sass (2012), pp. 13 ff.

²⁰² Cf. Hofstede (2001), 79 ff./145 ff./209 ff.

²⁰³ Cf. Gudergan (2010), pp. 252 ff.

²⁰⁴ Cf. Kurata/Nam (2010), pp. 136 ff.

²⁰⁵ Cf. ibidem, pp. 138/144.

²⁰⁶ Cf. Morschett et al. (2008), pp. 525.

ing of the relationship between *internalisation* and the *meaning of after-sales* as well as the performances offered. Furthermore, the moderating variables of *intensity of competition*, *relative product quality* and *ability to influence the distribution channels* are considered. The hypotheses testing basically shows that the higher the degree of internalisation, the stronger is the perceived relevance of the after-sales offering by a given management.²⁰⁷ This does not mean however, that at the same time the actual offer is accordingly extended or improved. Thus, especially in markets with low competitive intensity, there is the danger that too few resources flow into after-sales services, although the responsible managers conceive this as strategically important.²⁰⁸ The empirical survey is based on business decision makers, which is why the authors refer to the need to investigate the customer perspective in the future. On the one hand to uncover possible discrepancies towards the managers perspective, and on the other hand to investigate how *cultural aspects* influence the *perception of after-sales service*.²⁰⁹

VAN BIRGELEN ET AL. (2002) examine the *impact of cultural influences* on the *perceived service quality*, as well as the associated *customer satisfaction*. Their study differentiates, according to the type of customer contact, between the technology standard in traditional personal, telephone and online after-sales service.²¹⁰ With regard to the interpretation and to a thinkable transferability of the results towards other industries, it should be noted that the customer group is composed only of B2B buyers for office materials in industrialised Western countries. Also, it will be noted critically that the online affinity of the reference group could have changed significantly since the survey in 2002.

2.3 Chinese Consumer Behaviour in the Context of Intercultural Marketing

Intercultural Marketing

For this research purpose this paper will have recourse to the scientific discipline of *intercultural marketing*, to be able to fathom specific Chinese preferences in after-

²⁰⁷ Cf. Asugman et al. (1997), 11 ff.

²⁰⁸ Cf. ibidem, p. 23.

²⁰⁹ Cf. ibidem, pp. 25 f.

²¹⁰ Cf. van Birgelen et al. (2002), pp. 43 ff.

sales service. Thus it will be oriented towards the special features of the culture and therefore as closely as possible towards local customer needs. As a generally accepted definition is not established yet, a possible definition is delivered,²¹¹ because this one supports the project and shows the relevance of the approach, 'Intercultural marketing encompasses the analysis, planning, coordination and control of all corporate activities oriented toward the cultural conditions and influencing factors of current and potential international markets or of the world market, regardless of the chosen form of foreign involvement.'²¹² The preferred recourse of the intercultural school will not diminish the importance of international marketing, but will set a target, because 'culture (...), as a significant independent variable, determines consumer behavior'²¹³ so that the knowledge gained through research examining demand-oriented success factors could be strengthened; thus, concern (group)-wide efficiency decisions are not focused accordingly. For a general understanding of the discipline of intercultural marketing, please refer to EMRICH (2014),²¹⁴ MENNICKEN (2000)²¹⁵ and MÜLLER/GELBRICH (2004).²¹⁶

Historical Review and Current Relevance

To approach Chinese consumer behaviour within the intercultural context it is advisable, besides analysing current developments, to review historical developments of country and culture in order to acquire an awareness of the entire relationship.

In 'dragon flight', BECKER/STRAUB (2007) dedicate themselves to promoting this background knowledge, by presenting *China's history*, explaining how philosophy led the *ways of thinking* and the *social system*, deriving resultant differences from Western culture, and against this background, discussing the economic and social stability of China.²¹⁷ In relation to this research, especially the book's second part, 'society in change' is of high relevance, as the following excerpt may demonstrate, 'The differentiation of various income groups and social milieus is proceeding as quickly as the

²¹¹ Cf. Emrich (2007), p. 25.

²¹² Cf. Mennicken (2000), p. 90.

²¹³ Emrich (2007), p. 35.

²¹⁴ Cf. ibidem; Emrich (2014), pp. 1 ff.

²¹⁵ Cf. Mennicken (2000), pp. 1 ff.

²¹⁶ Cf. Müller/Gelbrich (2004), pp. 1 ff.

²¹⁷ Cf. Becker/Straub (2007), pp. 1 ff.

pluralisation of lifestyles and values. The [Chinese] social structure, consensus-oriented and geared towards collectivism, is increasingly confronted with the orientation of Western industrial societies toward individualistic values, which stands in stark contrast to basic traditional Confucian attitudes.²¹⁸ A detailed *historical explanatory statement on the consumer culture of China* is also provided by GERTH (2003), who analysis particularly the dichotomy of the unfolding forces of nationalism and materialism.²¹⁹ Also GERTH (2011) describes the way the Chinese *emulate American consumer behaviour*.²²⁰

The high *relevance of China-specific marketing* is likewise expressed clearly through the recently published academic journal, 'International Journal of China Marketing'. The publishers refer explicitly to the adaption need of the marketing and namely as well to the automotive industry.²²¹ Furthermore an automobile specific analysis of the *Chinese motor vehicle market* can be taken from the Chapter 3.2 of the omnibus volume BusinessFocus China – automotive industry.²²² Moreover, for a continuative consideration of current China as well as the complex, economic, political and social developments, the publications of the German Institute of Global and Area Studies (GIGA) are referred;²²³ here in particular the freely accessible Journal of Current Chinese Affairs.²²⁴

Consume in China – Structure, Segments and Market Cultivation

How multinational companies could take advantage of global marketing strategies in emerging markets is researched by CUI/LIU (2001) using the example of China, in which notably the *heterogeneity of market segments* is shown.²²⁵ Due to the enormously fast change, the specific findings, based on the year 1997, are no longer up-

²¹⁸ Ibidem (2007), p. XIII.

²¹⁹ Cf. Gerth (2003), pp. 1 ff.

²²⁰ Cf. Gerth (2011), pp. 1 ff.

²²¹ Cf. Tian/Rhee (2010), p. 11.

²²² Cf. German Industry & Commerce (n. a.) (2009), pp. 1 ff.

²²³ Information about GIGA is available online at <http://www.giga-hamburg.de>.

²²⁴ The Journal of Current Chinese Affairs ist is available online at <http://hup.sub.uni-hamburg.de/giga/jcca/index>.

²²⁵ Cf. Cui/Liu (2001), pp. 84 ff.

to-date, but the basic knowledge that standardised products and global brands are not sufficient to exploit the full market potential,²²⁶ appears, as before, highly relevant.

DEVAN ET AL. (2009) discuss the *structural characteristics of private domestic consumption*, especially those conditions that led to a China that, based on GDP, has a very low consumption ratio. This ratio in fact decreased from 1990 to 2009 by around 15%. With regard to consumer behaviour, it will be emphasised that the average *household's saving rate* of spendable income is quite high at 25% – in fact 15% higher than the Asian average. Beyond that consumers are cautious when it comes to borrowing in order to buy the high-quality products available to them.²²⁷

MC EWEN ET AL. (2006) examine the Chinese from two perspectives, the worker and the consumer. They show on the consumer side that *incomes* are rising continuously, but the mass of people *cannot* buy what they really want. Only the group of the rich city inhabitants already has several of the most popular consumer goods, so that here *repurchases* and *extensions* could be of interest. In the automotive area, however, first-time purchases dominate. The authors argue that in consumer durables marketing it has to be considered that it is not all about satisfying needs, rather consumers expect a good and target-group-appropriate *design* as well as faultless *performance*.²²⁸

SUN/WU (2004) survey 5,584 Chinese consumers, based on a stratified random sample, in order to investigate the *impacts of economic developments on various lifestyles*. They show that the consumption patterns of rural people differ greatly from those of urban people.²²⁹ This is true for every part of the marketing mix. For instance, the rural population is more price conscious, less tied to brands and less exposed to mass media advertising. In addition they use other retail channels than urban dwellers, which, in 2004, had nearly three times the disposable income.²³⁰ In 2012 this ratio, with a factor of 3.1, was almost equal.²³¹

²²⁶ Cf. ibidem, p. 99.

²²⁷ Cf. Devane et al. (2009), pp. 1 ff.

²²⁸ Cf. McEwen et al. (2006), pp. 68 ff.

²²⁹ Cf. Sun/Wu (2004), pp. 245 ff.

²³⁰ Cf. ibidem, p. 253.

²³¹ Own calculations based on n. a. (2012e), XI. Population, Living Conditions and Social Security.

The segment of luxury goods is researched by SAIDI ET AL. (2010) by using a literature analysis, in order to discover what is different about people who own a great deal of capital, the so-called high-net-worth individuals (HNWIs).²³² The authors refer to the fact that this Chinese target group strongly differs from both Western and other Far-Eastern HNWIs. Moreover, all of society in China is subject to fast changes. 'The Confucian background, socialist political system, frugal-value oriented collective society and the rapid economic growth are influencing permanent changes in societal pre-existent values.'²³³ Summing up, they recommend adjusting marketing strategies to local conditions and especially strengthening brand awareness. As well it is notable that luxury goods in China do not necessarily have to be perceived as rare, rather they always will contain, in addition to their prestige function, a utility function.²³⁴

In place of the many available studies, carried out through the international business consultancies, the very recent 'Upward mobility: The future of China's Premium Car Market'²³⁵ will be emphasised, because it has a strong reference to the offerings of the German automobile manufacturers. SHA ET AL. (2013) focus primarily on product-oriented sales opportunities; however some findings are usable in the context of after-market behaviour. In this regard, the authors emphasise the steadily growing *demand for value added services*.²³⁶ The *buying motives* then become complex, so that the previously mentioned really important aspect of *status symbol* gets supplemented, by *fun orientation*, the *symbolism of business credibility* and the *demand for excellent service*, as being also of high relevance. Further emphasised is the meaning of the *target group women*, which appreciate values like *safety* and *comfort* more than men. Regarding after-sales it could be stated that the car is usually replaced after six to eight years, whereas in the premium segment this happens two to three years faster.²³⁷ In what direction the premium market will develop in the future the authors cannot predict, but they do accentuate that the OEMs should try to acquire a better understanding of the Chinese consumer.²³⁸

²³² Cf. Saidi et al. (2010), pp. 1 ff.

²³³ Ibidem, p. 2.

²³⁴ Cf. ibidem, pp. 30 f.

²³⁵ Cf. Sha et al. (2013), pp. 1 ff.

²³⁶ Cf. ibidem, p. 5.

²³⁷ Cf. ibidem, pp. 6 f.

²³⁸ Cf. ibidem, p. 13.

The advertising expert DOCTOROFF²³⁹ (2005) explains, in the management handbook 'Billions', how the Chinese consumer can best be reached.²⁴⁰ According to his experience, even leading business managers mistakenly tend to apply Western norms (non-reflected) when selling consumer goods in China.²⁴¹ DOCTOROFF describes three focal areas. First, the eminent importance in *Chinese culture of the decision making or buying process*; second, he shows *basics*, due to which strategies for the 'Middle Kingdom' can be derived, and finally he analyses the largest '*pitfalls in market cultivation*'.²⁴² Here he offers a comprehensive and well-founded overview. The scientific proof of individual drivers and context relations is, however, not the objective of his work.

Chinese Buying Behaviour and Country of Origin Effects

WANG/CUI (2008) describe, in the Journal of Consumer Behaviour, the results of seven research works on Chinese *buying behaviour*. Throughout, they assert that various *customer segments*, *a variety in behaviour* and *traditional values*, even today, exist. Because the *emphasis on social relations*, *feng shui* and *superstition* influences the decision making process, with this effect being more pronounced for the elderly than for the younger population.²⁴³ The key messages of the individual studies is as follows:

- ECKHARDT/HOUSTON (2008) describe that Chinese consumers ascribe to one and the same product different meanings, because the *assessment takes place in the context of social relationships*. Interpersonal relationships might therefore dominate over individual product attributes.²⁴⁴
- HERNANDEZ ET AL. (2008) examine the *impacts of superstition at product releases*. They test both 'proactive superstitious behaviors', like wearing a talisman as well as 'passive superstitious beliefs' such as for instance the belief in fate.²⁴⁵

²³⁹ CEO JWT Greater China – J. Walter Thompson is one of the biggest ad-agencies of the USA with globally located branches. Continuitive to that, it will be referred to the case study 'JWT China: Advertising for the New Chinese Consumer'; Köll (2009), pp. 1 ff.

²⁴⁰ Cf. Doctoroff (2005), pp 1 ff.

²⁴¹ Cf. ibidem, p. 2.

²⁴² Cf. ibidem, pp. 2 ff.

²⁴³ Cf. Wang/Cui (2008), pp. 421 ff.

²⁴⁴ Cf. Eckhardt/Houston (2008), pp. 484 ff.

²⁴⁵ Cf. Hernandez et al. (2008), pp. 424 ff.

- Via 400 personal interviews WONG/ZHOU (2005) investigate the motives of young Chinese upon purchase of prestigious and understated foreign consumer goods. They confirm previous researches by showing that the *perceived brand quality* strongly influences the consumption of less understated goods, whereas the *perception of brand prestige* and *brand value* has a bigger impact on the *purchase intention*, if the product category symbolises a high social position.²⁴⁶ In the context of this research work especially the following partial result is to be emphasised: 'The findings showed that for conspicuous products, perceived brand quality is seen as a major purchasing motive by the high social compliance group, (...)'.²⁴⁷
- FAM ET AL. (2008) interview 630 persons in Beijing, Shanghai and Guangzhou by means of a stratified random sample. For the three *age cohorts* 15-21 years, 34-56 years and over 57 years, they were able to capture both the *attitude* towards the advertising of controversial or socially sensitive products such as cigarettes, as well as about various ad execution technics. The most significant differences were between the youngest and the oldest cohorts and especially with regard to gender aspects.²⁴⁸ They strongly recommend that Western marketers build up a good understanding of Chinese habits, in order to make appropriate cultural adaptations.²⁴⁹ The *reaction of potential Chinese buyers to ad contents and formats* are also researched by other authors not on this list – authors like ZHOU/BELK (2004) on *global and local advertising appeals*,²⁵⁰ or LIN (2001) on reflected *cultural values*.²⁵¹
- LINDRIGE/WANG (2008) examine twelve young Shanghai-Chinese who are planning to have or have had plastic surgery, in order to find out whether the *cultural aspects of consumption* are increasingly in line with Western values in the course of *modernisation*. The authors argue that plastic surgery has become a constructing function for the personality adjustment towards reaching

²⁴⁶ Cf. Wong/Zhou (2005), pp.1 ff.

²⁴⁷ Ibidem, p. 9.

²⁴⁸ Cf. Fam et al. (2008) pp. 461 ff.

²⁴⁹ Cf. ibidem, p. 468.

²⁵⁰ Cf. Zhou/Belk (2004), pp. 63 ff.

²⁵¹ Cf. Lin (2001), pp. 83 ff.

the *desired ideal*, reflecting social change. Thus, *perfection*, *success* and *wealth* are the central attributes of the 'new' China.²⁵²

- LI ET AL. (2008) question 300 students via both e-mail and paper questionnaire on their *service consumption behaviour* (hairdressing service). Thus, they deliver explanations for the factors that influence *repurchase behaviour*, or which could lead to repurchase.²⁵³ The authors show that *customer satisfaction* and the *cost of switching* have a positive influence on the repurchase intention, but that the *purchase interval* exerts no significant influence. Furthermore the perceived value correlates positively with customer satisfaction.²⁵⁴
- HSU/NIEN (2008) compare consumers from Taiwan – whose cultural and social system was shaped by Japanese colonisation between 1895 and 1945²⁵⁵ – with consumers from the urban Chinese mainland for the decision-influencing variable of *ethnocentrism*: 'a form of nationalism in which one sees one's own people (one's own nation) as the centrepiece and at the same time as superior to other peoples.'²⁵⁶ They acknowledge that ethnocentrism decreases with increasing contact with foreign influences.²⁵⁷

Following on ethnocentrism, the closely associated '*country of origin (COO) effect*' will be referenced, which describes what effect the image of the originating country has on the perception of products and services. In the context of buying behaviour, for instance, KUMARA/CANHUA (2010) examine this effect through a survey of 170 Chinese students. They determine for the situation of buying a foreign product that the *economic value* is taken into account, an *information demand* occurs or remains, that the consumer considers what impacts the product has on his *social status*, and therefore how his or her *personality* could be promoted.²⁵⁸

²⁵² Cf. Lindridge/Wang (2008), pp. 496 ff.

²⁵³ Cf. Li et al. (2008), pp. 448.

²⁵⁴ Cf. ibidem, p. 455.

²⁵⁵ Cf. Hsu/Nien (2008), p. 438.

²⁵⁶ Duden (n. a.) (2013), Ethnozentrismus.

²⁵⁷ Cf. Hsu/Nien (2008), pp. 441 f.

²⁵⁸ Cf. Kumara/Canhua (2010), pp. 343 ff.

With regard to the COO in conjunction with China, the following studies can be considered.²⁵⁹

- *Global brands* in context of decision-making: ROSENBLOOM ET AL. (2012)²⁶⁰
- *Brand preferences* of urban Chinese in buying behaviour: KWOK ET AL. (2006)²⁶¹
- *Using preferences* of domestic and foreign internet services: OH/ZHANG (2010)²⁶²
- *Ethnocentrism* and *nationalist opinions* as a potential danger for foreign goods: PARKER ET AL. (2011),²⁶³ ISHIA (2009)²⁶⁴
- *Case studies* regarding Taiwan and Acer in China to aversion and price-quality topics: AMINE ET AL. (2005)²⁶⁵
- Differentiation of COO in 'Country of Design' (COD), 'Country of Assembly' (COA) and 'Country of Manufacture' (COM) with regard to quality assessment and purchase intention of young Chinese: WONG ET AL. (2008)²⁶⁶

Research with an Intercultural Focus on Decision-making Processes

GONG (2003) picks up the need for intercultural research, as he considers the *influence of the Chinese culture on all phases of the buying decision process*. From this he derives hypotheses, so that a preparatory reference frame for further analysis results. The hypotheses are not tested; instead possible implications for the international marketing are shown.²⁶⁷ The hypotheses formulated by GONG offer valuable starting points for the success factor research that is studied in this work. For example, the usually positive effect of *guarantees* could be weak in China; so it is hypothesis P10: 'Chinese consumers are less likely than Westerners to be attracted by product warranties',²⁶⁸ an aspect that can influence the success of the automotive after-sales marketing.

²⁵⁹ A selection referring to Trotter/Lijuan (2012), pp. 47 f.

²⁶⁰ Cf. Rosenbloom et al. (2012), pp. 20 ff.

²⁶¹ Cf. Kwok et al. (2006), pp. 163 ff.

²⁶² Cf. Oh/Zhang (2010), pp. 227 ff.

²⁶³ Cf. Parker et al. (2011), pp. 4 ff.

²⁶⁴ Cf. Ishia (2009), pp. 209 ff.

²⁶⁵ Cf. Amini et al. (2005), pp. 369 ff.

²⁶⁶ Cf. Wong et al. (2008), pp. 455 ff.

²⁶⁷ Cf. Gong (2003), pp. 373 ff.

²⁶⁸ Ibidem, p. 376.

KNÖRLE (2011) examines *brand loyalty in China* with the objective of, 'pointing out the cultural particularities for building brand loyalty in the Chinese context.'²⁶⁹ The author conducts a qualitative and a quantitative study (PLS-path modelling) that includes the consideration of central intercultural value studies. In terms of brand loyalty, he explores the fact that relationship to a brand is affected most strongly by social influences, amongst which the perception of the brand within the family context could be seen as the most intense. Based on the hypotheses tests in the path model, he also confirms empirically, that '(...) when it comes to relationships to brands, social aspects play a central role. In particular the perception of a brand as international has a positive effect on the judgement of its quality, on prestige and its perceived value as well as on social connectedness and brand loyalty.'²⁷⁰

HE/MUKHERJEE (2007) researched, with a structural equation model, how the *pursuit of self-congruity*²⁷¹ in the Chinese consumer influences their buying behaviour, especially as to their preferred business image. They notice that the Chinese consumer behaviour is driven by the motives of *actual self-congruity* and *social self-congruity*, which is why the satisfaction felt, the perception of value as well as dealer loyalty can be positively influenced here.²⁷² Personal and societal ideals, which are relevant in Western decision patterns, are overlain by the pressure of social acceptance and consistency, as the authors argue.²⁷³

Also within the context of intercultural marketing MOSER ET AL. (2011) research explicitly the *cultural standards of behaviour from the perspective of German managers*. They differentiate between the three generic cultural areas of *time*, *relationship* and *communication* from the five specific standards of *trust*, *collectivism*, *power distance*, *risk perception* and *negotiation pattern*, which usually establish aspects of the cultural areas mentioned.²⁷⁴ Because people in business relationships are surveyed, caution is advised when transferring the findings to the average consumer. However, they

²⁶⁹ Knörle (2011), p. 221.

²⁷⁰ Ibidem, p. 225.

²⁷¹ The concept of self-congruity is based on the 'assumption that the agreement of a consumer's personality characteristics with those of a brand leads to the consumer valuing the brand.' Mäder (2005), p. 26.

²⁷² Cf. He/Mukherjee (2007), pp. 443 ff.

²⁷³ Cf. ibidem, p. 454.

²⁷⁴ Cf. Moser et al. (2011), pp. 102 ff.

provide starting points and hints for those cultural aspects that can influence buying behaviour – such as the special position of the value, *trust*, which is closely associated with the requirement to *save face*, the *avoidance of direct confrontation* as well as the specifics of *Chinese negotiation methods*.²⁷⁵

Meta-Analysis of Consumer Behaviour

In a meta-analysis KROLL ET AL. (2011) consider 48 published studies (2000-2008) on *consumer behaviour*, to derive generally valid statements and to give recommendations for consumer goods marketing. Here, the main topics are: values/culture, attitude/motives, product characteristics, brand choice as well as consumer profiles.²⁷⁶ The authors state that the *novelty of Western products* becomes less important as a purchase incentive, and likewise by trend there is a general decline in the *preference of Western products*;²⁷⁷ but young Chinese are an exception, because more and more they are catching up with global trends, and thus they are adapting to their Western peer-group's consumption patterns. With regard to communication, they recommend strict credibility, because the *brand trust* acts as a major success criterion.²⁷⁸ It is important that almost all surveys were performed in urban China. A transfer of the findings to the whole of the People's Republic is therefore not possible, as neither the single surveys nor the meta-analysis are representative of the nation as a whole.

²⁷⁵ Cf. ibidem, pp. 106 f.

²⁷⁶ Cf. Kroll et al. (2011), pp. 1 ff.

²⁷⁷ Cf. ibidem, p. 9.

²⁷⁸ Cf. ibidem, pp. 3 ff.

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